



Horowhenua 
DISTRICT COUNCIL

PALMY
DISTRICT COUNCIL

 **RANGITIKEI**
DISTRICT COUNCIL


HŌA TAPŪWAKA O HAU

AGENDA

Joint Shareholders' Committee - Central Districts Water

10.00AM, FRIDAY 26 JUNE 2026

COUNCIL CHAMBER,
126-148 OXFORD STREET, LEVIN

MEMBERS

Mr Chris Gallavin (Chairperson)

Mayor Andy Watson (Deputy Chairperson)

Grant Smith (The Mayor)

**Mayor Bernie Wanden
(HDC)**

**Deputy Mayor Dave
Wilson (RDC)**

Cr Sam Jennings (HDC)

**Cr Kaydee Zabelin
(PNCC)**

**Ms Danielle Harris
(Kurahaupo Confederation)**

**Mr Hayden Turoa (Tainui
Confederation)**

**Ms Marj Heeney (Iwi of the
greater Rangitīkei Region))**



JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER MEETING

26 June 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

4. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

5. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

6. Confirmation of Minutes

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That the minutes of the Joint Shareholders' Committee - Central Districts Water meeting of 27 March 2026 Part I Public be confirmed as a true and correct record.

7. Confirmation of Minutes

Page 11

That the minutes of the Joint Shareholders' Committee - Central Districts Water meeting of 22 May 2026 Part I Public be confirmed as a true and correct record.

8. Adoption of draft Statement of Expectations

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Memorandum, presented by Chris Gallavin, Committee Chair.

9. Transition update from Chief Executives

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Memorandum, presented by Chris Dhyrberg, Executive Director.

10. Work Schedule

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11. Karakia Whakamutunga

12. Exclusion of Public

That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

Minutes of the Joint Shareholders Committee - Central Districts Water Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 27 March 2026, commencing at 4.00pm.

Members Present:	Mr Chris Gallavin (in the Chair), Mayor Grant Smith, Mayor Bernie Wanden, Councillor Sam Jennings, Councillor Kaydee Zabelin, Councillor Fi Dalgety (Alternate – RDC), Ms Danielle Harris, Mr Hayden Turoa and Ms Marj Heeney.
Members Present online:	Deputy Mayor Dave Wilson
Apologies:	Mayor Andy Watson

Karakia Timatanga

Mr Hayden Turoa opened the meeting with karakia.

Apologies

11-26 Confirmation of Minutes

Moved Mr Chris Gallavin, seconded Ms Danielle Harris.

The **COMMITTEE RESOLVED**

1. That the minutes of the Joint Shareholders Committee - Central Districts Water meeting of 13 March 2026 Part I Public be confirmed as a true and correct record.

Moved Mr Chris Gallavin, seconded Grant Smith.

2. That the minutes of the Joint Shareholders Committee – Central Districts Water meeting of 13 March 2026 Part II Confidential be confirmed as a true and correct record.

Clause 11-26 above was carried 8 votes to 0, with 1 abstention.

12-26 Process for development of Statement of Expectations

Memorandum, presented by Chris Gallavin, Independent Chair.

Moved Mr Chris Gallavin, seconded Mr Hayden Turoa.

The **COMMITTEE RESOLVED**

1. That the Committee agree the process for the developing the Statement of Expectations as set out in Attachment 2.

Clause 12-26 above was carried 9 votes to 0.

Content of Transfer Agreement

Memorandum, presented by Chris Dyhrberg - Executive Director.

13-26

Schedule of meetings

Memorandum, presented by Hannah White, Manager Governance, Palmerston North.

Moved Mr Chris Gallavin, seconded Mayor Bernie Wanden.

The **COMMITTEE RESOLVED**

1. That the Committee agree the following meetings:

10am, Friday 22 May 2026	Horowhenua District Council Chambers 126-148 Oxford Street, Levin
10am, Friday 26 June 2026	TBC
10am, Friday 7 August 2026	TBC
10am, Friday 4 September 2026	TBC
10am, Friday 4 December 2026	TBC
10am, Friday 12 February 2027	TBC
10am, Friday 9 April 2027	TBC
10am, Friday 11 June 2027	TBC

2. That the Committee cancel the previously scheduled meeting of 30 April 2026 and replace it with a committee workshop.

Clause 13-26 above was carried 9 votes to 0.

Work Schedule

Karakia Whakamutunga

Mr Hayden Turoa closed the meeting with karakia.

The public part of the meeting finished at 5.30pm.

Confirmed 22 May 2026.

Chairperson

Minutes of the Joint Shareholders' Committee - Central Districts Water Meeting Part I Public, held in the Council Chamber, 126-148 Oxford St, Levin on 22 May 2026, commencing at 10.05am.

Members Present:	Mr Chris Gallavin (in the Chair)) and Councillors Mayor Andy Watson, Mayor Bernie Wanden, Deputy Mayor Dave Wilson, Councillor Sam Jennings, Kaydee Zabelin, Mr Hayden Turoa and Ms Marj Heeney.
Members Present online:	The Mayor (Grant Smith), Ms Danielle Harris
Non Members:	Ms Di Rump

Karakia Timatanga

Mr Hayden Turoa opened the meeting with karakia.

14-26 Late Item

Moved Mr Chris Gallavin, seconded Mayor Andy Watson.

The **COMMITTEE RESOLVED**

1. That the Committee agree the late item.

Reasons for lateness: Timing of Committee agenda did not align with Board agenda preparation.

Reasons for urgency: Progress will be out of date by the time the Committee next meets in August.

Clause 14-26 above was carried 9 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mr Chris Gallavin, Mayor Andy Watson, Mayor Bernie Wanden, Deputy Mayor Dave Wilson, Councillor Sam Jennings, Kaydee Zabelin, Ms Danielle Harris, and Mr Hayden Turoa.

Ms Marj Heeney entered the meeting at 10.14am.

Draft Statement of Expectations

Memorandum, presented by Chris Gallavin, Committee Chair.

The Committee shared their thoughts on the revised draft.

The Chair summarised that themes raised which had received the broad agreement of the room were:

- The document be written in a way that gives customers assurance- this may mean being more directive in the first year
- Sections referring to relationship to be strengthened
- References to affordability should be refined to reference the obligation committed to in the Water Services Delivery Plan
- The length of the initial Statement of Expectations to be a year in the establishment phase
- More refinement needed of local statements
- Improve clarity re: what the Company is to report on (including that reporting be forward looking)

15-26

Reporting protocols of Committee

Memorandum, presented by Hannah White, Manager Governance.

Moved Mr Chris Gallavin, seconded Deputy Mayor Dave Wilson.

The COMMITTEE RECOMMENDS

1. That the Joint Shareholders' Committee report the progress of its work to each of the Councils and Ngā Tapuwae o Hau, twice a year, and that the Chair of the Committee present those reports.
2. That the Joint Shareholders' Committee review its reporting frequency after 12 months.
3. That the Joint Shareholders' Committee minutes be circulated according to the process set out in Table 1.
4. That any Joint Shareholders' Committee recommendations be put to each of the Councils by the Joint Shareholders' Committee representatives for that Council.

Clause 15-26 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mr Chris Gallavin, Mayor Andy Watson, Mayor Bernie Wanden, Deputy Mayor Dave Wilson, Councillor Sam Jennings, Kaydee Zabelin, Ms Danielle Harris, Mr Hayden Turoa and Ms Marj Heeney.

16-26

Confirmation of meeting schedule

Memorandum, presented by Hannah White, Manager Governance.

Moved Mr Chris Gallavin, seconded Ms Marj Heeney.

The **COMMITTEE RESOLVED**

1. That the Committee agree the schedule of meetings set out in section 2 of this memorandum, noting change of start time for 26 June 2026 and locations of all meetings.

Clause 16-26 above was carried 10 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mr Chris Gallavin, Mayor Andy Watson, Mayor Bernie Wanden, Deputy Mayor Dave Wilson, Councillor Sam Jennings, Kaydee Zabelin, Ms Danielle Harris, Mr Hayden Turoa and Ms Marj Heeney.

Transition update from Chief Executives

Memorandum, presented by Chris Dhyrberg, Executive Director.

The Committee received the update.

Karakia Whakamutunga

Mayor Wanden closed the meeting by leading the group in karakia.

The meeting finished at 12.02pm.

Confirmed 26 June 2026

Chairperson

MEMORANDUM

TO: Joint Shareholders' Committee - Central Districts Water

MEETING DATE: 26 June 2026

TITLE: Adoption of draft Statement of Expectations

PRESENTED BY: Chris Gallavin, Committee Chair

APPROVED BY: Monique Davidson, Chief Executive, Horowhenua District Council

RECOMMENDATION(S) TO JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER

1. That the Committee agree the Draft Statement of Expectations 2026-35 for Central Districts Water (Attachment 1).
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1. ISSUE

- 1.1 The purpose of this memorandum is to present the draft Statement of Expectations (SOE) for in-principle approval subject to feedback from the Central Districts Water Board and advancement of the Memorandum of Understanding with Nga Tapūwae o Hau.

2. BACKGROUND

- 2.1 On 25 March 2026 the Committee agreed a process for the development of the Statement of Expectations. This process must be published on councils' websites for public awareness.
- 2.2 At this same meeting, the Committee received a skeleton draft. That draft was updated by the Committee Chair subsequent to the Committee workshop on 30 April 2026.
- 2.3 In addition to the Committee workshop on the 30 April 2026, shareholder representatives took the opportunity to test the initial draft with their broader groups. Workshops were held by Rangitikei and Horowhenua District Councils, and Nga Tapūwae o Hau which the Chair attended. Written feedback has been provided by all three Councils to the Chair to assist in shaping the next draft.

- 2.4 A draft which took into account all of the written material provided was presented by the Chair to the Committee at its meeting on 22 May 2026. At this meeting all Committee members were given an opportunity to comment on the draft.
- 2.5 Subsequent to the 22 May meeting the Committee members (representatives of each) hosted workshops for the Councils and Nga Tapūwae o Hau. Productive discussion was held at each.
- 2.6 Following these workshops, the Chair arranged for a small group to meet and wordsmith the version now attach for the Committee's consideration. That group was made up of; Kaydee Zabelin (Palmerston North City Council), Hayden Turoa (Nga Tapūwae o Hau), Sam Jennings (Horowhenua District Council) and Dave Wilson (Rangitikei District Council). This was then circulated on 11 June 2026.
- 2.7 Between 11 June 2026 and the issuing of the agenda, Committee representatives have had the opportunity to speak with their advisors.
- 2.8 As a consequence of those discussions and subsequent to the drafting notes provided by the small wordsmith group below, Cr Kaydee Zabelin worked with her council and has provided what I regard as very helpful tidying of the half-yearly reporting requirements (clause 37) and an amendment to the performance indicator provision (clause 42(e) – now 44(e)) that seeks to ensure that the Committee is involved more tangibly in the approval of the performance indicators. Cr. Zabelin also passed on small typo and clarifying edits – I have incorporated these into the track-change version attached.
- 2.9 I suggest that these amendments are helpful as they provide clarity between establishment reporting (clause 37) and ongoing operational reporting (clause 42(e) – now 44(e)) that remained unclear in the draft sent on 11 June 2026. In part, the lack of clarity existed due to this being the first SOE and that it only covers the establishment phase.
- 2.10 On this latter point, I received feedback from Simpson Grierson on the afternoon of 22 June. They too had several small clarifying corrections (each clearly marked in the track-change version). However, they had one substantive point.
- 2.11 The lawyers highlighted the statutory requirement for the SOE to have a term of 10 years. In light of this I have provided an alternative form of wording that provides for a review every 12 months. I have retained the possibility of extraordinary reviews as and when the Committee might require them. I believe strongly that this achieves our objective of focusing more minutely on the first 12 months as we head toward 'day 1'. We will need to carefully manage the first review as come 30 June 2027 there will be a tremendous amount happening – but I think this is manageable.
- 2.12 In what is attached (the track-change and clean version) I provide all changes that have been sent through to me. In the following paragraph I provide an overview of those changes and a helpful explanation provided by Cr Zabelin.

2.13 From the helpful notes provided by Cr Zabelin:

Here we have suggested alternate clauses for the six-monthly reporting requirements (clause 37), that:

- *Relate to the establishment phase of the first year*
- *Are designed to show progress against establishment milestones and direction set out in the SOE*
- *Could be reported on as a dashboard-style Red-Amber-Green progress report, rather than service-delivery KPIs or a lengthy report.*
- *Focusses the six-monthly reporting requirements while not departing from the reporting areas already signalled (except where they relate to service delivery), reducing the reporting categories down from 11 to 8.*
- *Can be drawn from existing tracking and information, without requiring new and extensive data or additional monitoring.*

These proposed measures will clearly and concisely demonstrate CDW's progress toward is becoming operationally ready, transparent, financially disciplined, relationship-capable, and strategically prepared for Day One.

Additionally, we propose an amendment to clause 42(e) [now 44(e)] to ensure that the Shareholder Committee can either co-develop/collaborate or feed into the development of performance matrix in the Water Services Strategy (at the very least an opportunity to comment).

3. STATEMENT OF EXPECTATIONS- SUMMARY OF CHANGES FROM PREVIOUS DRAFT

3.1 **Clauses 3 and 4:** It was felt that this more rounded introduction provided important context and foundation for other readers and was appropriate at the start of this SOE

We also included an expansive list of stakeholders that we then grouped under 'communities' for use throughout the document. It was felt this was important to avoid duplication and possible confusion (through creating a feeling of an exhaustive check list where long lists of groups were starting to appear).

3.2 **[This was my wording prior to receiving the lawyers' notes] Clause 6:** Agreement has coalesced around 12months as the appropriate term for this first SOE – we toyed with wording around this – particularly the helpful suggestions of PNCC to give structure to when a review might be called for – but settled on the wording of v2 as we believe it to be permissive of review and in keeping with the living nature of this SOE.

Now it reads: Legislatively the term for an SOE is to be ten years. With this in mind I have proposed wording that establishes yearly reviews and retains the ability for extraordinary reviews over and above this. It is my belief that this preserves the intent of all partners.

- 3.3 **Clause 8:** The first clause where we see the use of ‘affordability’. As discussed at all workshops - it is important to ground the notion of ‘affordability’ - reference back to the formally agreed Water Services Delivery Plan from August 2025 is therefore included where affordability is defined in terms of % of household medium income within the service area.
- 3.4 **Clause 9(g):** Te Tiriti is referred to in more detail below - but it was felt that inclusion of a reference in the expectations under this clause was appropriate. The wording of this provision reflects section 4 of the Local Government Act (Treaty of Waitangi section).
- 3.5 **Clause 9(i):** All agree that care and protection of the environment is vital - this is carefully worded to ensure clarity of responsibility for Central Districts Water
- 3.6 **Clause 13:** Nga Tapūwae o Hau provided a very well worded explanation of ‘kaitiakitanga’. The group felt it added appropriately to the provision of clause 13 – strongly grounding it.
- 3.7 **Clause 16, 17, 18:** The group felt that this gave good clarity to the application of Te Tiriti provisions here, particularly as that related to pre-settlement iwi and hapū. It was also felt that it dovetails well into the local statement of Nga Tapūwae o Hau.
- 3.8 **Clause 21:** I pulled this from each of the local statements - it was agreed that it was important to all.
- 3.9 Local statements – **clauses 20 to 35:** Whilst future iterations of the SOE might not have such statements, it was felt that it was important for this first iteration to have them. Very significant thanks to Cr. Zabelin for her suggestion of a uniform structure for these pieces. This was enthusiastically agreed to by all in the group. We believed that they capture the local context well and make an important addition to the SOE.
- 3.10 **Clause 41:** Customer charter - as universally agreed - a return to some of the more directive wording of v1 is included in v3.
- 3.11 **Clause 42(d):** As with ‘affordability’ - ‘harmonisation’ is a specific term in this context. We have provided a reference to the Water Services Delivery Plan page number and definition.
- 3.12 **Clause 42(e) (now 44(e)):** Performance indicators and measures: We had a lot of discussion of this and the tension between empowerment of Central Districts Water to come back to us with such measures as part of their discussion and development of the Water Services Strategy - or us providing directives in this space.
- 3.13 As we worked through the moving parts of it, and considering this provision rightly comes under the obligation of Central Districts Water to develop and adopt a Water Services Strategy by 30 June 2027 - we came to the conclusion that this task was much more complex than what it might otherwise appear on the surface. Given the

level of complexity between this SOE and the myriad of other obligations upon Central Districts Water, it was agreed that the company was not only best placed, but realistically the only entity in which all that material could helpfully come together in the formation of performance indicators and measures.

- 3.14 All partners on the Committee contributed suggestions for such indicators. All were valid and well thought through. However, given the size and complexity of the task and the fact that the board would need to balance a number of competing pressures and expectations and that we did not want to overburden them with reporting, that it was best to leave it to Central Districts Water to devise an appropriate rubric of such measures as part of their development of the Water Services Strategy. The Water Services Strategy will come back to us for our consideration.

4. NEXT STEPS

- 4.1 Should the Committee agree the draft today, the Statement of Expectations 2026-35 will be delivered to the Chair of Central Districts Water, to ensure the Board has a formal opportunity to respond.
- 4.2 Subject to any concerns (if any are raised by the Board), and progress on the advancement of the MOU, the Draft SOE will come back to the Committee for consideration (and adoption) on 7 August 2026.
- 4.3 In response, the Board will compose the Company's proposed Water Services Strategy to be presented to the Committee before Christmas. It is intended that the Company will consult the public on their Water Services Strategy prior in the new year and adopt it by 30 June 2027.

5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes

ATTACHMENTS

1. Draft Statement of Expectations [↓](#) 
2. Tracked change version [↓](#) 

STATEMENT OF EXPECTATIONS FOR CENTRAL DISTRICTS WATER 2026

1. This Statement of Expectations (SoE) has been prepared and adopted on behalf of Horowhenua District Council, Palmerston North City Council and Rangitīkei District Council (together, the Shareholding Councils) and Nga Tapūwae o Hau, (the Ropu formed to represent the alliance of collective iwi and hapū interests across the Service Area - rohe) as partners that have formed a joint Shareholders Committee (Committee) that will have oversight of Central Districts Water Limited (CDW).
2. This SoE has been adopted to satisfy the requirement of section 224 of the Local Government (Water Services) Act 2025 (LGWSA). It contains the mandatory content required by the LGWSA as well as other content that has been agreed by the Committee.
3. This SoE is to inform and guide the decisions made, actions taken, and outcomes achieved by CDW, including how it works with the Shareholding Councils, Nga Tapūwae o Hau, including mana whenua partners, iwi and hapū, communities and other relevant parties (hereafter referred to as communities).
4. CDW is to ensure that its planning, decisions and activities give effect to the expectations set by the Committee. Any material departure from this SoE should be approved by the Committee.
5. The Committee acknowledges that the achievement of all expectations must be viewed against the context of the current operating environment, the condition of the assets being transferred, the operating budgets available and the time required to establish new systems and capability.

Period of Operation & Review

6. This SOE operates for a period of 10 years (to 30 June 2036) with the Committee to review the SOE every 12 months. Between any 12-month review period, the Committee can choose to conduct an extraordinary review of this SOE. Any proposed amendment or replacement will be brought to the Board of CDW for consultation prior to adoption.

STATEMENT OF STRATEGIC OUTCOMES FOR CENTRAL DISTRICTS WATER

7. The role of CDW is to deliver affordable,¹ efficient, safe, reliable, and quality water services that align with strategic land use plans and policies, and environmental standards including iwi and hapū management plans and urban growth strategies into the future.
8. Central Districts Water is expected to:
 - (a) Prioritise the wellbeing of water and therefore public health;
 - (b) Deliver compliant water services;

¹ For the purposes of this SOE affordability is defined under the Water Services Delivery Plan (August 2025). See 'Average projected charges for water services over FY2024/25 to FY2033/34', pp. 142-143 where increases are shown between 2024/25 and 2033/34 as starting at 1.7% and culminating in 2.8% of household medium income across the Service Area.

- (c) Ensure affordability to communities and stakeholders;
- (d) Deliver efficiency gains across the Service Area (rohe);
- (e) Develop an affordable capital investment programme that is clearly signalled to communities and stakeholders;
- (f) Align water services with spatial growth strategies, relevant district plans of the Shareholding Councils and any relevant iwi and hapū management plans;
- (g) Act in accordance with its statutory obligations relating to the Te Tiriti o Waitangi / Treaty of Waitangi and its principles, act consistently with applicable Treaty settlement commitments and existing partnership or relationship arrangements with Shareholder Councils (including those with iwi /hapu that are pre-settlement), that apply within the Service Area (rohe).
- (h) Give effect to the kawa and tikanga of iwi and hapū within the Service Area (rohe) and to include those understandings in project planning, consenting, infrastructure design, discharge management, environmental monitoring, and investment prioritisation;
- (i) Acknowledge and address adverse environmental effects in accordance with legislative requirements;
- (j) Work alongside Shareholder Councils and Nga Tapūwae o Hau, to build resilient and secure water services, including strategic asset and infrastructure planning with at least a 30-year timeframe in mind;
- (k) Build and maintain public confidence.
- (l) Develop policies to guide and promote local procurement and local workforce development.

SHARED PRINCIPLES TO GUIDE CENTRAL DISTRICT WATER

9. The following principles are intended to guide the SOE for CDW. Together, they express a shared vision for a water system that cares for water (wai), supports the wellbeing of people and communities, reflects enduring relationships and responsibilities, and creates a strong foundation for future generations. They are intended to help shape a constructive, inclusive, and place-based approach to governance, service delivery, investment, accountability, and collaboration across the Service Area (rohe).
10. Our joint endeavour is to reflect the value of collaboration (mahi tahi) between all parties through relationships built on connection, trust, and mutual respect. It invites CDW, councils, Nga Tapūwae o Hau and communities, to move forward with shared purpose, collective effort, and ongoing partnership, recognising that the care and future of water are strengthened when people work together for the benefit of present and future generations.
11. Water is the lifeblood of our communities, nourishing our people, land, and wellbeing, while holding deep whakapapa connections as a taonga, sustaining the mauri of our environment and future generations. The health and wellbeing of water

Page 2

bodies and freshwater ecosystems is fundamental to the wellbeing of all life (Te Mana o te Wai). In giving effect to this SOE, the first consideration is the health and wellbeing of water, the second is the essential health needs of people, including access to safe and sufficient drinking water, and the third is the ability of communities to provide for their social, economic, and cultural wellbeing, now and into the future. This hierarchy offers a shared foundation for balanced and enduring decision-making.

12. Fundamental are our responsibilities to care, protect and steward our waterways and water services (kaitiakitanga). This will act to support the success of intergenerational protection, the creation of space for others as stewards alongside iwi and hapū, and to contribute to the long-term wellbeing of water, people, and place. Kaitiakitanga reflects the whakapapa-based responsibilities of iwi and hapū in relation to wai. It recognises the enduring obligation to care for, protect and restore waterways, supports intergenerational protection, and creates space for others, as stewards alongside iwi and hapū, to contribute to the long-term wellbeing of water, people and place. put at the bottom of current
13. Access to safe, sufficient, and affordable water is essential to life, health, dignity, and wellbeing. The water system should be shaped by the aspiration that no person, whānau, or community is left without the water they need (manaakitanga).
14. Further, care, flexibility, and awareness of local context is required, including the marae and hapū-based structures through which iwi and hapū organise and engage. Uniformity across communities within the Service Area (rohe) ought not be assumed. Wherever possible, engagement should respond to the distinct circumstances, priorities, relationships, and responsibilities that exist within each catchment.
15. Te Tiriti o Waitangi (The Treaty of Waitangi) provides for meaningful partnership, engagement, mutual respect and good faith. These elements should underpin the way Central Districts Water works with mana whenua, iwi and hapū across the Service Area (rohe).
16. Through its planning, investment, decision-making and operational activities, CDW should give practical effect to its legislative obligations, Treaty settlement arrangements and other relevant relationship commitments, while respecting the enduring interests, established legal rights, responsibilities, relationships and connections that iwi and hapū have in relation to wai."
17. For iwi and hapū who are not yet settled CDW should act fairly, consistently and in good faith in its relationships with iwi and hapū across the Service Area (rohe). While recognising that different statutory, settlement and legal arrangements may apply, CDW should seek to ensure that its planning, engagement and decision-making processes are inclusive and responsive to local circumstances, and do not inadvertently disadvantage iwi and hapū who are not yet settled, to the extent permitted by, and consistent with, applicable legislative and settlement frameworks.
18. An enduring and trusted water system depends on openness, honesty, and clear accountability. CDW is to ensure communities have confidence that decisions are

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made transparently, commitments are followed through, and progress can be seen over time.

REGIONAL BENEFITS WITH LOCAL FLAVOUR

19. In delivering services across the service area, the Board will recognise the distinct context of each shareholding council and of Nga Tapūwae o Hau.
20. Any material departure from relevant council planning should be clearly signaled to the Committee.

Horowhenua District Council

Local context

21. Horowhenua is a growing district, with water services needing to support planned urban development and align with infrastructure sequencing and investment needs.

Future priorities

22. Priorities include progressing critical infrastructure in a timely and coordinated manner, particularly water storage, wastewater treatment capacity, and infrastructure required to service planned development. There is also a priority to consider whether the new delivery model enables wastewater treatment upgrades to be accelerated, recognising that previous sequencing has been influenced by council funding and balance sheet constraints. Water services delivery should also support environmental outcomes and identify opportunities linked to major infrastructure investment where these intersect with growth and environmental improvement.

Relevant documents and references (not exhaustive)

23. Horowhenua Growth Strategy 2040; the operative LTP; Lake Horowhenua Accord; Manawatū River Accord; Ō2NL.

Rangitikei District Council

Local context

24. Rangitikei has a mixed service context, including both urban growth and the presence of retained rural water schemes, requiring flexibility in how water services are planned and delivered.

Future priorities

25. Priorities include supporting planned growth and urban development and progressing critical infrastructure investment in a timely and coordinated manner. A further priority is enabling case-by-case contractual arrangements between CDW and retained rural water schemes where this is practical and mutually beneficial.

Relevant documents and references (not exhaustive)

26. The operative LTP; future development planning documents; any relevant arrangements relating to retained rural water schemes.

Palmerston North

Local context

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27. Palmerston North is a growing urban area where water services planning needs to align closely with growth planning, infrastructure investment, and stormwater management.

Future priorities

28. Priorities include progressing critical infrastructure in a timely and coordinated manner to support planned growth and urban development. A particular priority is implementing council decisions on the future of the wastewater treatment plant (the Nature Calls project) including the associated adaptive management programme, recognising its significance for environmental outcomes, regulatory compliance, affordability and future growth.

Relevant documents and references (not exhaustive)

29. The operative LTP; Palmerston North Future Development Strategy; Palmerston North Stormwater Strategy; Council resolution on the wastewater treatment plant and associated adaptive management approach.

Nga Tapūwae o Hau

Local context

30. Iwi and hapū across the rohe are not all in the same position in terms of settlement, statutory recognition, or the expression of their rights, interests, responsibilities and relationships in relation to whenua and wai.
31. CDW is therefore expected to act with care, flexibility and awareness of local context, including the marae- and hapū-based structures through which iwi and hapū organise and engage. This requires an approach that does not assume uniformity across the Service Area, but instead responds to the distinct circumstances, priorities, relationships and responsibilities that exist within each catchment.
32. Neither settlement commitments nor the place of non-settled iwi and hapū is to be diminished through transition, operational decision-making or investment choices, and that each is able to continue protecting and upholding its taonga in a manner consistent with its tikanga, responsibilities and rohe.

Future priorities

33. Priorities include ensuring that CDW adopts an approach that is responsive to differing circumstances across the service area, supports meaningful engagement and partnership, and appropriately recognises the rights, interests and responsibilities of iwi and hapū in relation to whenua and wai.

Relevant documents and references (not exhaustive)

34. Relevant statutory acknowledgements; Treaty settlement arrangements; mana whakahaere; and iwi and hapū planning or relationship documents where they apply.

RELATIONSHIP EXPECTATIONS

35. Central Districts Water is expected to:

- (a) Develop strong, trusting partnership relationships with all three Shareholding Councils and Nga Tapūwae o Hau, Mana Whenua in the service area.;
- (b) Develop strong systems that prioritise local expertise and guidance through partnership relationships with all three Shareholding Councils and Nga Tapūwae o Hau and mana whenua within the Service Area (rohe);
- (c) Ensure hapū and iwi, along with shareholding councils are engaged throughout the lifecycle of planning, design, consenting, delivery, monitoring, review, and public engagement;
- (d) Engage early, collaboratively, in good faith, in a mana-enhancing way and in the spirit of no surprises;

REPORTING IN THE FIRST YEAR

36. In recognition that the first year of operation is primarily an establishment and transition phase, rather than a full-service delivery phase, CDW's half-yearly reporting is expected to include a concise establishment performance dashboard that enables the Committee to assess whether CDW is progressing in an orderly, transparent and effective way toward Day One readiness. The establishment performance dashboard is expected to report against the following eight measures, each of which should be capable of Red/Amber/Green assessment:
- (a) Programme delivery: status of establishment programme milestones against the approved establishment plan, including whether milestones are on track, delayed but recoverable, materially delayed, or requiring escalation;
 - (b) Day One readiness: readiness status across agreed critical capability areas, including governance, finance, people, information systems, customer systems, asset information, legal, procurement, communications, and risk management, assessed against defined Day One minimum requirements;
 - (c) Governance and controls: status of the core governance, policy, delegation, risk, procurement, financial control, legal, assurance and reporting arrangements required for CDW to operate as an effective and accountable water services organisation;
 - (d) Financial performance against establishment budget: actual establishment expenditure and forecast year-end position against approved budget, including any material variance, the reason for the variance, and the confidence that corrective action will keep expenditure within approved settings;
 - (e) Relationship and engagement performance: status of agreed engagement with Shareholding Councils, Nga Tapūwae o Hau, mana whenua, iwi and hapū, including engagement undertaken, matters raised, actions arising, and whether any issue requires Committee attention or escalation;

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- (f) Strategy and planning progress: status of the Water Services Strategy, Asset Management Plans, Strategic Asset Management Plan, Investment Delivery Plan, price harmonisation work programme, and associated accountability framework against agreed milestones;
 - (g) People and capability: status of organisational capability, including critical appointments, vacancies, organisational design, staffing profile, workforce transition arrangements, health and safety responsibilities, and any material workforce risks;
 - (h) Top risks and mitigations: status of material strategic, operational, financial, funding, legal, cultural, environmental, asset, information, data and transition risks, including mitigation effectiveness, risk ownership, and any matter requiring Committee attention, decision or escalation.
37. For each measure in clause 36, CDW should report the expected milestone or status, current status, Red/Amber/Green rating, explanation of any material variance, corrective action, expected recovery timeframe where relevant, and whether any matter requires Committee attention, decision or escalation.
38. For the purposes of clause 37, a Green rating should indicate that the relevant measure is on track or that no material issue requires Committee intervention; an Amber rating should indicate a minor delay, dependency, variance or risk where management action is underway and recovery is achievable; and a Red rating should indicate a material delay, unresolved dependency, significant variance or risk, or any matter requiring Committee attention, decision or escalation.

ESTABLISHMENT EXPECTATIONS

The following expectations are intended to ensure that CDW is set up for success, with all necessary components in place for its 'Day One' (1 July 2027).

Funding

39. CDW will work with the Local Government Funding Agency (LGFA) and other funding providers as might be available to prepare to accede as a participating borrower, ensuring access to the same financing terms available to the Shareholding Councils and maintaining consistency across the region's funding arrangements.

Public Engagement

40. CDW will develop and publish policies which set out how Central Districts Water will engage with the public and communities on matters of engagement and consultation.
41. Such policies are to be reviewed by the Committee prior to adoption.

Customer Charter

42. CDW will develop and publish a Customer Charter which sets out the organisation's commitment to operate openly, in the interests of the wellbeing of water, to advance community health and to do so efficiently and affordably. It is expected that CDW will develop, publish and actively promote a Customer Charter which:

- (a) informs customers of what they can expect from CDW regarding the provision of water services, service levels and how charges are set;
- (b) outlines how customers can engage directly with CDW in relation to its delivery of water services, including how customers can raise complaints or issues about the services they receive, and how CDW will respond to such matters;
- (c) communicates CDW's commitment to being professional, open and transparent, acting with integrity, treating its customers fairly, and operating with clear and accessible information; and
- (d) outlines the commitment CDW has to environmental stewardship.

43. The Customer Charter is to be reviewed by the Committee prior to adoption.

Water Services Strategy

44. CDW will develop and adopt a Water Services Strategy by 30 June 2027. In developing its initial Water Services Strategy, CDW is expected to:
- (a) Develop the strategy that is aligned with the Water Services Delivery Plan, the Investment Delivery Plan, the Asset Management Plans, the Strategic Asset Management Plan, and this SOE;
 - (b) Commence work on how to achieve price harmonisation first within and then between, each of the Shareholding Councils' districts;²
 - (c) Ensure transparency in planning for short and long-term charging contingencies;
 - (d) Detail how corporate and cultural capability will be built to ensure efficient delivery of services;
 - (e) Develop, in collaboration with the Committee, a matrix of performance indicators and measures to be used by the Committee to ensure accountability of CDW to the Committee over the life of this SOE;
 - (f) Provide the Committee with an early opportunity to comment on the draft Water Services Strategy.

Credit Rating

45. It is expected that, after a settling in period, CDW seeks its own credit rating.

ENDURING EXPECTATIONS

46. These enduring expectations are focussed on longer term planning and operations.

Safe, reliable and resilient water services

47. Central Districts Water is expected to:
- (a) Give effect to the commitments of the Shareholding Councils to ensure Te Mana o te Wai is reflected in strategy, planning, investment, and decision-making, in a

² In accordance with the agreement between shareholder councils under the Water Services Development Plan, price harmonisation between shareholding councils' districts will not occur prior to 30 June 2032, see p. 13.

manner that supports the health and wellbeing of water and the communities it sustains;

- (b) Establish an effective enterprise level risk management framework and align internal management with strategic goals to improve operational efficiency, compliance, and pathways to improved risk maturity.

Customer and Community

48. Central Districts Water is expected to:

- (a) Be customer and community focused. The views of communities are central to how water services are delivered;
- (b) Be transparent with the community, iwi and hapū about its planning and challenges, including financial complexities which may impact on affordability;
- (c) Communicate with communities in an open and timely way, and in a manner that is appropriate for the audience about intended activities that may affect them, with clear explanations about key issues and drivers for activities, and opportunities for engagement with CDW;
- (d) Continually build genuine, transparent, and enduring partnerships with mana whenua, including through Nga Tapūwae o Hau, by establishing agreed mechanisms, processes, and understandings that enable meaningful mana whenua participation in strategic policy development, planning, and investment decision-making.

Affordability, Equity and Value for Money

49. Central Districts Water is expected to:

- (a) Deliver value for money (efficiency and fairness) whilst maintaining affordability;³
- (b) Acknowledge at all times that water supply is an essential lifeline service and that if restrictions ever need to be applied across the Service Area (rohe), no household will be denied access to water services due to financial hardship or other vulnerabilities;
- (c) Consider equity and hardship, ensuring vulnerable households are supported through appropriate policies;
- (d) Work with the Shareholding Councils to develop consistent water bylaws across the Service Area (rohe).

Aligned strategic growth planning

50. Central Districts Water is expected to:

- (a) Work closely with the Shareholders' Committee, Shareholder Councils, and Nga Tapūwae o Hau to ensure its long-term investment plans support and align with

³ See footnote 1 above.

Shareholding Councils' and any iwi and hapū led growth strategies and urban development goals within the Service Area (rohe) over time;

- (b) Work with the Shareholding Councils on infrastructure needs and costs for green and brown field growth;
- (c) Actively support the Shareholding Councils' building and resource consenting processes;
- (d) Support the Shareholding Councils with any collective advocacy on growth related reform or plan change processes, so that a "one family" approach is taken where possible to growth planning across the Service Area (rohe).

Environmental Responsibilities and Outcomes

51. In accordance with statutory requirements Central Districts Water is expected to:
- (a) Be a responsible guardian of the environment and actively seek to protect and enhance the health of waterways, land and catchments in its Service Area (rohe), and other natural ecosystems it interacts with;
 - (b) Minimise adverse environmental effects, and to pursue improvement in environmental outcomes wherever possible;
 - (c) Use its best endeavours to meet or exceed all environmental regulatory requirements, and where it does not meet those requirements shall take a proactive and practical approach to resolving all non-compliance;
 - (d) Progressively work towards applying a climate change lens to its decision making and reduce greenhouse gas emissions across its activities over time.

Emergency Preparedness and Continuity of Service

52. CDW will be the water lifeline utility as defined in the CDEM Act 2002 and is therefore expected to lead water community resilience before, during and after any emergency event.
53. Central Districts Water is expected to:
- (a) Work to ensure drinking water supply and wastewater services either continue to operate during and following emergencies, even if at reduced levels, or is subject to minimal disruption only;
 - (b) Actively participate in regional and local emergency management planning and maintains and regularly updates its own emergency response and business continuity plans;
 - (c) Work closely with Shareholding Councils, emergency services, marae and other lifeline utilities to ensure a coordinated and effective response to emergencies, including through timely and transparent communication with key agencies, and the public.

STATEMENT OF EXPECTATIONS FOR CENTRAL DISTRICTS WATER 2026

1. This Statement of Expectations (SoE) has been prepared and adopted on behalf of Horowhenua District Council, Palmerston North City Council and Rangitikei District Council (together, the Shareholding Councils) and Ngā Tapuwāe o Hau, (the Ropu formed to represent the alliance of collective iwi and hapū interests across the Service Area - rohe) as partners that have formed a joint Shareholders Committee (Committee) that will have oversight of Central Districts Water Limited (CDW Central Districts Water).
2. This SoE has been adopted ~~in order to~~ satisfy the requirement of section 224 of the Local Government (Water Services) Act 2025 (LGWSA). It contains the mandatory content required by the LGWSA as well as other content that has been agreed by the Committee.
3. ~~This SoE sets out the Committee's Statement of Strategic Intent for Central Districts Water along with a range of expectations, including relationship, establishment, enduring and reporting expectations. This SoE is to inform and guide the decisions made, actions taken, and outcomes achieved by CDW, including how it works with the Shareholding Councils, Ngā Tapuwāe o Hau, including mana whenua partners, iwi and hapū, communities and other relevant parties (hereafter referred to as communities).~~
- 3.4. CDW is to ensure that its planning, decisions and activities give effect to the expectations set by the Committee. Any material departure from this SoE should be approved by the Committee.
- 4.5. The Committee acknowledges that the achievement of all expectations must be viewed against the context of the current operating environment, the condition of the assets being transferred, the operating budgets available and the time required to establish new systems and capability.

Period of Operation & Review

- 5.6. ~~This SoE operates for a period of 12 months~~three years, with the Committee to prepare and deliver an updated SoE prior to 30 June 2029~~7~~.
7. The SOE can be reviewed at any time by the Committee. Any proposed amendment or replacement will be brought to the Board of CDW Central Districts Water for consultation prior to adoption.

[Alternative wording in compliance with the law:]

6. This SOE operates for a period of 10 years (to 30 June 2036) with the Committee to review the SOE every 12 months. Between any 12 month review period, the Committee can choose to conduct an extraordinary review of this SOE. Any proposed amendment or replacement will be brought to the Board of CDW for consultation prior to adoption.

STATEMENT OF STRATEGIC ~~OUTCOMES~~ INTENT FOR CENTRAL DISTRICTS WATER

Commented [CG1]: Lawyer's adjustment

Commented [CG2]: The lawyers note that the SOE has to be for a term of 10 years - in looking at Iwairangi and Tiaki Wai SOEs they provide for review every 12 months. I suggest we adopt the same

Commented [CG3]: The lawyers have expressed concern about the bandwidth of the board in 12 months from now as they will be full up with the launch of the company and the finalisation of the WSS. I suggest we can manage that - and that any 'review' does not need to be onerous but might be important as we reach 'day one' operation having been through a process of discussion about the WSS and potential discovery of what might need tweaking (at least) in the SOE.

Commented [CG4]: Lawyer's adjustment

~~6.8.~~ The role of ~~CDW~~~~Central Districts Water~~ is to deliver affordable,¹ efficient, safe, reliable, and quality water services that align with strategic land use plans and policies, and environmental standards including iwi and hapū management plans and urban growth strategies into the future.

~~7.1. Water is the lifeblood of our communities, nourishing our people, land, and wellbeing, while holding deep whakapapa connections as a taonga, sustaining the mauri of our environment and future generations.~~

~~8.9.~~ Central Districts Water is expected to:

- (a) Prioritise the wellbeing of water and therefore public health;
- (b) Deliver compliant water services;
- (c) Ensure affordability to communities and stakeholders;
- (d) Deliver efficiency gains across the Service Area (rohe);
- (e) Develop an affordable capital investment programme that is clearly signalled to communities and stakeholders;
- (f) Align water services with spatial growth strategies, and the relevant district plans of the Shareholding Councils and with any relevant iwi and hapū management plans;

(g) Act in accordance with its statutory obligations relating to the Te Tiriti o Waitangi / Treaty of Waitangi and its principles, give effect to [act consistently with] applicable Treaty settlement commitments and existing partnership or relationship arrangements with Shareholder Councils (including those with iwi /hapu that are pre-settlement), that apply within the Service Area (rohe).

~~(g)(h)~~ Give effect to the kawa and tikanga of iwi and hapū within the Service Area (rohe) and to include those understandings in project planning, consenting, infrastructure design, discharge management, environmental monitoring, and investment prioritisation;

~~(h)(i)~~ Acknowledge and address adverse environmental effects in accordance with legislative requirements~~Minimise adverse environmental effects;~~

~~(i)(j)~~ Work alongside Shareholder Councils and Nga Tapuwae o Hau, to build resilient and secure water services, including strategic asset and infrastructure planning with at least a 30-year timeframe in mind;

~~(j)(k)~~ Build and maintain public confidence.

Commented [CG5]: Very minor typo-edits helpfully suggested by PNCC

Commented [CG6]: Lawyers have suggested replacing 'give effect to' with 'act consistently with'. There is no intention to change the meaning.

¹ For the purposes of this SOE affordability is defined under the Water Services Delivery Plan (August 2025). See 'Average projected charges for water services over FY2024/25 to FY2033/34', pp. 142-143 where increases are shown between 2024/25 and 2033/34 as starting at 1.7% and culminating in 2.8% of household medium income across the Service Area.

- ~~4.10~~ (1) Develop policies to guide and promote local procurement and local workforce development.

SHARED PRINCIPLES TO GUIDE CENTRAL DISTRICT WATER

- ~~9.10.~~ The following principles are intended to guide the ~~SOE~~Statement of Expectations for CD~~Wentral District Water~~. Together, they express a shared vision for a water system that cares for water (wai), supports the wellbeing of people and communities, reflects enduring relationships and responsibilities, and creates a strong foundation for future generations. They are intended to help shape a constructive, inclusive, and place-based approach to governance, service delivery, investment, accountability, and collaboration across the Service Area (rohe).
- ~~11.~~ Our joint endeavour is to reflect the value of collaboration (mahi tahi) between all parties through relationships built on connection, trust, and mutual respect. It invites ~~the CDWentral Districts Water~~, councils, ~~Ngā Tapuwae o Hau iwi hapū~~, and communities, to move forward with shared purpose, collective effort, and ongoing partnership, recognising that the care and future of water are strengthened when people work together for the benefit of present and future generations.
- ~~Water is the lifeblood of our communities, nourishing our people, land, and wellbeing, while holding deep whakapapa connections as a taonga, sustaining the mauri of our environment and future generations.~~
- ~~10.~~
- ~~11-12.~~ The health and wellbeing of water bodies and freshwater ecosystems is fundamental to the wellbeing of all life (Te Mana o te Wai). In giving effect to this SOE, the first consideration is the health and wellbeing of water, the second is the essential health needs of people, including access to safe and sufficient drinking water, and the third is the ability of communities to provide for their social, economic, and cultural wellbeing, now and into the future. This hierarchy offers a shared foundation for balanced and enduring decision-making.
- ~~12-13.~~ Fundamental are our responsibilities to care, protect and steward our waterways and water services (kaitiakitanga). This will act to support the success of intergenerational protection, the creation of space for others as stewards alongside iwi and hapū, and to contribute to the long-term wellbeing of water, people, and place. ~~Kaitiakitanga reflects the whakapapa-based responsibilities of iwi and hapū in relation to wai. It recognises the enduring obligation to care for, protect and restore waterways, supports intergenerational protection, and creates space for others, as stewards alongside iwi and hapū, to contribute to the long-term wellbeing of water, people and place. put at the bottom of current~~
- ~~13-14.~~ Access to safe, sufficient, and affordable water is essential to life, health, dignity, and wellbeing. The water system should be shaped by the aspiration that no person, whānau, or community is left without the water they need (manaakitanga).

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~~14-15.~~ Further, care, flexibility, and awareness of local context is required, including the marae and hapū-based structures through which iwi and hapū organise and engage. Uniformity across communities within the Service Area (rohe) ought not be assumed. Wherever possible, engagement should respond to the distinct circumstances, priorities, relationships, and responsibilities that exist within each catchment.

16. Te Tiriti o Waitangi (The Treaty of Waitangi) provides ~~for an important foundation for relationships, shared responsibility, and the way decisions are made in relation to water (wai). It provides a basis for partnership, active protection, good faith, equity, and respectful engagement, and supports an approach in which the whole community can move forward together. meaningful partnership, engagement, mutual respect and good faith.~~ These elements should underpin the way Central Districts Water works with mana whenua, iwi and hapū across the Service Area (rohe).

17. Through its planning, investment, decision-making and operational activities, CDW should give practical effect to its legislative obligations, Treaty settlement arrangements and other relevant relationship commitments, while respecting the enduring interests, established legal rights, responsibilities, relationships and connections that iwi and hapū have in relation to wai."

~~15-18.~~ For iwi and hapū who are not yet settled CDW should act fairly, consistently and in good faith in its relationships with iwi and hapū across the Service Area (rohe). While recognising that different statutory, settlement and legal arrangements may apply, CDW should seek to ensure that its planning, engagement and decision-making processes are inclusive and responsive to local circumstances, and do not inadvertently disadvantage iwi and hapū who are not yet settled, to the extent permitted by, and consistent with, applicable legislative and settlement frameworks.

~~16-19.~~ An enduring and trusted water system depends on openness, honesty, and clear accountability. ~~CDW Central District Water is needs~~ to ensure communities have confidence that decisions are made transparently, commitments are followed through, and progress can be seen over time.

REGIONAL BENEFITS WITH LOCAL FLAVOUR

20. In delivering services across the service area, the Board will recognise ~~the distinct specific context of each shareholding council and of Ngā Tapuwāe o Hau. For the regions of the shareholder councils and for Ngā Tapuwāe o Hau this includes:~~

21. Any material departure from relevant council planning should be clearly signaled to the Committee.

Horowhenua District Council

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Local context

22. Horowhenua is a growing district, with water services needing to support planned urban development and align with infrastructure sequencing and investment needs.
17. Supporting planned growth and urban development, as reflected in the 2040 Growth Strategy and 2024-2044 Long Term Plan and progressing critical infrastructure investments—including water storage and wastewater treatment capacity—in a timely and coordinated manner.

Future priorities

23. Priorities include progressing critical infrastructure in a timely and coordinated manner, particularly water storage, wastewater treatment capacity, and infrastructure required to service planned development. There is also a priority to consider whether the new delivery model enables wastewater treatment upgrades to be accelerated, recognising that previous sequencing has been influenced by council funding and balance sheet constraints. Water services delivery should also support environmental outcomes and identify opportunities linked to major infrastructure investment where these intersect with growth and environmental improvement.

Relevant documents and references (not exhaustive)

24. Horowhenua Growth Strategy 2040; the operative LTP; Lake Horowhenua Accord; Manawātū River Accord; Ō2NL.
18. Considering opportunities to accelerate delivery of wastewater treatment upgrades already planned or underway, where the new delivery model enables this; recognising that previous timeframes and sequencing have been influenced by Council funding and balance sheet constraints.
19. To play a meaningful role in advancing environmental outcomes, including contributing to the aspirations reflected in the Lake Horowhenua Accord and Manawatu River Accord, actively identifying and supporting opportunities arising from major infrastructure investments—including those associated with Ō2NL—where these intersect with water services and growth.

Rangitikei District Council

20. Supporting planned growth and urban development, as reflected in the Long Term Plan and Future Development Plans progressing critical infrastructure investments—in a timely and coordinated manner. Any departure from such plans be clearly signalled to the Council.

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- ~~21. Support possible contractual arrangements between Central Districts Water and the retained rural water schemes within the area of the Rangitikei as they might arise on a case-by-case basis.~~

Local context

- ~~25. Rangitikei has a mixed service context, including both urban growth and the presence of retained rural water schemes, requiring flexibility in how water services are planned and delivered.~~

Future priorities

- ~~26. Priorities include supporting planned growth and urban development and progressing critical infrastructure investment in a timely and coordinated manner. A further priority is enabling case-by-case contractual arrangements between CDW and retained rural water schemes where this is practical and mutually beneficial.~~

Relevant documents and references (not exhaustive)

- ~~27. The operative LTP; future development planning documents; any relevant arrangements relating to retained rural water schemes.~~

Palmerston North

- ~~22. Supporting planned growth and urban development, as reflected in the Long Term Plan and Future Development Plans progressing critical infrastructure investments in a timely and coordinated manner. Including the Palmerston North Future Development Strategy, and the Palmerston North Stormwater Strategy. Any departure from such plans be clearly signalled to the Council.~~

- ~~23. Implement PNCC resolution on the wastewater treatment plant, including the associated adaptive management strategy.~~

Local context

- ~~28. Palmerston North is a growing urban area where water services planning needs to align closely with growth planning, infrastructure investment, and stormwater management.~~

Future priorities

- ~~29. Priorities include progressing critical infrastructure in a timely and coordinated manner to support planned growth and urban development. A particular priority is implementing council decisions on the future of the wastewater treatment plant (the Nature Calls project) including the associated adaptive management programme, recognising its significance for environmental outcomes, regulatory compliance, affordability and future growth.~~

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Relevant documents and references (not exhaustive)

30. The operative LTP; Palmerston North Future Development Strategy; Palmerston North Stormwater Strategy; Council resolution on the wastewater treatment plant and associated adaptive management approach.

Ngā Tapuwāe o Hau

24. Acknowledging that iwi and hapū across the Service Area (rohe) are not all in the same position in terms of settlement, statutory recognition, or the expression of their rights, interests, responsibilities, and relationships in relation to whenua (land) and wai (water).

Local context

31. Iwi and hapū across the rohe are not all in the same position in terms of settlement, statutory recognition, or the expression of their rights, interests, responsibilities and relationships in relation to whenua and wai.
32. CDW is therefore expected to act with care, flexibility and awareness of local context, including the marae- and hapū-based structures through which iwi and hapū organise and engage. This requires an approach that does not assume uniformity across the Service Area, but instead responds to the distinct circumstances, priorities, relationships and responsibilities that exist within each catchment.
33. Neither settlement commitments nor the place of non-settled iwi and hapū is to be diminished through transition, operational decision-making or investment choices, and that each is able to continue protecting and upholding its taonga in a manner consistent with its tikanga, responsibilities and rohe.

Future priorities

34. Priorities include ensuring that CDW adopts an approach that is responsive to differing circumstances across the service area, supports meaningful engagement and partnership, and appropriately recognises the rights, interests and responsibilities of iwi and hapū in relation to whenua and wai.

Relevant documents and references (not exhaustive)

35. Relevant statutory acknowledgements; Treaty settlement arrangements; mana whakahaere; and iwi and hapū planning or relationship documents where they apply.

RELATIONSHIP EXPECTATIONS

25-36. Central Districts Water is expected to:

- (a) Develop strong, trusting partnership relationships with all three Shareholding Councils and Ngā Tapuwāe o Hau, Mana Whenua in the

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service area. Maintain regular contact with the Shareholding Councils and Ngā Tapuwāe o Hau directly and through the Committee;

- (b) Develop strong systems that prioritise local expertise and guidance through partnership relationships as provided by with all three Shareholding Councils and Ngā Tapuwāe o Hau and mana whenua within the Service Area (rohe);
- (c) Ensure hapū and iwi, along with shareholding councils are engaged throughout the lifecycle of planning, design, consenting, delivery, monitoring, review, and public engagement;
- (d) Engage early, collaboratively, in good faith, in a mana-enhancing way and in the spirit of no surprises;

REPORTING IN THE FIRST YEAR

37. In recognition that the first year of operation is primarily an establishment and transition phase, rather than a full service delivery phase, CDW's half-yearly reporting is expected to include a concise establishment performance dashboard that enables the Committee to assess whether CDW is progressing in an orderly, transparent and effective way toward Day One readiness. The establishment performance dashboard is expected to report against the following eight measures, each of which should be capable of Red/Amber/Green assessment.

- (a) Programme delivery: status of establishment programme milestones against the approved establishment plan, including whether milestones are on track, delayed but recoverable, materially delayed, or requiring escalation.
- (b) Day One readiness: readiness status across agreed critical capability areas, including governance, finance, people, information systems, customer systems, asset information, legal, procurement, communications, and risk management, assessed against defined Day One minimum requirements;
- (c) Governance and controls: status of the core governance, policy, delegation, risk, procurement, financial control, legal, assurance and reporting arrangements required for CDW to operate as an effective and accountable water services organisation;
- (d) Financial performance against establishment budget: actual establishment expenditure and forecast year-end position against approved budget, including any material variance, the reason for the variance, and the confidence that corrective action will keep expenditure within approved settings;

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(e) Relationship and engagement performance: status of agreed engagement with Shareholding Councils, Ngā Tapuwāe o Hau, mana whenua, iwi and hapū, including engagement undertaken, matters raised, actions arising, and whether any issue requires Committee attention or escalation;

(f) Strategy and planning progress: status of the Water Services Strategy, Asset Management Plans, Strategic Asset Management Plan, Investment Delivery Plan, price harmonisation work programme, and associated accountability framework against agreed milestones;

(g) People and capability: status of organisational capability, including critical appointments, vacancies, organisational design, staffing profile, workforce transition arrangements, health and safety responsibilities, and any material workforce risks;

(h) Top risks and mitigations: status of material strategic, operational, financial, funding, legal, cultural, environmental, asset, information, data and transition risks, including mitigation effectiveness, risk ownership, and any matter requiring Committee attention, decision or escalation;

38. For each measure in clause 37, CDW should report the expected milestone or status, current status, Red/Amber/Green rating, explanation of any material variance, corrective action, expected recovery timeframe where relevant, and whether any matter requires Committee attention, decision or escalation;

39. For the purposes of clause 38, a Green rating should indicate that the relevant measure is on track or that no material issue requires Committee intervention; an Amber rating should indicate a minor delay, dependency, variance or risk where management action is underway and recovery is achievable; and a Red rating should indicate a material delay, unresolved dependency, significant variance or risk, or any matter requiring Committee attention, decision or escalation;

26. Central Districts Water will provide to the Committee a half-yearly report at an aggregated, organisational level (i.e. not council by council) which addresses the following content:

- (a) Delivery of capital projects against those specified in the investment delivery plan for the financial year to which the report relates, and any departures from planned capital programmes;
- (b) Compliance and enforcement status of resource consents and other regulatory requirements including actual or potential compliance issues, along with proposed solutions for addressing any compliance issues;
- (c) Forecast expenditure, projects specifically subject to government or other third party funding, lending and any associated implications for future water charges;
- (d) Critical risks and proposed mitigations;

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- (c) Engagement with hapū and iwi within the Service Area (rohe);
- (f) Stakeholder relationships, including meetings or other engagements;
- (g) Progress on the transition of services from Shareholding Councils and other hosted systems and services to Central Districts Water systems;
- (h) Key personnel and staff numbers;
- (i) Performance against measures included in its Water Services Strategy;
- (j) Reporting on benefits created or provided by Central Districts Water to communities within the Service Area (rohe), including in relation to job creation, social, environmental and cultural impact;
- (k) Any other matters that, at the time, are pertinent to a relationship of Transparency and Accountability.

ESTABLISHMENT EXPECTATIONS

The following expectations are intended to ensure that [CDW Central Districts Water](#) is set up for success, with all necessary components in place for its 'Day One' (1 July 2027).

Funding

~~27-40.~~ [CDW Central Districts Water](#) will work with the Local Government Funding Agency (LGFA) [and other funding providers as might be available](#) to prepare to accede as a participating borrower, ensuring access to the same financing terms available to the Shareholding Councils and maintaining consistency across the region's funding arrangements.

Public Engagement

~~28-41.~~ [CDW Central Districts Water](#) will develop and publish [engagement](#) policies which set out how Central Districts Water will engage with the public [and communities](#) on matters of [engagement and](#) consultation.

~~29-42.~~ [Such policies are to be reviewed by the Committee prior to adoption.](#)

Customer Charter

~~43.~~ [CDW Central Districts Water](#) will develop and publish a Customer Charter which sets out the organisation's commitment to operate openly, in the interests of the wellbeing of water, to advance community health and to do so efficiently and affordably. [It is expected that CDW will develop, publish and actively promote a Customer Charter which:](#)

- ~~a) informs customers of what they can expect from CDW regarding the provision of water services, service levels and how charges are set;~~
- ~~b) outlines how customers can engage with CDW and how CDW will consider the views of customers when providing water services;~~

Commented [CG7]: The lawyers have pointed out that this in part duplicates the statutory requirement for CDW to do this. That's not a problem - they have suggested this wording that I take it mirrors the statutory requirement

outlines how customers can engage directly with CDW in relation to its delivery of water services, including how customers can raise complaints or issues about the services they receive, and how CDW will respond to such matters

Page 10

[lawyer's suggested replacement wording for b) ... outlines how customers can engage directly with CDW in relation to its delivery of water services, including how customers can raise complaints or issues about the services they receive, and how CDW will respond to such matters']

c) communicates CDW's commitment to being professional, open and transparent, acting with integrity, treating its customers fairly, and operating with clear and accessible information; and

a)d) outlines the commitment CDW has to environmental stewardship.

b)e) The Customer Charter is to be reviewed by the Committee prior to adoption.

Water Services Strategy

30-44. CDWCentral Districts Water will develop and adopt a Water Services Strategy by 30 June 2027. In developing its initial Water Services Strategy, CDWCentral Districts Water is expected to:

- (a) Develop the strategy that is aligned with the Water Services Delivery Plan, the Investment Delivery Plan, the Asset Management Plans, the Strategic Asset Management Plan, and this SOE;
- (b) Commence work on how to achieve price harmonisation first within and then between, each of the Shareholding Councils' districts;²
- (c) Ensure transparency in planning for short and long-term charging contingencies;
- (d) Detail how corporate and cultural capability will be built to ensure efficient delivery of services;
- (e) Develop, in collaboration with the Committee, Provide a matrix of performance indicators and measures to be used by the Committee to ensure accountability of CDWCentral Districts Water to the Committee over the life of this SOE;**
- (f) Provide the Committee with an early opportunity to comment on the draft Water Services Strategy.

Credit Rating

31-45. It is expected that, after a settling in period, CDWCentral Districts Water seeks its own credit rating.

ENDURING EXPECTATIONS

32-46. These enduring expectations are focussed on longer term planning and operations.

Safe, reliable and resilient water services

² In accordance with the agreement between shareholder councils under the Water Services Development Plan, price harmonisation between shareholding councils' districts will not occur prior to 30 June 2032, see p. 13.

~~33-47.~~ Central Districts Water is expected to:

- (a) Give effect to the commitments of the Shareholding Councils to ensure Te Mana o te Wai is reflected in strategy, planning, investment, and decision-making, in a manner that supports the health and wellbeing of water and the communities it sustains;
- (b) Establish an effective enterprise level risk management framework and align internal management with strategic goals to improve operational efficiency, compliance, and pathways to improved risk maturity.

Customer and Community

~~34-48.~~ Central Districts Water is expected to:

- (a) Be customer and community focused. The views of communities are central to how water services are delivered;
- (b) Be transparent with the community, iwi and hapū about its planning and challenges, including financial complexities which may impact on affordability;
- (c) Communicate with communities in an open and timely way, and in a manner that is appropriate for the audience about intended activities that may affect them, with clear explanations about key issues and drivers for activities, and opportunities for engagement with ~~CDW~~[Central Districts Water](#);
- (d) Continually build genuine, transparent, and enduring partnerships with mana whenua, including through Ngā Tapuwae o Hau, by establishing agreed mechanisms, processes, and understandings that enable meaningful mana whenua participation in strategic policy development, planning, and investment decision-making.

Affordability, Equity and Value for Money

~~35-49.~~ Central Districts Water is expected to:

- (a) Deliver value for money (efficiency and fairness) whilst maintaining affordability³;
- (b) Acknowledge at all times that water supply is an essential lifeline service and that if restrictions ever need to be applied across the Service Area (rohe), no household will be denied access to water services due to financial hardship or other vulnerabilities;
- (c) Consider equity and hardship, ensuring vulnerable households are supported through appropriate policies;

³ See footnote 1 above.

- (d) Work with the Shareholding Councils to develop consistent water bylaws across the Service Area (rohe).

Aligned strategic growth planning

~~36-50.~~ Central Districts Water is expected to:

- (a) Work closely with the Shareholders' Committee, Shareholder Councils, and Ngā Tapuwāe o Hau to ensure its long-term investment plans support and align with Shareholding Councils' and any iwi and hapū led growth strategies and urban development goals ~~within across~~ the Service Area (rohe) over time;
- (b) Work with the Shareholding Councils on infrastructure needs and costs for green and brown field growth;
- (c) Actively support the Shareholding Councils' building and resource consenting processes;
- (d) Support the Shareholding Councils with any collective advocacy on growth related reform or plan change processes, so that a "one family" approach is taken where possible to growth planning across the Service Area (rohe).

Environmental Responsibilities and Outcomes

~~37-51.~~ In accordance with statutory requirements Central Districts Water is expected to:

- (a) Be a responsible guardian of the environment and actively seek to protect and enhance the health of waterways, land and catchments in its Service Area (rohe), and other natural ecosystems it interacts with;
- (b) Minimise adverse environmental effects, and to pursue improvement in environmental outcomes wherever possible;
- (c) Use its best endeavours to meet or exceed all environmental regulatory requirements, and where it does not meet those requirements shall take a proactive and practical approach to resolving all non-compliance;
- (d) Progressively work towards applying a climate change lens to its decision making and reduce greenhouse gas carbon emissions across its activities over time.

Commented [CG8]: Helpfully suggested by PNCC. In terms of water services, it is not carbon emission and its related regulation and targets that is of concern - rather the greenhouse gas targets and strategies.

Emergency Preparedness and Continuity of Service

~~38-52.~~ CDWentral Districts Water will be the water lifeline utility as defined in the CDEM Act 2002 and is therefore expected to lead water community resilience before, during and after any emergency event.

~~39-53.~~ Central Districts Water is expected to:

- (a) Work to ensure drinking water supply and wastewater services either continue to operate during and following emergencies, even if at reduced levels, or is subject to minimal disruption only;

- (b) Actively participate in regional and local emergency management planning and maintains and regularly updates its own emergency response and business continuity plans;
- (c) Work closely with Shareholding Councils, emergency services, [marae](#) and other lifeline utilities to ensure a coordinated and effective response to emergencies, including through timely and transparent communication with key agencies, and the public.

MEMORANDUM

TO: Joint Shareholders' Committee - Central Districts Water

MEETING DATE: 26 June 2026

TITLE: Transition update from Chief Executives

PRESENTED BY: Chris Dyhrberg, Executive Director

APPROVED BY: Monique Davidson, Chief Executive, Horowhenua District Council

RECOMMENDATION(S) TO JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER

1. That the Committee receive the 'Transition update from the Chief Executives' presented on 26 June 2026.

1. ISSUE

Attached is a memorandum composed by the transition team on behalf of the Councils' Chief Executives, which will be presented to the Central Districts Board this month.

It is provided to keep the Committee informed of progress towards 1 July 2027.

2. NEXT STEPS

A regular update will be brought to the next Committee meeting.

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. Establishment Update June 2026 [↓](#) 

Establishment Programme Update

Shareholders Committee 26 June 2026



Purpose

The purpose of this pack is to provide the Shareholders Committee a high-level update on the Establishment Programme progress. The same pack is used to provide the CDW Board a monthly Establishment Programme update. To avoid duplication, the material in this paper is sourced from the weekly Project Steering Group (PSG) updates.



Content

1. Executive Summary
2. Key Deliverable
3. Establishment Programme
4. Financial Report
5. Workstream Updates:
 - a. Governance
 - b. Finance
 - c. Operations & Assets
 - d. Customer & Digital
 - e. Communications & Engagement
 - f. People
6. Transfer Agreement
7. Water Services Strategy
8. Governance Oversight and Responsibilities



1. Executive Summary

Establishment Programme Funding

- Significant work has gone into working with the Board and councils to clarify the updated establishment budget assumptions
- Approval has been gained by the CDW Board and LGFA Board for CDW to accede to LGFA, which will allow CDW to access a Line of Credit from LGFA to fund all remaining establishment costs
- Approval is being sought from the three councils to enter into a Deed of Support. This is required for CDW to obtain independent funding (Line of Credit). This is scheduled for 24 and 25 June
 - This will facilitate the ability to accelerate aspects of the establishment programme, particularly the Digital Systems Programme, without burdening the councils with having to fund it

Digital Systems Programme Underway

- A significant milestone this month has been the approval of the Digital Strategy and Work Programme by the Board
- This has allowed the procurement work to get underway to finalise the selection of digital systems, with the aim of having contracts agreed by August
- The approach to billing is a major focus. The decision on whether the councils will be required to bill on behalf of CDW will be made by October at the latest



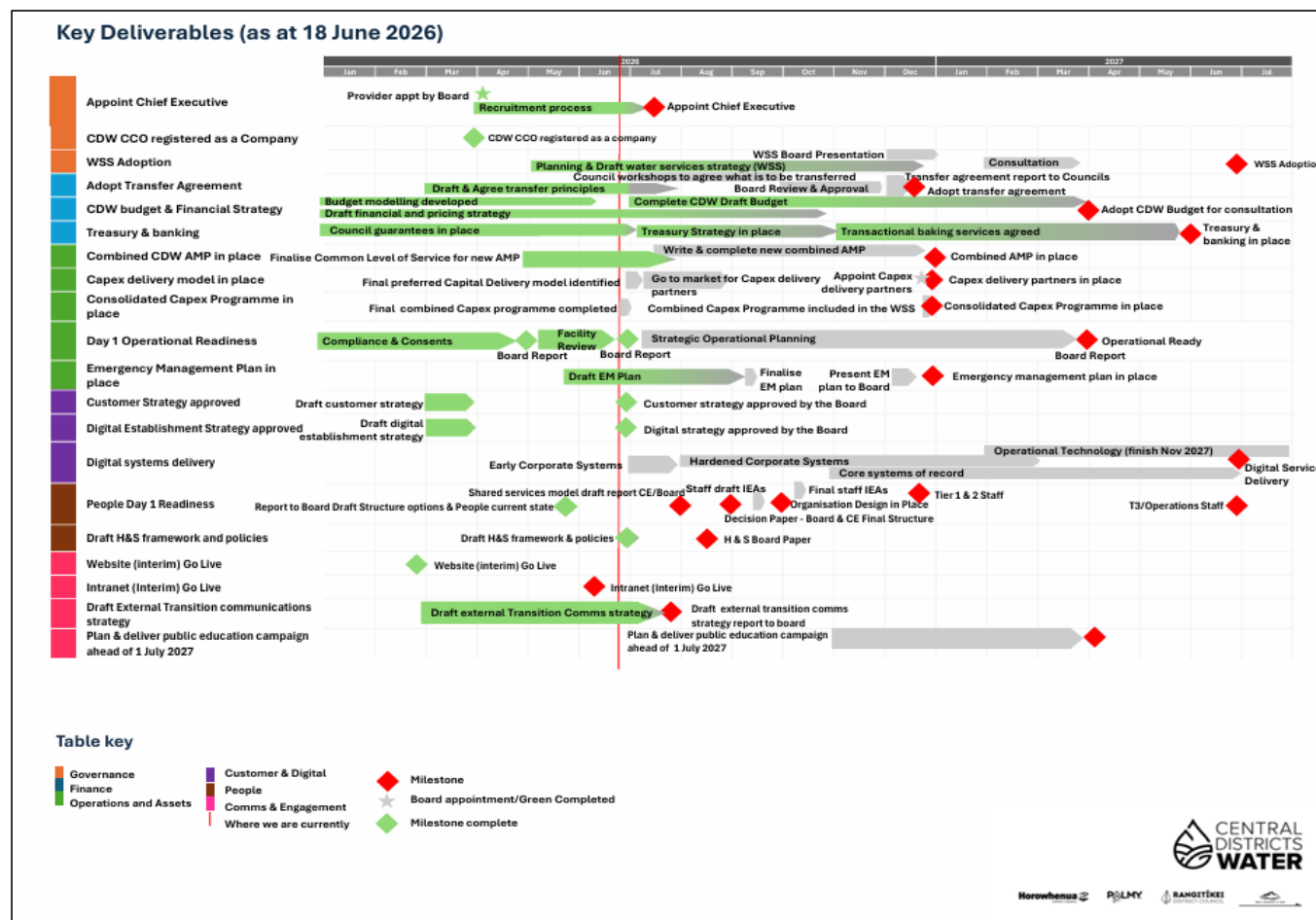
2. Key Deliverables

Updates made since 20 May 2026 Changes to the Work Programmes

- Updated progress tracking line
- Updated wording to 'Treasury Policy in place', removed strategy as part of the policy.
- Updated wording draft communications strategy to draft external transition communications strategy for clarity.
- Updated CE Recruitment Process & appointment milestone to mid-July
- H&S Board paper and milestone moved to August Meeting

Progress of Work Programmes

- Mostly on track
- Ahead in transactional banking services and draft CDW budget.
- Customer & Digital Strategies approved by the Board.
- Intranet (Interim Go Live) – working through with CE's & being considered as part of the staff & change communications strategy at the August Board meeting. Timeline will be updated post this meeting.



3. Establishment Programme

Current activities

- With the Board approval of the Digital Work Programme, resetting the Customer & Digital Workstream with one Workstream for Digital System Delivery and one for Customer
- Development of an Expression of Interest for a Workstream Lead – Customer
- Confirming the Digital System Delivery approach and resourcing for Board approval in July
- Secured additional \$150k funding from DIA to support the development of the end-to-end capital delivery capability for CDW. This will enable Beca to be engaged under the Engineering Services Contract to support this work and develop a framework that can be shared with other water entities

Next Focus

- Continue engagement with Nga Tapūwae o Hau on the plan for their input into the establishment programme
- Consider location options for the CDW Head Office (assumed still located within Palmerston North). Require firmer estimates of Head Office staff numbers
- Coordination of significant council three waters procurement and commitments to provide visibility to the Board

Issues or Challenges

- Conflicting priorities



4. Financial Report



Council Costs

- INCLUDES:
- Council staff time
- Advice for Councils

- BUDGET is held and managed within each Council - Water debt funded



Establishment Costs

- INCLUDES:
- Establishment team
- Professional Advice
- Office set-up

- BUDGET of \$3.687 is within Water Services Delivery Plan (WSDP)



Establishment (IT Costs)

- INCLUDES:
- IT Systems implementation to prepare to be operational on 1 July 2027
- All Systems planned to be live on 1 April 2027

- BUDGET of \$6.3m is within WSDP (in years 2 & 3)



CDW Operational Costs

- INCLUDES:
- Board Costs
- CE
- Potential Exec team and other staff starting before 1 July 2027
- Legal Costs

- Budget of \$560k is within WSDP



Council Costs

- BUDGET is held and managed within each Council - It is funded by Water debt.
- Forecast up to the end of June 2027 is \$3.4m
- This forecast still needs more certainty as Councils are challenged with forecasting the staff time required up to 30 June 2027.
- Total Spending up to 31 May \$1.3m
- Better off grant funding of \$2.045m is available to PNCC to support this spending.



Establishment costs

- BUDGET of \$3.687m is within Water Services Delivery Plan (WSDP)
- Forecast up to the end of June 2027 is \$4.4m
- Additional spending is due to the Establishment team being more senior and working more than anticipated.
- The Forecast has reasonable certainty due to considerable work by the Establishment Team.
- Total spending up to 31 May \$1.7m



Establishment IT (IT Costs)

- BUDGET of \$6.3m is within WSDP
- Forecast digital programme spend is on track for \$6.3m but the contingency still needs to be factored in once more detailed value assessment is completed.
- Delivery is now planned to be during 2026/27 rather than during Year 2 and 3 as estimated in the WSDP .
- The Forecast has reasonable certainty given evidence from other Water Entities.
- Total spending up to 31 May \$155,000



CDW Operational Costs

- Budget of \$560k is within WSDP
- High level forecast could be up to \$4.1m if the CE, Executive Team and other staff start prior to 1 July 2027
- There is uncertainty in this forecast as the resourcing is still to be decided by the future CE and Board.

Governance & Decision Making



Council Costs

- DECISIONS on spending sit with Council CEs via PSG and monitored under the each Council's Delegations Policy.
- GOVERNANCE sits with each COUNCIL and monitored by CDW Board for transfer agreement.



Establishment costs

- DECISIONS on spending will sit with CDW BOARD and CDW CE based on Board Delegations Policy.
- GOVERNANCE - Oversight sits with Shareholders Committee with oversight from PSG and POG and overall governance from Board



Establishment(IT Costs)

- DECISIONS on spending will sit with CDW BOARD and CDW CE based on Board Delegations Policy.
- GOVERNANCE sits with Shareholders Committee with oversight from PSG and POG.



CDW Operational Costs

- DECISIONS on spending will sit with CDW BOARD and CDW CE based on Board Delegations Policy.
- GOVERNANCE sits with CDW Board with oversight governance from Shareholders' Committee.

Deed of Support — CDW is seeking support from Councils to obtain independent funding to be able to complete the digital programme in 26/27 rather than use Councils' borrowings:

Below is a summary of how a proposed \$20m line of credit funding facility for CDW is intended to be used during the 2026/27 year.

	\$
Establishment costs	4.4
Establishment IT (IT costs)	6.3
CDW Operational costs	4.1
Short term available funds for liquidity risk and cash flow management	5.0
Total borrowings capacity required	19.8

- *Note the key changes from the WSDP is completing digital in 26/27 rather than Yr 2&3 + Board & CE starting earlier + some key leadership positions and staff estimated to start during 2026/27.*

5(a) Governance

Current activities

- Board processes and structure – continued progress on assisting the Board with its operational setup
- Supporting Board meetings and induction briefings – preparation of the material for the Board meetings
- Reporting back on some minor and non-material changes made to the Shareholders' Agreement and Constitution that were approved by the three council CEs post councils' approval completed for HDC and RDC. PNCC report 24 June
- RfP developed to select a Legal Services Provider for CDW for non-establishment related advice and independent advice, if required. Simpson Grierson will continue providing advice to the three councils and CDW for establishment related matters
- Five party MoU – drafting waiting for input by Nga Tapūwae o Hau. Propose to utilise the Shareholders' Committee to help finalise the final draft for the five parties to approve
- One page establishment governance oversight summary developed – see item 8

Next Focus

- Complete the Legal Services RfP process
- Continue to drive the MoU to completion
- Development of the Significance and Engagement Policy for CDW

Issues or Challenges

- Conflict between the finalisation of the SoE and MoU



5(b) Finance

Current activities

- **Pricing Model and Pricing Policy** – Reviewing options modelled – Overview of modelling and options to be presented to the Board in July
- **Budget and Forecast** – Draft forecast has been updated to reflect Council staff time needed and costs with setting up CDW earlier than originally planned (E.g Board and CE 5-7 months earlier than planned, Digital implementation approved by the Board in 2026/27 rather than year 2-3)
- **Accession to LGFA & RFI for banking services** – Approved by the Board (10 June) and LGFA (8 June).
- **Budget Model** for Water Services Strategy development – water teams are currently updating. Prioritisation will begin in Aug/Sept.
- **Debt Transfer** – Shareholder Council's and Board have approved debt transfer principles & approach for transfer and guarantees

Next Focus

- **Risk Programme** – Risk Policy & framework
- **Establishment Funding** – Shareholder Councils have been asked to approve a Deed of Support in late June to enable independent funding for CDW in advance of 1 July 2027
- **Billing** – Setting up scope for project
- **Banking** – Setting up banking with new provider

Issues or Challenges

- Ensuring funding is available for digital programme to continue as approved by the board.



5(c) Operations & Asset

Current activities

- Mandatory DIA LOS measures and the current LTP targets for the three Councils will be used as the starting point for the creation of combined LOS for CDW.
- Work started on a consolidated CDW capital plan. Staff from the three Councils will be able to capture updated Capital Plan items and costs shortly.
- Beca will assist in creating the CDW Capital Delivery model.
- Isochrone mapping for Geospatial Depot location review is now complete. Paper presented to Board.
- Work started on SLA conversations for CDW to cohabit current Depots for day 1.
- Working on a single service area GIS map for CDW
- Started a review of in-house modelling capability for 3 Waters.
- Developing a set of transfer principles for stormwater assets.
- Create an Emergency Management plan for CDW

Next Focus

- A GAP analysis will be completed to determine how much additional information the current individual AMPs will require to comply with the new legislation.
- This work will inform next steps for the development of the combined CDW AMP.
- Developing an Operational H&S review framework, including a Hazardous Substance review for operational sites.
- A capital delivery model options presentation for Board consideration in July.

Issues or Challenges

- No issues at this stage



Horowhenua
DISTRICT COUNCIL

PALMY
DISTRICT COUNCIL

RANGITIKEI
DISTRICT COUNCIL

HEA TAPUWAE O HAU
DISTRICT COUNCIL

5(d) Customer & Digital

Current activities

- Board has approved the customer and digital strategies and the digital work programme.
- The organisation is actively engaging with technology vendors to inform planning for core systems, with this activity expected to conclude by end of month.
- Cost estimates will be refined as market intelligence is gathered.

Next Focus

- Further market engagement across various work packages.
- Resourcing the digital workstream
- Commence delivery

Issues or Challenges

- No issues or challenges at this stage



5(e) Communication & Engagement

Current activities

- Focus on July board paper – External Comms Strategy
- Planning for the July Horowhenua tour for board – local media invited. Site tbc – once confirmed invite for Mayor Bernie to follow.
- Staff updates following July Board meeting
- People Change Comms Strategy (August meeting)
- Planning a monthly email update for elected members/Nga Tapūwae o Hau from CDW (and Shareholders' Committee if desired) to ensure they remain informed/involved

Next Focus

- Flyer in August Rates Invoices to show CDW timeline and encourage community to start following CDW channels/sign up for an email newsletter
- Scoping what a water reform email newsletter could look like for our communities (CDW and Shareholders' Committee if desired). Zero cost and good to build up people starting to follow channels to reduce costs later on.
- Workstream Lead to work with SHC Chair to begin comms preparation for SOE on behalf of Shareholders' Committee.



5(f) People

Current activities

- **Data Collection**
 - 50-100% waters work positions by council to 30 June 2026
 - Training records and requirements
- **CE Recruitment**
 - Interviews currently underway
 - Expectation to announce appointment mid-July
 - Development of CE onboarding plan
- **Function and Structure**
 - Principles of design conversations, functional groupings options
 - Workshops with Waters Staff planned for surfacing "problems and opportunities".
- **Staff Transfer**
 - Workshops with CEs set for mid-July
 - Change and Comms plan in development

Next Focus

- **Waters staff Capability and Capacity review**
 - To support WSS and Staff Transition work streams
- **Proposed T2 and Priority position identification and early stage job design**

Issues or Challenges

- None



6. Transfer Agreement

Current activities

- The four workshops to discuss the identification of the key content of the Transfer Agreement schedules and facilitated by Simpson Grierson, have been completed.
- The relevant schedule templates for land transfers, easements, transferring resource consents, designations, other approvals, capital works, development agreements, equipment leases, and other agreements have been provided to the Councils for completion
- These schedules need to be completed in draft, with initial sign-off from CEs by 31 August
- Workshop 4: which addressed the transfer of stormwater statutory and operational responsibilities - was delayed until 16 June. A template setting out specific information required from councils will be provided

Next Focus

- Provide to councils the template setting out specific stormwater related information
- Seek feedback on the draft stormwater transfer principles presented in the workshop
- Set up a process to address matters of shared interest e.g., shared service agreements and service level agreements

Issues or Challenges

- No issues



7. Water Services Strategy

Current activities

- Drafting of framework to prioritise across all capital programmes
- Identification of key decision points for the WSS
- WSS programme being amalgamated into the overall work programme
- Identification and scoping of key work packages that require engineering support

Next Focus

- Resolve programme conflicts and development of resourcing requirements
- Start preparation of introductory sections of strategy

Issues or Challenges

- The timeframe for completing the strategy
- Potential delay to the Statement of Expectations



8. Governance Oversight and Responsibilities

The following slide sets out the roles and responsibilities across the different governance bodies for the establishment programme.



June 26	Management		Governance					Iwi
Function	CDW Management Team	Establishment Team	CDW Board	Shareholders' Committee (SHC)	PSG	POG	Councils	Nga Tapūwae o Hau
Membership	- CEO - Senior Leadership Team - Staff - Contractors	- Executive Director - Workstream leads - Seconded Staff - Co-opted Staff - Contractors - Consultants	- Chair - Directors (5)	- Independent Chair - Shareholder Council Elected Members (2 each; 6 in total) - Mana Whenua Representatives (3) Representing: - Kurahaupo Confederation - Tainui Confederation - Iwi of the greater Rangitikei Region	- Council Chief Executives (3) - Nga Tapūwae o Hau Representative	- Council Mayors (3) - Nga Tapūwae o Hau Representative	- Horowhenua District Council - Palmerston North City Council - Rangitikei District Council	Iwi Represented: - Ngāti Raukawa ki te Tonga; - Muaūpoko; - Rangitāne o Manawātū; - Ngāti Apa me Ngā Waiariki - Ngāti Hauiti; - Ngāi Te Ohuake; - Ngāti Whitikaupeka; - Ngāti Tamakōpiri; - Ngāti Rangī.
Role	- CDW organisational model and structure - Direction to Establishment Team on matters specific to CDW - CDW specific establishment funding - CDW digital systems delivery - Water Services Strategy and other key regulatory Day One requirements	- CDW legal establishment (foundational documents) - Developing the establishment programme plan - Workstream delivery - Transfer Agreement support & co-ordination to councils and CDW - Establishment Programme reporting	- Responsible for overseeing the management and performance of CDW (CE & CDW Staff) - Joint responsible for overseeing the management and performance of the CDW establishment programme - CDW establishment decisions - strategy, structure, operating model, systems, budget, policy, capital programme, pricing - Reporting performance to stakeholders and regulators - Stakeholder engagement	- Appointment of the CDW Board - Development of the Statement of Expectations - Monitoring CDW performance and reporting to Councils - Recommendations to Councils on CDW proposals (matters that are Council decisions) - Providing feedback to CDW as requested or required (e.g. WSS, Transfer Agreement, Significance & Engagement Policy)	- Jointly responsible for overseeing the management and performance of the CDW establishment programme - All Establishment Programme matters impacting Councils - People responsibility for staff seconded to the CDW Establishment Programme	- Direction and oversight of the CDW establishment programme - Political and significant stakeholder issues - Approving joint LWDW submissions made on behalf of the parties	- Matters reserved to shareholders - Receiving reports for decisions and direction to CDW establishment - Providing direction to their Members on the SHC - Approve the foundation documents - Approve financial arrangements for establishment and transfer - Approve the Transfer Agreements - Approve any shared services or service level agreements with CDW	- Representing Iwi/hapū across their respective rohe where CDW operates - Providing collective input into decisions and pathways at governance, management and operational levels - Providing advice, input and support to the CDW establishment programme - Nominating and managing Mana Whenua Representatives to the SHC
	Note: - Some roles will transition to the CDW Management Team over time as it makes sense - Some elements will span across the two teams - Will likely operate as one team from one location through to July 2027 - Flexibility and collaboration will be required to ensure the Establishment Programme operates seamlessly							



COMMITTEE WORK SCHEDULE

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 26 June 2026

TITLE: Work Schedule

RECOMMENDATION TO JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER

1. That the Joint Shareholders' Committee - Central Districts Water receive its Work Schedule dated 26 June 2026.

Meeting Date	Topics
2026	
26 June	• Adopt draft Statement of Expectations • Transition update from Chief Executives
7 August	• Adopt final Statement of Expectations • Visibility on Councils' draft Transfer Agreements • Transition update from Chief Executives
4 September	• Visibility of Councils' draft Service Level Agreements • Opportunity to comment on Board's draft Significance and Engagement Policy • Transition update from Chief Executives
4 December	• Review and provide comment on the draft Water Services Strategy • Transition update from Chief Executives
2027	
January – June	