



**Horowhenua**  
DISTRICT COUNCIL

**PALMY**  
DISTRICT COUNCIL

**RANGITĪKEI**  
DISTRICT COUNCIL

**HŌA TAPŪWAE O HAU**  
DISTRICT COUNCIL

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## AGENDA

# **EXTRAORDINARY** Joint Shareholders' Committee - Central Districts Water

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**10.00AM, FRIDAY 14 AUGUST 2026**

COUNCIL CHAMBER, 46 HIGH STREET, MARTON

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## MEMBERS

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**Mr Chris Gallavin (Chair)**  
**Mayor Andy Watson (Deputy Chair)**  
**Mayor Grant Smith (PNCC)**  
**Mayor Bernie Wanden (HDC)**  
**Deputy Mayor Dave Wilson (RDC)**  
**Councillor Sam Jennings (HDC)**  
**Councillor Kaydee Zabelin (PNCC)**  
**Ms Danielle Harris (Kurahaupo Confederation)**  
**Mr Hayden Turoa (Tainui Confederation)**  
**Ms Marj Heeney (Iwi of the greater Rangitikei Region)**



## **EXTRAORDINARY JOINT SHAREHOLDERS COMMITTEE - CENTRAL DISTRICTS WATER MEETING**

14 August 2026

### **MEETING NOTICE**

Pursuant to Clause 22 of Schedule 7 of the Local Government Act 2002, I hereby requisition an extraordinary meeting of the Council to be held at 9.00am on Friday, 14 August 2026 in the Council Chamber, first floor, Civic Administration Building, 32 The Square, Palmerston North, to consider the business stated below.



**Chair**

### **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 26 June 2026 Part I Public be confirmed as a true and correct record.

**7. MOU Discussion- Working Group summary and recommendations and pathway forward**

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Memorandum, presented by Chris Gallavin, Independent Chair.

**8. Adoption of Statement of Expectations for Central Districts Water 2026-2037**

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Memorandum, presented by Chris Gallavin, Independent Chair.

**9. Transition update from Chief Executives**

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Memorandum, presented by Monique Davidson, Chief Executive Horowhenua District.

**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.



**Minutes of the Joint Shareholders' Committee - Central Districts Water Meeting Part I Public, held in the Council Chamber, 126-148 Oxford St, Levin on 26 June 2026, commencing at 10.01am.**

**Members Present:** Mr Chris Gallavin (in the Chair), Mayor Andy Watson, Mayor Bernie Wanden, Deputy Mayor Dave Wilson, Councillor Sam Jennings, Kaydee Zabelin, Mr Hayden Turoa, Ms Marj Heeney and Ms Di Rump.

**Apologies:** Ms Danielle Harris, Mayor Smith (for lateness).

**Karakia Timatanga**

Mr Hayden Turoa opened the meeting with karakia.

**Apologies**

Apologies were noted and welcome extended to Ms Di Rump.

**17-26 Confirmation of Minutes**

Moved Mr Chris Gallavin, seconded Kaydee Zabelin.

The **COMMITTEE RESOLVED**

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.

Clause 17-26 above was carried on the hands.

**18-26 Confirmation of Minutes**

Moved Mr Chris Gallavin, seconded Kaydee Zabelin.

The **COMMITTEE RESOLVED**

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.

Clause 18-26 above was carried on the hands.

**19-26**

**Draft Statement of Expectations**

Memorandum, presented by Chris Gallavin, Committee Chair.

Mayor Grant Smith entered the meeting at 10.22am

Moved Mayor Andy Watson, seconded Councillor Sam Jennings.

The **COMMITTEE RESOLVED**

1. That the Committee send Attachment 1 to the Central Districts Water Board for comment.

Clause 19-26 above was carried on the hands.

**20-26**

**Transition update from Chief Executives**

Memorandum, presented by Chris Dhyrberg, Executive Director.

Moved Mr Chris Gallavin, seconded Grant Smith.

The **COMMITTEE RESOLVED**

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

Clause 20-26 above was carried on the hands.

**21-26**

**Work Schedule**

Moved Mr Chris Gallavin, seconded Mayor Andy Watson.

The **COMMITTEE RESOLVED**

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

Clause 21-26 above was carried on the hands.

**Karakia Whakamutunga**

Mr Hayden Turoa closed the meeting with karakia.

The meeting finished at 11.26am

Confirmed 7 August 2026

**Chairperson**



## MEMORANDUM

**TO:** Joint Shareholders Committee - Central Districts Water

**MEETING DATE:** 14 August 2026

**TITLE:** MOU Discussion- Working Group summary and recommendations and pathway forward

**PRESENTED BY:** Chris Gallavin, Independent Chair

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

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

1. That the Committee note the MOU update from the Independent Chair.

#### 1. BACKGROUND

Attached to this memo is a background document in which I outline the broad genesis of the Memorandum Of Understanding (MOU), its key drivers and its anticipated purposes. In preparation for the Committee meeting of 14 August, a working group comprising Danielle Harris, Hayden Turoa, Sam Jennings, Kaydee Zabelin, Dave Wilson, Chris Dyhrberg, and Daniel Haigh met on Friday, 7 August 2026 to consider the way forward for the MOU. The meeting was helpfully attended by Tina Porou (adviser to Ngā Tapuwae o Hau), and Justine Moore (from HDC).

As Independent Chair, I am indebted to the wairua (spirit) in which all participated in the discussion. For my part, the trust and respect in the room was testament to our approach of mana-enhancing korero.

In this memo, I outline our discussion and accompanying recommendations for consideration by the Committee as a whole at its meeting on 14 August.

There were four main issues that were identified and discussed by the committee. These were the:

1. Purpose
2. Parties
3. Timing, and

4. the relationship between the MOU and the SOE.

## 2. PURPOSE OF THE MOU

Through discussion it became apparent that there had been differing understandings amongst the parties about the background to the MOU, its purpose and the intended relationship and sequencing between the proposed MOU and the Statement Of Expectations (SOE). For some, the long-held understanding and expectation had been that a five-party, high-level relationship document would precede and inform the SOE or at least be developed alongside it. Other participants indicated that they had not understood the MOU and SOE to be connected in that way. The working group did not consider it necessary to resolve those differing historical understandings given its focus on determining the appropriate pathway forward from the current position. It was, however, felt important to acknowledge the existence of these differing understandings.

Rather than seeking to revisit or reach agreement on the original intent of the proposed MOU, the working group looked at the material before it and agreed that the MOU appeared to address two things:

- a. To describe, in practical terms, the nature of the relationship between Ngā Tapuwae o Hau and Central Districts Water (CDW). This included clarifying expectations, communication pathways, and operational nuances, all under the framework and guidance established by the SOE.
- b. A second purpose was to clarify how decisions and communication was to flow between the Shareholders' Committee and Ngā Tapuwae o Hau.

### 2.1 Articulating the Relationship Between Ngā Tapuwae o Hau and CDW

An aim of the MOU was to help articulate the practical elements of the working relationship between Ngā Tapuwae o Hau and CDW. Discussion of the working group centred on the broader context of the multiple relationships that CDW will need to nurture. In this respect the working group felt that:

- CDW will inevitably form numerous bilateral relationships across the service area.
- Several principles and relationship expectations previously suggested by Ngā Tapuwae o Hau had subsequently informed drafts of the SOE. This reduced the need for matters to be separately addressed through an overarching relationship document.
- If there were to be a further relationship documentation it would not sit independently of the SOE, but would effectively be subsidiary to, aligned with, and give practical effect to the overarching expectations and parameters established through the SOE.

- The Committee should not be involved in negotiating or establishing bilateral agreements between CDW and other organisations including agreements with those organisations represented on the Committee. The caveat to this point was,
- With all such relationships, the Committee retained oversight through the reporting mechanisms of the SOE. The Committee would therefore expect, and will seek to assure itself, that all such agreements comply with the provisions of the SOE.

Therefore, in terms of this purpose, the working group felt an MOU involving all shareholding councils was not required and that it was for CDW and Ngā Tapuwae o Hau to form their relationship as they saw fit and as empowered through the terms of the SOE.

## 2.2 Relationship Between Shareholding Councils and Ngā Tapuwae o Hau

In terms of the second aim outlined above, the working group noted that since February, the Committee had successfully navigated uncertainties through strong, trusting relationships. Members expressed confidence in the ability of the committee to manage ambiguity as it might arise without needing a formal but non-binding MOU. As such, the working group perceived that the need for such an agreement was no longer an imperative.

Therefore, the working group considered that finalisation of the SOE need not be contingent on completion of any further relationship documentation. The SOE provides the overarching strategic framework and relationship expectations. Any further bilateral documentation between CDW and Ngā Tapuwae o Hau can be developed separately, consistently with and subordinate to the SOE. There is no further relationship agreement between *all* parties that appears necessary or desirable at this stage.

## 2.3 Legislative Change: Removal of Voting Rights

The working group acknowledged the significant implications of impending legislative changes removing voting rights for non-elected members. It was acknowledged that this development requires careful consideration of committee dynamics and community relationships. Tina Porou helpfully emphasized that irrespective of the effect of the legislative change, the strong relationships forged within the committee and beyond would need to continue and should be nurtured. Tina's insight was appreciated, as it emphasized the importance of our relationship and the need for ongoing dialogue.

The working group agreed that the Committee must remain attentive to advice on the legislative change and open to amending foundational documents including possible amendment to the Shareholding Agreement if required. It was felt that no formal work plan should, at this stage, be devised, but that in maintaining a watching brief, the Committee will need to stand ready to discuss the implications of the change prior to its commencement.

Therefore, in terms of this aim, the working group felt an MOU was not, at this stage, the effective mechanism by which to address this evolving issue. It was felt that the Committee

should instead focus on understanding and responding to the implications of legislative reform. A structured work-programme may be needed to advance this once formal advice is received.

In the meantime, to the extent ongoing guidance was needed on the nurturing of the Committee's relationships, the terms of the SOE were seen to be important in the articulation of our goodwill toward each other.

### **3. THE MOU AND THE SOE**

Given the nature of the two aims above, and the development of both time and the positivity across Committee relationships, the working group felt that there was no need for an all-party MOU to sit in parallel with the SOE. It was felt that the SOE had been carefully constructed and was carefully worded. It presented strong and clear guidance that framed our relationships. The SOE empowered CDW in its formation of important relationships with any number of other entities.

Therefore, it was felt that the SOE provides sufficient clarity to progress without an MOU as a parallel or overarching document.

### **4. CONCLUSIONS AND RECOMMENDATIONS**

As Independent Chair I therefore recommend the Committee adopt the following position:

#### **4.1 No All-Encompassing MOU**

That there is no longer the need for a single, comprehensive MOU between all members of the Shareholders Committee and CDW.

#### **4.2 Two Distinct Workstreams**

That there are two separate and independent workstreams, neither of which require an overarching MOU with five signatories.

##### **1. Bilateral Relationship**

- i. Ngā Tapuwae o Hau and CDW are free to develop a bilateral relationship as they see fit and in accordance with the parameters set by the SOE
- ii. Committee involvement in the establishment of such a bilateral relationship is not required. Committee engagement will be limited to SOE-centred oversight.

##### **2. Committee Relationship & Legislative Reform**

- i. The Committee should remain engaged in discussions to clarify communication, engagement, and relational parameters as needed.
- ii. This will include maintaining a watching-brief on the implications of legislative change.

#### 4.3 Proceed with SOE Finalisation

That the path ahead for discussing and passing the SOE is now clear and unencumbered by uncertainty regarding any MOU.

With sincere thanks and gratitude,

Ngā mihi nui  
Chris Gallavin

#### 5. COMPLIANCE AND ADMINISTRATION

|                                                                                     |            |
|-------------------------------------------------------------------------------------|------------|
| Does the Committee have delegated authority to decide?                              | <b>Yes</b> |
| Are the decisions significant?                                                      | <b>No</b>  |
| If they are significant do they affect land or a body of water?                     | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?                              | <b>No</b>  |
| Does this decision require consultation through the Special Consultative procedure? | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?                   | <b>Yes</b> |
| Are the recommendations inconsistent with any of Council's policies or plans?       | <b>No</b>  |

#### ATTACHMENTS

1. Background document [↓](#) 

## Background Document for the Shareholders' Committee: Establishing a Shared Foundation for Developing the Memorandum of Understanding (MOU)

Chris Gallavin – Independent Chair, Shareholders' Committee, CDW

### Purpose of This Background Document

Through this document, my intention is to provide a shared foundation for the five parties involved in establishing Central Districts Water (CDW): Ngā Tapuwāe o Hau, Horowhenua District Council, Palmerston North City Council, Rangitikei District Council, and the Company, Central Districts Water, itself. I have designed this document to ensure that all parties begin the next phase of discussion with a common understanding of:

- Why an MOU has been considered useful,
- What the MOU is intended to achieve, and
- How it might relate to other governance documents, including the Statement of Expectations (SOE), the Shareholders Agreement, and the Constitution.

In drafting this document, I have not assumed prior knowledge of the establishment process. Additionally, I have attempted to word it in a non-divisive way and to avoid revisiting any past misunderstanding that might have existed. Its purpose is simply to create clarity and a shared platform for constructive, forward-looking engagement.

***[added for clarification on 10 August 2026:***

***Upon discussion of the working group on Friday 7 August, the following was helpfully articulated – I include it here – post facto – to ensure clarity of the historical narrative.***

***“Through discussion it became apparent that there had been differing understandings amongst the parties about the background to the MOU, its purpose and the intended relationship and sequencing between the proposed MOU and the SOE. For some, the long-held understanding and expectation had been that a five-party, high-level relationship document would precede and inform the SOE or at least be developed alongside it. Other participants indicated that they had not understood the MOU and SOE to be connected in that way. The working group did not consider it necessary to resolve those differing historical understandings given its focus on determining the appropriate pathway forward from the current position. It was, however, felt important to acknowledge the existence of these differing understandings.***

***These differing understandings had given rise to confusion. The chance for the working group to meet and discuss on 7 August – and for the Committee to discuss as a group on 14 August – was therefore greatly appreciated. Ultimately, the meeting of 7 August was a good opportunity to emphasise the respect, trust and unity that had been built between all parties in the operation of the Shareholders' Committee since its establishment in Feb, 2026]***

## 1. Why an MOU Has Been Discussed

Across the establishment work to date, an MOU has been contemplated as a way to support the relationship between the five parties. The idea emerged because several parties recognised that some aspects of partnership, engagement, and shared expectations are not easily captured in formal corporate documents such as the Shareholders Agreement or Constitution.

As such, the MOU has been viewed as a mechanism to:

- Document how the parties intend to work together,
- Provide clarity on roles and expectations, and
- Recognise iwi aspirations in a meaningful and practical way.

For example, Hon Christopher Finlayson KC noted that iwi principles “*will not be incorporated in the company constitution or the shareholders’ agreement*” and therefore “*we need to discuss a way in which the principles can be recognised in a meaningful way.*”

This reflects a shared concern that important relationship principles should not “*end up unread and ignored*” if left without a suitable home.

## 2. What Ngā Tapuwae o Hau Have Expressed

Ngā Tapuwae o Hau have articulated a set of principles and aspirations for water governance. These include:

- Kawa as a foundation for decision-making,
- Shared authority and genuine partnership,
- Recognition of iwi rights and responsibilities,
- Consensus-based governance, and
- Commitment to Te Mana o te Wai, Oranga Wai, and mauri-based monitoring.

These principles are broad, values-based, and future-focused. They are not intended to replace existing governance structures, but to guide how relationships and decisions are shaped within them. Each have a form of expression in the Statement of Expectations (SOE).

## 3. Why Councils Have Seen Value in an MOU

It is apparent from the discussion to day that there was been some acceptance that an MOU might act to:

- Clarify partnership expectations,
- Support iwi participation in governance,
- Provide guidance on engagement processes,
- Ensure transparency and shared understanding, and
- Complement the SOE without overloading it with relationship detail.

Legal advisors have also noted that placing too much relationship detail in the SOE could be difficult, and that the MOU may be a more appropriate place for such matters. Keeping this in mind, such provisions in the SOE have been brief and focused emphasizing transparency, no surprises, and the building of trust and respect.

This reflects a pragmatic desire to ensure that relationship commitments are visible, workable, and appropriately located.

#### **4. Why CDW Has an Interest in Clarity**

What is clear from all document and our discussion to date is that as the new entity responsible for delivering water services, CDW will rely on:

- Clear expectations from shareholders,
- Constructive relationships with iwi, and
- Consistent engagement pathways.

The MOU has been discussed as a tool that could help CDW understand:

- How iwi wish to participate in governance and oversight,
- How councils expect CDW to engage with iwi,
- How information should be shared, and
- How consensus-based decision-making can be supported.

This is particularly relevant because the Local Government Water Services Act does not explicitly address mana whenua relationships, and councils have obligations under the Local Government Act that they wish to see reflected in CDW's operating environment.

#### **5. What an MOU Is Not Intended to Do**

It is clear that there is no intention for the MOU to:

- Replace the Shareholders Agreement or Constitution,
- Create new legal powers or veto rights,
- Bind CDW operationally – that is for the SOE, the subsequent Water Services Strategy, and as part of the BAU operation of CDW,
- Determine the governance model, or
- Resolve every aspiration expressed by any party.

Instead, the MOU is intended to be a relationship document; a place where shared expectations can be expressed in a way that supports trust, transparency, and partnership.

#### **6. What an MOU *Could* Contain (Based on Shared Signals)**

I acknowledge that a draft MOU is in existence and I am eager for all to see that in due course. Taking a step back for a moment there are several themes that recur. These do not represent agreed content, but they do indicate areas where parties have shown interest in clarity:

- Shared principles for working together
- Roles, interests, and responsibilities of each party
- Expectations for engagement and communication
- How Ngā Tapuwāe o Hau will participate in governance processes
- Information-sharing protocols
- Consensus-based decision-making approaches
- Recognition of iwi principles (possibly as an attachment)
- Operational engagement pathways between CDW and iwi
- Expectations for senior-level engagement
- Approaches to dispute resolution
- Commitment to no-surprises behaviour

These themes are broad and flexible. They provide a starting point for collective discussion rather than a predetermined structure.

In recent weeks an elephant, so to speak, has appeared in the room. Announced in June, the Coalition Government stated that it would remove voting rights from non-elected members of Council committees. How this might affect the operation of the Shareholders' Committee remains to be seen. In terms of a possible MOU and our steps toward agreement, nothing might change. This said, parties to our agreement might want to delay discussion until after such legislative change (whereupon we hope to have a better understanding of the implications of any change). Alternatively, a clear relationship agreement in place prior to change might be seen as vital to help shepherd the Committee through any future transition.

This point will need to be considered and discussed by all five parties.

## **7. Why a Shared Conversation Is Needed Now**

From my discussion with all parties, it seems that different parties have developed different understandings over time about:

- The purpose of the MOU,
- Its intended scope,
- How it relates to the SOE, and
- When it should be developed.

These differences are normal in a multi-party establishment process. They do not represent conflict; they simply reflect the fact that each party has been involved in different parts of the process at different times.

The next step is to bring all five parties together to establish a shared, transparent, and mutually agreed understanding of:

- What the MOU is for,
- What it should contain,
- How it will be developed, and
- How it will sit alongside other governance documents.

This background document is intended to support that conversation. In anticipation of our first meeting, I will distribute the current form of the MOU.

## **8. A Neutral, Forward-Looking Pathway**

To support constructive engagement, I suggest the following approach:

1. Begin with shared purpose – The MOU is intended to strengthen relationships and support CDW's success.
2. Acknowledge all parties' interests – Iwi aspirations, council obligations, and CDW's operational needs all matter.
3. Clarify the relationship between documents – The MOU complements the SOE; it does not compete with it. The two are separate documents with their own object and purpose.
4. Develop the MOU collaboratively – No content is predetermined; all parties contribute equally.
5. Focus on principles and processes, not power – The MOU is about how parties work together, not about altering governance authority.
6. Ensure the document is practical and meaningful – It should support real engagement, not sit unused.

## **Conclusion**

All five parties share a common goal: a successful, trusted, and enduring water services entity that reflects local values, honours Te Tiriti, and delivers for communities across the region.

The MOU is simply one tool that may help achieve that goal. This background document is offered to support a unified starting point for the next phase of discussion, one grounded in respect, clarity, and shared purpose.

Ngā mihi nui

Chris Gallavin  
28 July 2026

## MEMORANDUM

**TO:** Joint Shareholders Committee - Central Districts Water

**MEETING DATE:** 14 August 2026

**TITLE:** Adoption of Statement of Expectations for Central Districts Water 2026-2037

**PRESENTED BY:** Chris Gallavin, Independent Chair

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

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

1. That the Committee adopt the Statement of Expectations for Central Districts Water Ltd. 2026-2037 (Attachment 2), with amendments to the draft as set out in Attachment 3, or as amended.
2. That the Committee delegate authority to the Chief Executive of Horowhenua District Council to make minor edits as set out in section 3 in compiling the final Statement of Expectations.
3. That the final Statement of Expectations be compiled according to these instructions and, following legal review, provided to Committee members prior to being sent to Central Districts Water Ltd.

#### 1. ISSUE

- 1.1 The Board of Central Districts Water has responded to the draft Statement of Expectations.
- 1.2 The Committee must now consider the Board's comments before agreeing the final document.
- 1.3 Where the Committee agrees with issues raised by the Board, these should be incorporated before agreeing the final Statement of Expectations at this meeting.

#### 2. BACKGROUND

- 2.1 The Local Government Water Services Act 2025 ("the Act") sets out the matters which are required of a statement of expectations for water services council-

controlled organisations (in this case Central Districts Water Ltd). See s227. The Act also allows that any other agreed matters may also be included where they are consistent with s228.

- 2.2 The Act requires that a reasonable opportunity for response to a draft of the statement of expectations must be provided to the water services company and that the shareholders must consider any comments provided before finalising the statement of expectations (s 229(4)).
- 2.3 In turn, the organisation must give effect to the statement of expectations (s226).
- 2.4 The Local Government Water Services Act, s224(1) and s225(2) requires that a statement of expectations be adopted at least six months prior to the adoption of a Water Services Strategy. The Company has indicated they are comfortable with the timeframes that have been followed by the Committee to date and await the finalisation of the Statement of Expectations.
- 2.5 On 25 March the Committee agreed a process for the development of the Statement of Expectations. On 26 June the Committee considered the draft Statement of Expectations before it was sent to the Board of Central Districts Water for comment on 29 June.
- 2.6 The Board met on 14 July to discuss. The Chair of this Committee and its lead advisor the Chief Executive of Horowhenua District Council also attended and addressed this meeting. A formal written response was then delivered by the Board Chair to the Committee Chair on 28 July. This is Attachment 1.
- 2.7 The Committee has delegation from each of the shareholding Councils to agree the Statement of Expectations. Schedule 3 of the Shareholders' Agreement sets out the Terms of Reference for the Committee. It states the Shareholders' Committee responsibilities include:

- Preparing, considering comments from the Company on, and adopting the Statement of Expectations for the Company;
- Receiving, considering and providing comments and recommendations to the Company on its draft Water Services Strategy, and any amendments to it;

### **3. CONSIDERATION OF MATTERS RAISED BY BOARD**

- 3.1 The Board's response is attached. See Attachment 1.

#### **Substantive issues raised which the Committee must consider**

- 3.2 The Board's requests for changes have been analysed and set out in Attachment 3. Clause references are to the initial clause numbers from the draft in Attachment 2.

- 3.3 The Committee must decide whether it agrees with officer advice in the final column of Attachment 3 or would prefer other courses of action. This is recommendation 1. Any amendments can be put for discussion and decision at the meeting.

**Minor issues which officers recommend can be incorporated**

- 3.4 The final document will need to be proofread and edited for:
- consistency of phrasing “CDW” and “Central Districts Water”
  - formatting eg. clause numbering will be applied as consequence of any substantive change agreed
  - cross-referencing of clause numbers
- 3.5 Recommendations 2 and 3 gives authority for this work to be completed and presented to Committee members for assurance.

**4. OTHER MATTERS FOR ATTENTION**

- 4.1 The Committee in considering this advice, should refer to the memo provided by Independent Chair, Chris Gallavin which sets out the most recent discussions between parties on the relationship between the SOE and the MOU.
- 4.2 Officers' advice is that pending Shareholder agreement, the MOU matter is no longer something that needs to be progressed ahead of the SOE being considered for formal approval by the Shareholder Committee.

**5. NEXT STEPS**

- 5.1 Final editing and legal check will be completed.
- 5.2 The Statement of Expectations will be delivered to the Board Chair. The Statement of Expectations should then be reflected in the drafting of the Company's Water Services Strategy.
- 5.3 The Committee will receive reporting from the Board as per the six-monthly reporting set out in the Statement of Expectations. The Company's annual report will also record performance against its Water Services Strategy, informed by the Statement of Expectations.
- 5.4 Each of the Councils will be informed of the adoption of the Statement of Expectations. Committee members representing Ngā Tapuwae o Hau will be responsible for sharing the document with their membership.

## 6. COMPLIANCE AND ADMINISTRATION

|                                                                                     |            |
|-------------------------------------------------------------------------------------|------------|
| Does the Committee have delegated authority to decide                               | <b>Yes</b> |
| Are the decisions significant?                                                      | <b>No</b>  |
| If they are significant do they affect land or a body of water?                     | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?                              | <b>No</b>  |
| Does this decision require consultation through the Special Consultative procedure? | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?                   | <b>Yes</b> |
| Are the recommendations inconsistent with any of Councils' policies or plans?       | <b>No</b>  |

## ATTACHMENTS

1. Central Districts Board response to draft Statement of Expectations [↓](#) 
2. Draft Statement of Expecations as at 26 June 2026 [↓](#) 
3. Summary of proposed changes [↓](#) 

28 July 2026

Shareholders Committee  
Att: Chris Gallavin, Independent Chair

Dear Members of the Shareholders Committee

**Central Districts Water: Feedback on the draft Statement of Expectations**

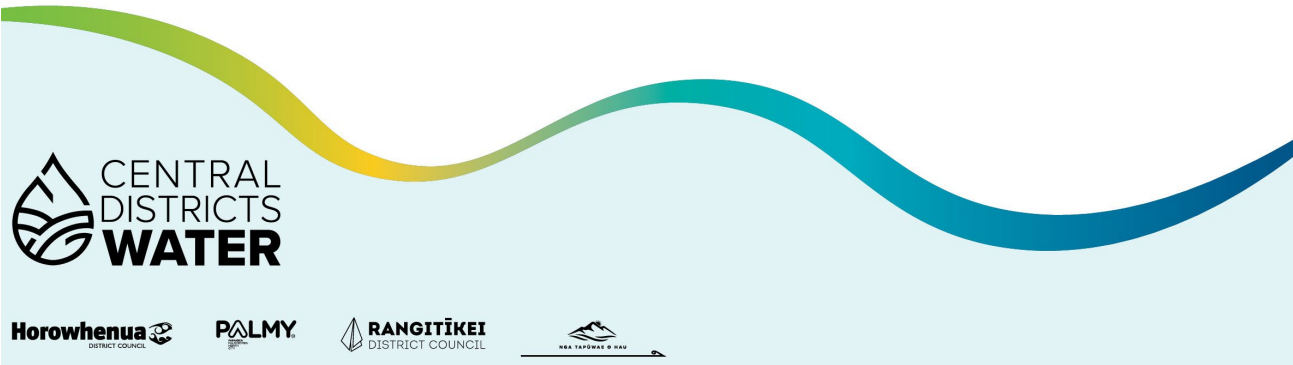
Thank you for the opportunity presented to Central Districts Water Limited (**CDW**) to review and provide comments on the draft Statement of Expectations (**SoE**), which was provided to CDW by the Shareholders Committee (**Committee**) on 26 June 2026.

The Board of CDW congratulates the Committee on its work to date and for the way in which it has reconciled the various views and expectations of its shareholders and mana whenua partners. The Board acknowledges that the legal requirements applying to SoEs are new to both shareholders and water organisations and appreciates the way in which the Committee has delivered a draft SoE that is clear about the outcomes and expectations that CDW is to achieve.

After considering the draft SoE and having had the opportunity to discuss the Committee’s approach directly with the Independent Chair (Chris Gallavin) and Monique Davidson at our recent Board meeting, the Board is pleased to report that it is largely satisfied with the direction that is proposed to be set. The Directors consider that the draft SoE, with some suggested refinements, will provide a strong basis for CDW to begin planning to take over responsibilities for water services from 1 July 2027 across the Horowhenua, Palmerston North and Rangitikei districts.

In particular, CDW is supportive of the approach taken to:

- The relationship between CDW, the Committee, the shareholders, Ngā Tapuwāe o Hau, future customers of CDW, mana whenua, iwi, hapu, communities and other stakeholders. CDW recognises the importance of maintaining strong relationships and considers the draft SoE appropriately recognises and provides for this matter.
- Outlining the specific context or matters for each of the shareholders and Ngā Tapuwāe o Hau. CDW recognises that each of the districts has its own unique context and priorities, which CDW will need to recognise in its planning and delivery of services.



- The distinction between shorter-term expectations relating to the 'establishment' phase and the expectations that will apply on a longer-term or enduring basis. While the Board is focussed on a streamlined establishment, it is realistic to acknowledge that it will take time for CDW to mature as a new water organisation, so that it can deliver the outcomes expected by the shareholders and Ngā Tapuwae o Hau. CDW appreciates the clear identification of shorter- and longer-term expectations to guide CDW's prioritisation of its activities and its focus over the initial establishment and transition period.

Before outlining the comments it has made on the draft SoE in more detail (those comments being presented below, and in the attachments to this letter), the Board requests that the Committee reflect on the framing of certain outcomes and expectations. CDW's ability to achieve or satisfy certain expectations and outcomes will, in reality, be challenging from Day 1. This is due to the current compliance context for the shareholding Councils, the condition of the assets and infrastructure that CDW will be transferred and be responsible for and the need for significant ongoing investment in infrastructure to achieve a safe and resilient water service delivery. With this in mind, CDW considers several of the strategic outcomes and expectations as aspirational or forward-looking in nature, rather than standards that can be achieved in the immediate or short-term. If the Committee agrees with this, it would be appreciated if this could be reflected in the SoE, with an expectation that CDW is to work to satisfy all outcomes over time – once it has managed a successful transition.

#### **CDW comments on draft SoE**

There are several areas that the Board has decided to make comment on, with a view to assisting the Committee with its preparation and adoption of a final SoE. The Board has been targeted in terms of its comments and focussed on those that it considers will provide a clearer SoE that reduces complexity or undue compliance / resourcing cost for CDW. The primary reason for this focus is to remove any unanticipated or unnecessary costs, which the Board considers would be out-of-step with the rationale for establishing CDW, and counterproductive to the intended outcomes and priorities of CDW.

In particular, the Board has raised the following matters in its comments:

- A concern with the proposed duration and the review timeframe of the SoE, including that they do not align with statutory requirements. Tracked changes have been suggested which seek to address this concern;
- A concern about the content required in the half-yearly report, with amendments suggested that will reduce the potentially significant reporting burden on CDW during the establishment phase; and
- Suggested amendments to clause 36(c) that requires engagement with mana whenua and shareholders throughout all aspects of CDW's decision-making (activities and planning), with a more moderate statement recommended that will ensure engagement opportunities on key projects and initiatives, without adding undue cost or process risks to otherwise business-as-usual processes.

Instead of outlining all comments in this letter, CDW has prepared a tracked version of the draft SoE showing its suggested minor and targeted amendments, and other comments. The tracked version is attached to this letter as **Appendix 1** and is in line with the discussion had with Mr Gallavin and Ms Davidson at our recent Board meeting.

Further explanation for the amendments suggested by CDW is set out in the table at **Appendix 2**.

As above, the Board congratulates the Committee on its development of this first SoE. The Board looks forward to working with the Committee over time and would be happy to discuss any of the comments outlining in this letter or the appendices.

Yours sincerely



Steve Maharey  
Board Chair  
Central Districts Water

**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 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 in advance.
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.~~ 6. This SoE operates ~~for a period of 10 years (to until 30 June 2037)~~ with the Committee to ~~prepare and adopt a new SoE review the SOE every 12-3 years, to align with the CDW Water Services Strategy process.~~
- ~~6-7.~~ 6-7. ~~months. Between any 12 month review period, the Committee may amend or replace can choose to conduct an extraordinary review of this SOE in accordance with the process provided for under section 229 of the LGWSA. 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**

- ~~7-8.~~ 7-8. The role of CDW is to deliver affordable<sup>1</sup>, 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.
- ~~8-9.~~ 8-9. Central Districts Water is expected to:

<sup>1</sup> 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

- (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, relevant district plans of the Shareholding Councils and any relevant iwi and hapū management plans as specified in clause 34;
- (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

Commented [CDW1]: Refer comment in covering letter.

Commented [CDW2]: Numbering will need to be checked before finalising.

#### SHARED PRINCIPLES TO GUIDE CENTRAL DISTRICT WATER

9-10. The following principles are intended to guide the interpretation of 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.

10-11. 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 CDW, councils, Nga Tapūwae o Hau and Communities, to move forward with shared purpose, collective effort, and ongoing partnership, recognising that the care and

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future of water are strengthened when people work together for the benefit of present and future generations.

- ~~11-12.~~ 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 bodies and freshwater ecosystems is fundamental to the wellbeing of all life (Te Mana o te Wai). ~~When making decisions that affect freshwater resources 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).
- ~~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.
- ~~15-16.~~ 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.
- ~~16-17.~~ 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.
- ~~17-18.~~ ~~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

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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.

- ~~18-19.~~ An enduring and trusted water system depends on openness, honesty, and clear accountability. CDW is 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

- ~~19-20.~~ In delivering services across the service area, the Board will recognise the distinct context of each shareholding council and of Nga Tapūwae o Hau.

- ~~20-21.~~ Any material departure from ~~relevant~~ council resource management planning and land use planning documents should be clearly signaled to the Committee.

#### Horowhenua District Council

##### Local context

- ~~21-22.~~ Horowhenua is a growing district, with water services needing to support planned urban development and align with infrastructure sequencing and investment needs.

##### Future priorities

- ~~22-23.~~ 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)

- ~~23-24.~~ Horowhenua Growth Strategy 2040; the operative LTP; Lake Horowhenua Accord; Manawatū River Accord; Ō2NL.

#### Rangitikei District Council

##### Local context

- ~~24-25.~~ 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

- ~~25-26.~~ 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.

**Commented [CDW3]:** While the Board considers this statement useful, it may not be broad enough to capture departures that are linked to difficulties or challenges with complying with existing planning instruments. In order to make this clearer, the Board would be supportive of edits as follows:

"Any material departure from, or challenge complying with or implementing, council resource management..."

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**Relevant documents and references (not exhaustive)**

- ~~26-27.~~ The operative LTP; future development planning documents; any relevant arrangements relating to retained rural water schemes.

*Palmerston North***Local context**

- ~~27-28.~~ 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**

- ~~28-29.~~ 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.

**Relevant documents and references (not exhaustive)**

- ~~29-30.~~ The operative LTP; Palmerston North Future Development Strategy; Palmerston North Stormwater Strategy; Council resolution on the wastewater treatment plant and associated adaptive management approach.

*Nga Tapuwae o Hau***Local context**

- ~~30-31.~~ 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 and wai.
- ~~31-32.~~ 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 / Rohe, but instead responds to the distinct circumstances, priorities, relationships and responsibilities that exist within each catchment.
- ~~32-33.~~ 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**

- ~~33-34.~~ 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)**

**Commented [CDW4]:** The Board makes two observations on this clause:

- 1.The content for Palmerston North is distinct in that it refers specifically to the Nature Calls project. Is this required, or could the words in the brackets be removed?
- 2.The Board has been briefed on the Nature Calls project, its significance and the extent of work already completed by PNCC. The Board acknowledges that the project will transfer to CDW for implementation, but is aware that there will be risks associated with the project. The Board is willing to accept this as a priority activity, but will need to be kept fully briefed on progress with decision-making (including in advance of PNCC decisions), so that it has an opportunity to raise any particular concerns at relevant times.

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~~34-35.~~ Relevant statutory acknowledgements; Treaty settlement arrangements; mana whakahaere; and iwi and hapū planning or relationship documents where they apply.

#### RELATIONSHIP EXPECTATIONS

~~35-36.~~ 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) ~~Provide opportunities to ensure~~ hapū and iwi, along with shareholding councils, ~~to engage where appropriate - are engaged~~ throughout the lifecycle of planning, design, consenting, delivery, monitoring, review, and public engagement ~~for all capital projects and strategic planning processes~~;
- (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 report ~~due in 2027, is~~ expected to include a concise ~~report back on~~ establishment ~~progress, highlighting any key risks, material departures from the~~ implementation plan and matters requiring shareholder action.

~~36-38.~~ Half-yearly reports in future years are to include reporting on CDWs: ~~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:~~

~~37.~~ 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;

~~38.~~ 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;

- (a) Governance and controls, ~~including the~~ 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;
- (b) Financial performance ~~for the year to dates, with comparisons to CDW's against budgeted financial performance including establishment budget: actual establishment~~ expenditure and ~~revenue for that period, and the~~

**Commented [CDW5]:** The Board has considered this expectation and has a concern about the potential practical implications. If CDW was required to involve the listed stakeholders throughout the lifecycle of all activities and planning processes, this may become quite onerous, and could cause delay and additional costs.

For hapu/iwi and the council shareholders specifically, the Board suggests that this expectation is moderated (as shown in tracking) so that opportunities are provided for more significant projects and planning processes, which recognises that there will be situations where ongoing engagement or involvement is not warranted, or could not practically be resourced. To the extent that other activities may warrant engagement, this expectation will not preclude that, with the Significance and Engagement Policy also guiding when and how CDW will engage.

The Board considers that the tracked edits strike an appropriate balance between engagement with key stakeholders and workability.

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forecast year-end positions in relation to revenue and expenditure. Where there is ~~against approved budget, including~~ any material variance from CDW's budget, the reason for the variance, and the confidence that corrective action will keep expenditure within approved settings must be included;

- (c) ~~Key relationships~~ and engagements ~~performance, including the~~ 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;
- (d) ~~Any relevant updates in relation to~~ Strategy and planning progress including in relation to ~~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 agreed with the Committee;
- (e) ~~People and capability~~ The status of organisational capability, including critical appointments, vacancies, organisational design, staffing profile, workforce transition arrangements, health and safety responsibilities, and any material workforce risks;
- (f) ~~Critical Top~~ risks and mitigations including the status of those risks, proposed or actual mitigations, ~~status of material strategic, operational, financial, funding, legal, cultural, environmental, asset, information, data and transition risks, including~~ mitigation effectiveness, risk ownership, and any other matter requiring Committee attention, decision or escalation.

~~39. 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.~~

~~40. 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

~~41-39.~~ 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,

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ensuring access to the same financing terms available to the Shareholding Councils and maintaining consistency across the region's funding arrangements.

#### *Public Engagement*

~~42-40.~~ CDW will develop and publish a significance and engagement policy in accordance with the LGWSA policies which will set out how Central Districts Water will engage with the public and Communities (when required) on matters of engagement and consultation.

~~43-41.~~ The significance and engagement policy will be adopted in accordance with the process in section 37 of the LGWSA, including engagement ~~uch policies are to be reviewed by and approval from~~ the Committee prior to adoption.

#### *Customer Charter*

~~44-42.~~ 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.

~~45-43.~~ The Customer Charter is to be reviewed by the Committee prior to adoption.

#### *Water Services Strategy*

~~46-44.~~ 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 in a manner 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;<sup>2</sup>
- (c) Ensure transparency in planning for short and long-term charging contingencies;

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

- (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*

~~47-45.~~ It is expected that, after a settling-in period, CDW seeks its own credit rating.

#### **ENDURING EXPECTATIONS**

~~48-46.~~ These enduring expectations are focussed on longer term planning and operations.

#### *Safe, reliable and resilient water services*

~~49-47.~~ 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, which affects freshwater resources, 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*

~~50-48.~~ 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*

~~51-49.~~ Central Districts Water is expected to:

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- (a) Deliver value for money (efficiency and fairness) whilst maintaining affordability;<sup>3</sup>
- (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 connected to the network 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*

52-50. Central Districts Water DW 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 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*

53-51. 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.

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<sup>3</sup> See footnote 1 above.

*Emergency Preparedness and Continuity of Service*

54-52. 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.

55-53. ~~Central Districts Water~~CDW is expected to:

- (a) Work to ensure drinking water supply and wastewater services ~~either~~ continue to function to the fullest extent possible 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.

Credit rating

56-54. It is expected that, after a settling in period, CDW will seek its own credit rating.

## APPENDIX 2

| CLAUSE(S) | RATIONALE FOR SUGGESTED AMENDMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4         | <p>As currently worded the SoE would create a ‘materiality’ restriction for departures, which is not defined and could lead to some complexity if attempts were made to define that term.</p> <p>Given the approach taken by the draft SoE (subject to the Committee’s consideration of the Board’s suggested amendments), the Board considers it unlikely that departures will be required.</p> <p>However, should good reason for a departure arise, CDW would want to minimise the extent of any departure necessary (as it expects the Committee would) such that it would be appropriate to enable more minor departures to be approved, as opposed to only material ones. The Board’s suggested edits reflect this position.</p>                                                                                     |
| 6         | <p>CDW is concerned that the draft SoE may not align with the requirements of the Local Government (Water Services) Act 2025 (<b>LGWSA</b>). In particular:</p> <ul style="list-style-type: none"> <li>• The requirement that the SoE relates to a period of at least 10 consecutive financial years. Given the SoE will not be adopted until after 1 July 2026, CDW considers 10 consecutive financial years requires the SoE should operate until 30 June 2027.</li> <li>• The LGWSA contemplates the SoE being adopted at least 6 months prior to a Water Services Strategy (<b>WSS</b>) being adopted. CDW considers that it would be appropriate for the SoE to accordingly be reviewed every 3 years instead of annually, to align with the WSS process and ensure stability in CDW’s long-term planning.</li> </ul> |
| 8         | <p>CDW considers the reference to the Water Services Delivery Plan (<b>WSDP</b>) to be unnecessary, on the basis that it may become out of date. The modelling upon which the WSDP was developed and the assumptions underlying it may differ from reality as time goes on.</p> <p>Instead, a simpler reference to affordability generally is considered more appropriate, which will allow CDW to consider all relevant circumstances and affordability constraints at any point in time, when determining how to ensure affordability through the delivery of water services.</p>                                                                                                                                                                                                                                        |
| 9(a)      | <p>The drafting of clause 8(a) assumes that prioritising the wellbeing of water will always result in prioritisation of public health.</p> <p>While in most instances prioritising the wellbeing of water is critical to public health, there may be situations in which the two considerations do not align. To meet the other expectations within the SoE and CDW’s statutory obligations, CDW may be required to consider and balance these</p>                                                                                                                                                                                                                                                                                                                                                                         |

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | <p>competing considerations in some cases. CDW considers that this should be reflected in the SoE.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 9(f)      | <p>CDW considers this clause could be clarified by referring to the relevant plans in clause 34.</p> <p>Although not included as a tracked change to the draft SoE, to assist with further clarity CDW considers clause 34 would benefit from specifying the relevant plans in more detail. Doing so will ensure that all parties operate from the same understanding as to the relevant documents.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 36(c)     | <p>While CDW acknowledges the motivation sitting behind ongoing engagement throughout the lifecycle of its decision-making, it queries whether or not that is the best approach. <u>Ensuring</u> that hapū and iwi and shareholding councils <u>are engaged</u> is a firm expectation, which will impose additional costs and may also lead to delays in progressing planning, design, consenting and delivery for all of CDW's activities (due to the requirement to engage before progressing).</p> <p>Instead, imposing an expectation that CDW provides opportunities to engage, where appropriate, is considered more balanced, as it will require CDW to ask – on a project specific basis – whether engagement is wanted, and if so, how.</p> <p>In addition, CDW queries whether the focus should be placed on capital projects and strategic planning processes, to avoid business-as-usual, routine operational activities being subject to ongoing engagement.</p> <p>The Board also notes that it will be required to prepare a Significance and Engagement Policy, which will be approved by the Committee, which will outline how it will engage and on what projects, activities or processes.</p> |
| 37 and 38 | <p>The required content for the first-half yearly report included in the draft SoE is likely to create a significant reporting burden for CDW, at a time when it has limited resources and a significant existing workload to ensure the necessary components are in place for it to deliver water services from 1 July 2027.</p> <p>Given the establishment activities in question will be being managed by officers of each of the shareholder councils already, CDW considers that a more concise half-yearly report would be more appropriate.</p> <p>The draft SoE also does not include required content for future half-yearly reports, despite the required 10-year focus of the SoE (this may be a consequence of the proposed review timeframe). CDW considers that the more detailed half-yearly report content requirements included in the draft SoE could be repurposed and redrafted in the manner suggested, to provide the required content for future half-yearly reports.</p> <p>If additional content is desired by the Committee, the Board would be willing to provide further comment.</p>                                                                                                 |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 45               | CDW considers that this clause would be more appropriately placed in the enduring expectations section, to recognise that it is not intended to take place prior to 1 July 2027, but instead after a settling in period for CDW.                                                                                                                                                                                                                                                                                                                                                                |
| 41, 42 and 53(a) | <p>CDW considers these clauses should be amended to align with relevant statutory requirements and wording to ensure clarity and reduce unnecessary complexity and cost.</p> <p>In relation to clauses 41 and 42 these are the statutory requirements within section 227 and 35 to 37 of the LGWSA.</p> <p>In relation to clause 53(a) this is section 60(a) of the Civil Defence Emergency Management Act 2002. CDW considers this framing more appropriate to ensure that this expectation does not require unaffordable resilience focused upgrades to be made to the relevant networks.</p> |

**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,<sup>1</sup> 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;

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<sup>1</sup> 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;<sup>2</sup>
- (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

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<sup>2</sup> 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;<sup>3</sup>
- (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

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<sup>3</sup> 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.

| Relevant sections of drafted SOE | Board comment/request                                                           | Reasons provided                                                                                                          | Officer commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Recommendations for way forward                                                                                                                                                                                                                                                                           |
|----------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3                                | Removal of “hereafter referred to as”                                           | No reason given                                                                                                           | Plain language                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Agree suggested change                                                                                                                                                                                                                                                                                    |
| 4                                | Removal of “material”<br>Addition of “in advance”                               | No reason given                                                                                                           | Strengthens Committee oversight                                                                                                                                                                                                                                                                                                                                                                                                                                               | Agree suggested change                                                                                                                                                                                                                                                                                    |
| 6                                | Duration and review timeframe of SoE does not align with statutory requirements | 10 years should align with start date of 1 July 2027<br><br>3-year review would align with Water Services Strategy review | Under s 224(2), a SoE must relate to a period of “ <u>at least</u> 10 consecutive years”.<br><br>The SoE to apply from the date of adoption and expire on 30 June 2037 (includes establishment phase and at least 10 years)<br><br>Under s224(3) the role of the SOE is to ““inform and guide... the water organisations preparation of its water services strategy”.<br><br>Noting the Committee to date has indicated an interest in a tight review period in establishment | Replace 12-month review with:<br><br>“This SOE operates from the date of adoption until 30 June 2037”.<br><br>Remove annual review, noting early review could still occur if needed even if not stated in SOE. Committee could decide as timing suits prior to 2028 election for example.<br><br>Include: |

|  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                           |
|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
|  |  |  | <p>phase, legal advice has been sought.</p> <p>Removing the requirement or direction for an annual review would not preclude the Shareholders Committee from preparing a new SoE outside of a 3-year interval, if that is considered necessary. A review could occur according to the full process set out in s229, which requires the Shareholder Committee to scope the review, engage with its shareholder councils, then provide CDW opportunity to comment, before then adopting the amended SoE and providing it to CDW.</p> <p>Risks to requiring 'early' review:</p> <ol style="list-style-type: none"> <li>1. process costs for all parties; additionally so if substantive or significant shift which would require amendment to WSS</li> <li>2. unstable SOE with mixed or changing</li> </ol> | <p>"The Committee may amend or replace this SOE in accordance with the process provided for under s229 of the LGWSA."</p> |
|--|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|

|            |                                                                                                                                                    |                                                        |                                                                                                                                                         |                                                                                                                                       |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
|            |                                                                                                                                                    |                                                        | <p>direction could impact on CDW planning and delivery</p> <p>3. timing (noting LG reforms may already impact on WSS)</p>                               |                                                                                                                                       |
| 7,8        | That the Committee make explicit that the expectation from the Committee is that the Central Districts Water satisfy all outcomes in the long-term | Will allow for the challenges of the transition period | Committee understands that establishment phases will bring particular challenges                                                                        | Provide framing in SOE that acknowledges the transition period, unforeseen circumstances, but expectation of a "no surprises" policy. |
| 7 footnote | Remove reference to Water Services Delivery Plan                                                                                                   | Will become out of date                                | <p>Base line at time</p> <p>Shorter review period can update.</p> <p>If Board cannot meet this definition can come to Committee and explain reasons</p> | Retain                                                                                                                                |
| 9          | Addition of "interpretation"                                                                                                                       | No reason given                                        |                                                                                                                                                         | Accept suggested change                                                                                                               |

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                   |                                                                                                                                                                                                |                                                      |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
|        | The following principles are intended to guide <u>the interpretation of</u> the SoE for CDW                                                                                                                                                                                                                                                                                                                                      |                                   |                                                                                                                                                                                                |                                                      |
| 11     | Replacement of “In giving effect to this SOE”<br><br>When making <u>decisions that affect freshwater resources</u> 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. | No reason given                   | Limits to freshwater only<br><br>Does the Committee wish to limit in this way?<br><br>Rather than “when giving effect to the SOE” perhaps is more a matter of “when providing water services”? | Replace with:<br><br>“When providing water services” |
| 49(a)  | Addition of<br><br><u>which affects freshwater resources</u>                                                                                                                                                                                                                                                                                                                                                                     |                                   | Te Mana o te Wai does not only apply to freshwater                                                                                                                                             | Do not include addition                              |
| 17     | Removal of “For iwi and hapū that are not yet settled”                                                                                                                                                                                                                                                                                                                                                                           | No reason given                   | Suggested phrasing widens fairness and good faith to all groups settled or otherwise                                                                                                           | Agree suggested change                               |
| 35 (c) | Preference for “more moderate” mana whenua engagement to ensure                                                                                                                                                                                                                                                                                                                                                                  | Too resource heavy, not practical | Engagement in lifecycle of all works is not be                                                                                                                                                 | Pragmatic approach might be to amend:                |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                |                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                             |
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|    | <p>engagement opportunities on key projects and initiatives</p> <p><u>Provide opportunities to Ensure hapū and iwi, along with shareholding councils, to engage where appropriate are engaged throughout the lifecycle of planning, design, consenting, delivery, monitoring, review, and public engagement for all capital projects and strategic planning processes;</u></p>                                                                                                                    |                                                | <p>achievable by Company and Iwi.</p>                                                                                                                                                                                                                                                                                                   | <p>engagement in planning, design, review and public engagement and informing at stages of consent and delivery of all major projects, and engagement as guided by the Company's Significance and Engagement Policy and broader partnership objectives of the Statement of Expectation.</p> |
| 36 | <p>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 report <u>due in 2027, ing</u> is expected to include a concise <u>report back on establishment progress, highlighting any key risks, material departures from the implementation plan and matters requiring shareholder action.</u></p> <p><u>Half-yearly reports in future years are to include reporting on CDW's:</u></p> | <p>Burden of content of half-yearly report</p> | <p>Distinguishes establishment reporting from ongoing reporting.</p> <p>Practical suggestion for content of short-term (implementation phase) reporting from Board-covers day one readiness and programme delivery through reference to implementation plan. Is supplemented by establishment team report to each Committee meeting</p> | <p>Agree suggested change with addition of <u>material departures from the implementation plan</u> "and budget"</p>                                                                                                                                                                         |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                                             |  |
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|  | <p>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:</p> <p>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; 38. 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;</p> <p>(a) Governance and controls, including the status of the core governance, policy, delegation, risk,</p> |  | <p>which will highlight any emerging risks for early oversight.</p> <p>Note: Board's Implementation Plan should be shared with the Committee as early as possible.</p> <p>Suggestions for ongoing reporting do not substantially shift the content initially requested by the Committee</p> |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |                                                                                                                |
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|  | <p>procurement, financial control, legal, assurance and reporting arrangements required for CDW to operate as an effective and accountable water services organisation;</p> <p>(b) <u>Financial performance for the year to dates, with comparisons to CDW's against budgeted financial performance including establishment budget: actual establishment expenditure and revenue for that period, and the forecast year-end positions in relation to revenue and expenditure. Where there is against approved budget, including any material variance from CDW's budget, the reason for the variance, and the confidence that corrective action will keep expenditure within approved settings must be included;</u></p> <p>(c) <u>Key Relationships and engagements performance: including the status of agreed engagement with Shareholding Councils, Nga Tapūwae o Hau, mana whenua, iwi and hapū, including engagement undertaken, matters raised, actions arising, and</u></p> |  |  | <p>Agree suggested change to (a)</p> <p>Agree suggested change to (b)</p> <p>Agree suggested change to (c)</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|----------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |                                                                                                                |
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|  | <p>whether any issue requires Committee attention or escalation;</p> <p>(d) <u>Any relevant updates in relation to Strategy and planning progress including in relation to : 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 agreed with the Committee;</u></p> <p>(e) <del>People and capability:</del> <u>The</u> status of organisational capability, including critical appointments, vacancies, organisational design, staffing profile, workforce transition arrangements, health and safety responsibilities, and any material workforce risks;</p> <p>(f) <u>Critical Top</u> risks and mitigations <u>including the status of those risks, proposed or actual mitigations, ÷ status of material strategic, operational, financial, funding, legal, cultural, environmental, asset, information, data and transition risks, including</u> mitigation effectiveness, risk</p> |  |  | <p>Agree suggested change to (d)</p> <p>Agree suggested change to (e)</p> <p>Agree suggested change to (f)</p> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|----------------------------------------------------------------------------------------------------------------|

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                         |                                                                                                                                                                            |                         |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
|        | ownership, and any <u>other</u> matter requiring Committee attention, decision or escalation.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                         |                                                                                                                                                                            |                         |
| 37,38  | Remove these clauses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Burden of content of half-yearly report | This would remove traffic light reporting for ease of Committee or public, however any material changes or escalation must still be reported by Board as per section above | Agree suggested changes |
| 42, 43 | <p>CDW will develop and publish a <u>significance and engagement policy in accordance with the LGWSA, policies which <u>will</u> set out how Central Districts Water will engage with the public and Communities <u>(when required)</u> on matters of engagement and consultation.</u></p> <p>The significance and engagement policy will be adopted in accordance with the process in section 37 of the LGWSA, including engagement <del>such policies are to be reviewed by and</del> <u>approval from</u> the Committee prior to adoption.</p> | Aligns with legislation                 |                                                                                                                                                                            | Agree suggested changes |

|       |                                                                                                                                                                                                                    |                 |                                                                                                     |                                                                              |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 46    | Addition of “in a manner that”                                                                                                                                                                                     | No reason given | Weakens initial phrasing, however acknowledges subjectivity.<br><br>Company must give effect to SOE | Agree suggested change with addition of “and <u>give effect to</u> this SOE” |
| 47    | Move credit rating clause from Establishment Expectations section to Enduring Expectations section                                                                                                                 | No reason given | Appears to meet intent, while remaining practicable                                                 | Agree suggested change                                                       |
| 51(b) | Addition of “connected to the network”                                                                                                                                                                             | No reason given |                                                                                                     | Agree suggested change                                                       |
| 53(a) | Adjustment of phrasing<br><br><del>either continue to function to the fullest extent possible operate during and following emergencies, even if at reduced levels, or is subject to minimal disruption only;</del> | No reason given | Appears to meet intent, while remaining practicable                                                 | Agree suggested change                                                       |



## MEMORANDUM

**TO:** Joint Shareholders Committee - Central Districts Water

**MEETING DATE:** 14 August 2026

**TITLE:** Transition update from Chief Executives

**PRESENTED BY:** Monique Davidson, Chief Executive Horowhenua District

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

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

1. That the Committee receive the 'Transition update from the Chief Executives' presented on 14 August 2026.

#### 1. ISSUE

- 1.1 To date the Committee has received updates from the Chief Executives which have primarily been compiled by the transition team from papers which have also been presented to the Board of the Company.
- 1.2 The Company has determined Chris Dhyrberg as its Chief Executive as of 3 August 2026.
- 1.3 The Shareholder Councils will continue to support an integrated transition and to that end have appointed Daniel Haigh as Executive Director-Shareholders. The shareholder-focused Executive Director role will support the Shareholder Councils with their readiness activities, coordination, assurance, and decision-making.
- 1.4 The CDW establishment programme remains focused on building a successful water services organisation and ensuring operational readiness. The shareholder programme will be focused on ensuring councils are ready to successfully transfer responsibilities to CDW by Day 1.
- 1.5 An update is attached.

## 2. NEXT STEPS

- 2.1 From September regular updates from the Shareholder Councils transition team will be presented to future Committee meetings.
- 2.2 The Company will also continue to provide high level updates to the Committee of implementation progress, noting that the Statement of Expectations sets out a requirement for the Company to present six-monthly and annual reports to the Committee.

## 2. COMPLIANCE AND ADMINISTRATION

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

## ATTACHMENTS

- 1. Transition Update August 2026 [↓](#) 

# Establishment Programme Update

Shareholder's Committee Meeting 14 August 2026



# Purpose

To provide the Shareholders' Committee with an Establishment Programme update.



# Content

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



# 1. 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
- Expression of Interest process for Customer Workstream Lead concluded and announcement pending
- Procurement lead appointed and started 27 July – key focus areas procurement policy, approach to fleet, novation of contracts, procurement of key contracts (insurance, electricity, valuation etc)
- Engagement with vendors for the procurement of core systems of record is ongoing. Targeting August for contracts to be complete.
- Progressing discussions with Nga Tapuwae o Hau in relation to the establishment programme, transfer agreement schedules and preparation for the Board induction

## Next Focus

- Continue engagement with Nga Tapuwae 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

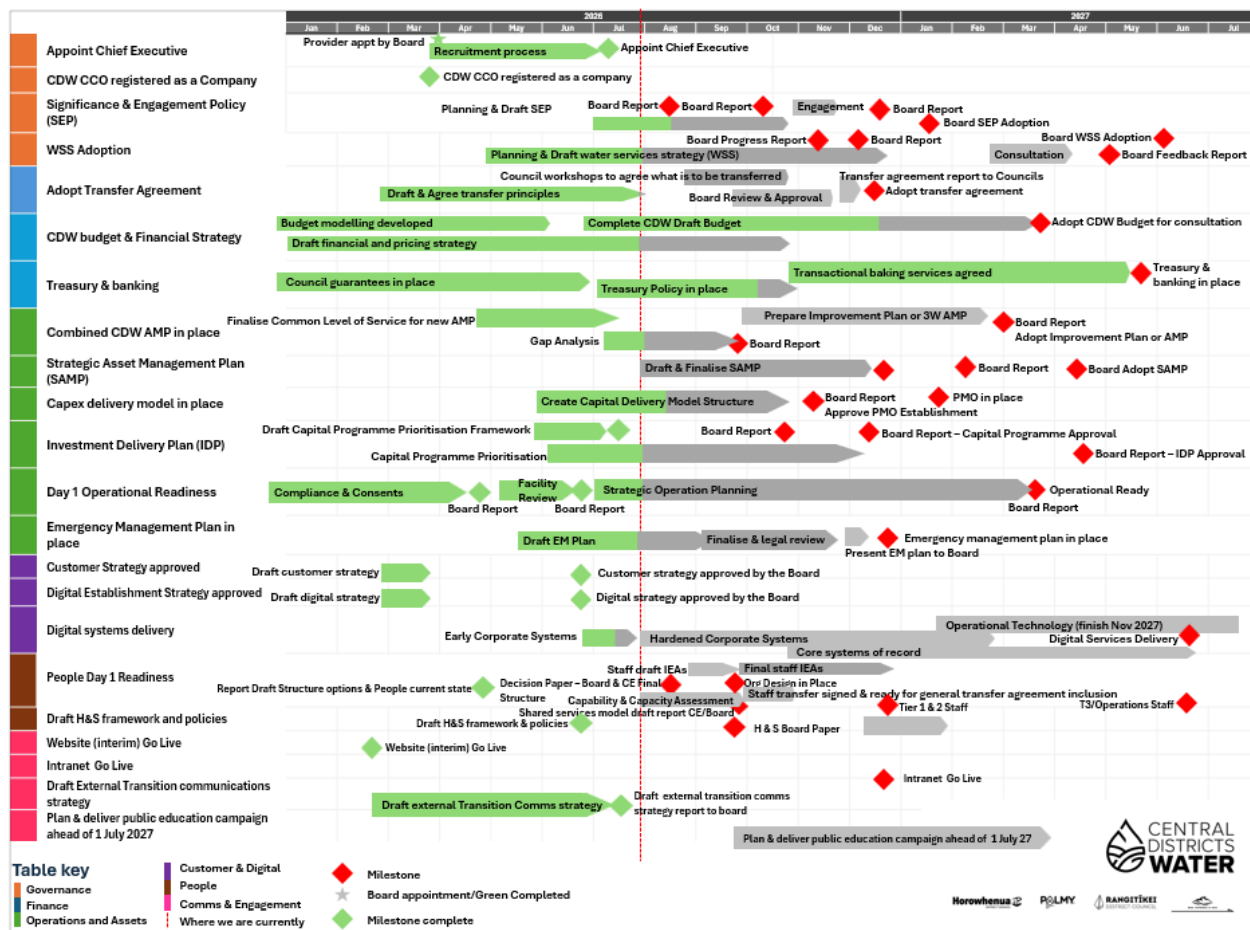
## Issues or Challenges

- Conflicting priorities



## 2. Key Deliverables

Key Deliverables (as at 6 August 2026)



### Updates made since 7 July 2026

#### Changes to the Work Programmes

- Updated progress tracking line
- Governance:
  - Added Significance & Engagement Policy
- Operations & Assets:
  - Updated Capex delivery model items
- People:
  - Health & Safety Board Paper moved from August to September
- Communications & Engagement
  - Intranet – no longer doing transition intranet. Date updated to reflect permanent Intranet for CDW.

### Progress of Work Programmes

- Mostly on track
- Ahead in Treasury Policy & Draft Budget
- Slightly behind in early corporate systems – the content must be copied before CDW migrates to its own tenant and can't close until migration completes.

# CDW Financial Update

Decision Rights and Governance by Cost Category



|  <b>COUNCIL TRANSITION COSTS</b><br>(FUNDED BY WATER DEBT)                                                    |  <b>ESTABLISHMENT COSTS</b>                                                                     |  <b>ESTABLISHMENT (IT) COSTS</b>                                                                              |  <b>CDW OPERATIONAL COSTS</b>                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>INCLUDES:</b> <ul style="list-style-type: none"> <li>Council staff time</li> <li>Advice for Councils</li> </ul>                                                                             | <b>INCLUDES:</b> <ul style="list-style-type: none"> <li>Establishment team</li> <li>Professional Advice</li> <li>Office set up</li> </ul>                                        | <b>INCLUDES:</b> <ul style="list-style-type: none"> <li>IT Systems implementation to prepare to be operational on 1 July 2027</li> <li>All Systems planned to be live on 1 April 2027</li> </ul> | <b>INCLUDES:</b> <ul style="list-style-type: none"> <li>Board Costs</li> <li>CE</li> <li>Potential Exec team and other staff starting before 1 July 2027</li> <li>Legal Costs</li> </ul> |
| <b>DECISIONS ON SPENDING</b> <ul style="list-style-type: none"> <li>Decisions on spending sit with Council CEs via PSG.</li> <li>Monitored under each Council's Delegations Policy.</li> </ul> | <b>DECISIONS ON SPENDING</b> <ul style="list-style-type: none"> <li>Decisions on spending will sit with CDW Board and CDW CE based on Board Delegations Policy.</li> </ul>       | <b>DECISIONS ON SPENDING</b> <ul style="list-style-type: none"> <li>Decisions on spending will sit with CDW Board and CDW CE based on Board Delegations Policy.</li> </ul>                       | <b>DECISIONS ON SPENDING</b> <ul style="list-style-type: none"> <li>Decisions on spending will sit with CDW Board and CDW CE based on Board Delegations Policy.</li> </ul>               |
| <b>GOVERNANCE</b> <ul style="list-style-type: none"> <li>Governance sits with each Council.</li> <li>Monitored by CDW Board for Transfer Agreement.</li> </ul>                                 | <b>GOVERNANCE</b> <ul style="list-style-type: none"> <li>Oversight sits with Shareholders' Committee with oversight from PSG and overall governance from Board.</li> </ul>       | <b>GOVERNANCE</b> <ul style="list-style-type: none"> <li>Oversight sits with Shareholders' Committee with oversight from PSG and overall governance from Board.</li> </ul>                       | <b>GOVERNANCE</b> <ul style="list-style-type: none"> <li>Governance sits with CDW Board with oversight governance from Shareholders' Committee.</li> </ul>                               |
| <b>ACCOUNTABILITY</b> <ul style="list-style-type: none"> <li>Council CEs</li> </ul>                                                                                                            | <b>ACCOUNTABILITY</b> <ul style="list-style-type: none"> <li>CDW Board and CE for all costs except Establishment Team which is accountable to Council CEs and CDW CE.</li> </ul> | <b>ACCOUNTABILITY</b> <ul style="list-style-type: none"> <li>CDW Board and CE</li> </ul>                                                                                                         | <b>ACCOUNTABILITY</b> <ul style="list-style-type: none"> <li>CDW Board and CE</li> </ul>                                                                                                 |

## Cost Summary – Budget, Forecast & Actual

| Description                                            | Councils \$000 | CDW Establishment \$000 | CDW Establishment Digital \$000 | CDW Operational (On-going) \$000 | TOTAL \$000 |
|--------------------------------------------------------|----------------|-------------------------|---------------------------------|----------------------------------|-------------|
| Actual spending up to the end of June (net of revenue) | (\$543)        | \$3,336                 | \$168                           | \$114                            | \$3,075     |
| Total WSDP Establishment Budget                        | —              | \$3,687                 | \$6,300                         | \$560                            | \$10,547    |

*The forecast of \$17.2m presented at the 15 July Board Meeting is currently being updated for approval by the Board on August 19. It will be provided at the next SHC meeting following the Board meeting.*

## 4(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
- RfP for Legal Services Provider for CDW has closed, assessment of proposals completed, interviews conducted, board paper preparation for approval August.
- Development of the Significance and Engagement Policy has begun, draft to be presented to the August Board meeting for feedback and direction.
- The Independent Chair of the Shareholders' Committee is working across all five parties on the proposed MoU to reach agreement on the next steps

### Next Focus

- Complete the Legal Services RfP process
- Continue to support the MoU to completion
- Continue Development of the Significance and Engagement Policy for CDW
- Confirm with the PSG the revised Establishment Team structure and resourcing to accommodate the CDW CE role
- Development of CDW Strategic Plan

### Issues or Challenges

- None



## 4(b) Finance

### Current activities

- **Pricing Policy** – Drafting is starting and the first draft is planned to be presented as part of the Water Services Strategy conversations. Initial thinking will be presented in September. A measure of affordability will be included at this stage.
- **Budget and Forecast** – Detailed forecast update to be included in August board meeting to include contingency for IT programme, updated forecast for CDW operational costs and updated resource costs for the Establishment programme now the CE is on board.
- **Banking and Debt funding** – Bank set up, Xero, Payroll and initial \$750k Line of Credit funding has been delivered. The remaining funding facilities with BNZ and LGFA will be online by the end of August.
- **Budget Model** for Water Services Strategy development – The first draft has been completed and is currently being reviewed. Analysis and prioritisation work has now started.
- **Risk Programme** – Risk Policy, Framework, and Risk register were provided to the August to the Audit, Risk and Finance Committee on 4 August.

### Next Focus

- **Billing** – Setting up scope for project
- **Financial Strategy** – Drafting is underway and the first draft is planned to be presented as part of the Water Services Strategy conversations. Initial thinking will be presented in September.
- Financial Policies
- Accounting and Tax Guidance for Councils and set-up of CDW to be prepared with KPMG.

### Issues or Challenges

- Ensuring delivery of documents for remaining funding facilities by 19 August Board meeting for signing.
- Creation of stormwater service areas in GIS to enable mapping.



## 4(c) Operations & Asset

### Current activities

- A paper was presented to the Board in July for adoption of common non-financial performance targets for mandatory DIA LOS measures.
- All Capex and Opex budgets have now been captured in the CDW financial systems
- We are collating all the information and will start analyzing it in more detail during the next two weeks.
- The Capex program will be updated with the new information received and followed by a Capex program workshop later in August
- The second Capital delivery model workshop scheduled
- Working with 3 x councils to finalise lease arrangements for CDW to cohabit current Depots for day 1.
- Progressing well with a single service area GIS map for CDW.
- A water meter discussion paper will be presented to the Board in August.
- Finalising the transfer principles for stormwater assets.
- Finalising an Operational H&S review framework.
- Create an Emergency Management plan for CDW.

### Next Focus

- Progressing work on the captured budgets.
- Work on the updated Capex program
- Progress Work on creating the CDW Capital delivery model.

### Issues or Challenges

- No issues at this stage



## 4(d) Digital

### Current activities

- Continued engagement with vendors for the procurement of core systems of record – targeting August for contracts to be complete.
- Continued engagement with Datapay for establishment of a managed payroll service for early employees.

### Next Focus

- Further market engagement across various work packages.
- Resourcing the digital workstream
- Commence system of record delivery
- Commence current state assessment for operational technology

### Issues or Challenges

- No issues or challenges at this stage



## 4(e) Communication & Engagement

### Current activities

- Confirming budget options for Comms and Engagement for forecasting and future board report
- Working on options/timings for Significance and Engagement Policy
- Staff Communications and Change Strategy complete, will be presented to September Board meeting.
- Preparing for staff engagement workshops for late August – (help with structure, but also ops ways of doing things).
- Community newsletter drafted and ready for circulation once SOE signed off
- Recent community engagements
  - Home Show mid July - handed CDW information flyer
  - Chairman Steve spoke at Rotary in Levin in late July
- Finalising base displays for Customer Service Centres/Libraries
- Statement of Expectations draft release
- Vision options for wider strategic work
- Staff Update
- Updating Q+A's for staff and public
- Monitoring Q+A's that Tiaki Wai/Waikato Waters/IAWAI have been getting and adding to our future bank

### Issues or Challenges

- Capacity due to annual leave and amalgamation needs.



## 4(f) People

### Current activities

- **Staff Transfer**
  - Principles, transfer arrangements, timelines and consultation requirements at final stages with council and Chief Executives
  - Staff Comms plan implemented and actioned.
- T2 Structure**
  - T2 structure in final draft, awaiting endorsement
  - Workshops with Becca on delivery Model to inform further structural elements i.e decision making rights; controls.
  - 'Bottom Up' structure modelled to inform capacity and capability review; facility requirements
- **T2 Recruitment**
  - Job Description design underway
- **Payroll**
  - IRD employer set up complete; first pay-run successfully completed

### Next Focus

- T2 recruitment
- T2 IEA development, remuneration
- Staff Policies finalised and adopted
- Employee Journey Map
- Onboarding programme
- Finalise Terms and Conditions of employment for proposed transferring employees and new employees.
- Further refinement met of position structure
- Shared Services opportunities investigation

### Issues or Challenges

- None



## 5. Transfer Agreement

### Current activities

- 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, with initial sign-off from CEs by 31 August.
- The Establishment Team is currently working with Simpson Grierson on 'matters of shared interest' (e.g. shared service agreements, service level agreements, MOUs. The topics or areas that will need to be covered by such arrangements are being considered, ahead of workshopping the same with the Shareholding Councils.

### Next Focus

- The current intention is for a draft Transfer Agreement template (front end) to be circulated by approximately 21 August to the Shareholding Councils and Central Districts Water, to allow opportunity for review and feedback to be provided to the Establishment Team.

### Issues or Challenges

- Ensuring that any issues regarding the completion of the schedule templates are dealt with in a timely manner.



## 6. Water Services Strategy

### Current activities

- CDW to ensure that this aligns with the Strategic Priorities in the WSS
  - (Strategic Priorities are equivalent to Community Outcomes in the LTP)
- Work on the significant challenges sections of the WSS e.g. compliance, growth, renewals, risk etc

### Next Focus

- Continuation of the strategy development
- Reviewing the capital programme when submitted to ensure there is alignment with the WSS

### Issues or Challenges

- Ongoing: timeframe for completing the strategy
- Long term: reporting to DIA differences between the WSS and the WSDP



## 7. Governance Oversight and Responsibilities

The following slide sets out the roles and responsibilities across the different governance bodies for the establishment programme as at June 2026.

The CEs' have spent some time working through what the appropriate structure is now that the CDW CE has been appointed, and have agreed the following structure:

- An Establishment Director will be appointed to lead the day to day Establishment activities. The workstream leads will report to this position with the exceptions noted below.
- The Council CEs' have appointed a shareholders Executive Director who will provide advice and support to the CEs' and be accountable for council specific establishment activities. This includes the transfer agreement, support of the shareholders committee and some aspects of the people workstream.
- A programme manager appointment to manage tracking and reporting of programme activities and to implement a Day 1 readiness programme.



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





## COMMITTEE WORK SCHEDULE

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 14 August 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 14 August 2026.

| Meeting Date   | Topics                                                                                                                                                                                                                                                                                                                                                   |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2026</b>    |                                                                                                                                                                                                                                                                                                                                                          |
| 14 August      | <ul style="list-style-type: none"> <li>• <del>Adopt final Statement of Expectations</del></li> <li>• Visibility on Councils' draft Transfer Agreements (to come to September meeting)</li> <li>• <del>Transition update from Chief Executives</del></li> </ul>                                                                                           |
| 4 September    | <ul style="list-style-type: none"> <li>• Visibility on Councils' draft Transfer Agreements</li> <li>• Visibility of Councils' draft Service Level Agreements</li> <li>• Opportunity to comment on Board's draft Significance and Engagement Policy</li> <li>• Transition update from Chief Executives</li> <li>• Company update (as required)</li> </ul> |
| 4 December     | <ul style="list-style-type: none"> <li>• Review and provide comment on the draft Water Services Strategy</li> <li>• Transition update from Chief Executives</li> <li>• Company update (as required)</li> </ul>                                                                                                                                           |
| <b>2027</b>    |                                                                                                                                                                                                                                                                                                                                                          |
| January – June | <ul style="list-style-type: none"> <li>• Company six-month report</li> </ul>                                                                                                                                                                                                                                                                             |