



Horowhenua
DISTRICT COUNCIL

PALMY
DISTRICT COUNCIL

RANGITĪKEI
DISTRICT COUNCIL

MOA TAPŪWAE O HAU
DISTRICT COUNCIL

AGENDA

Joint Shareholders' Committee - Central Districts Water

10.00AM, FRIDAY 4 SEPTEMBER 2026

COUNCIL CHAMBER, 46 HIGH STREET, MARTON

MEMBERS

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)



JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER MEETING

4 September 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

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

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

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

4. Declarations of Interest (if any)

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

5. Public Comment

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

6. Confirmation of Minutes

Page 5

That the minutes of the special Joint Shareholders' Committee - Central Districts Water meeting of 14 August 2026 Part I Public be confirmed as a true and correct record.

7. Transfer Agreements Update

Page 9

Memorandum, presented by Daniel Haigh, Executive Director- Transition.

8. Draft Central Districts Water Significance and Engagement Policy

Page 19

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

9. Work Schedule

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10. Karakia Whakamutunga

11. 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 Extraordinary Joint Shareholders' Committee - Central Districts Water Meeting Part I Public, held in the Council Chamber, 46 High Street, Marton on 14 August 2026, commencing at 10.02am.

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

Members Present online: Ms Danielle Harris

Apologies: Mr Hayden Turoa (for lateness)

Karakia Timatanga

Chair Chris Gallavin and Ms Marj Heeney opened the meeting with karakia.

Apologies

Apologies were noted.

22-26 Confirmation of Minutes

Moved Mr Chris Gallavin, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. 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.

Clause 22-26 above was carried on the hands.

23-26 MOU Discussion- Working Group summary and recommendations and pathway forward

Memorandum, presented by Chris Gallavin, Independent Chair.

Mr Hayden Turoa entered the meeting at 10:15am.

Moved Mr Chris Gallavin, seconded Mayor Andy Watson.

The **COMMITTEE RESOLVED**

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

Clause 23-26 above was carried on the hands.

24-26 Adoption of Statement of Expectations for Central Districts Water 2026-2037
Memorandum, presented by Chris Gallavin, Independent Chair.

Moved Mr Chris Gallavin, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That Clause 35c – Iwi and Hapu engagement – remains as drafted.

The clause 24.1-26 above was carried 7 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mayor Andy Watson, Deputy Mayor Dave Wilson, Kaydee Zabelin, Ms Danielle Harris, Mr Hayden Turoa and Ms Marj Heeney.

Against:

Councillors Mayor Bernie Wanden and Councillor Sam Jennings.

Moved Mr Chris Gallavin, seconded Ms Marj Heeney.

The **COMMITTEE RESOLVED**

2. That Clause 6 – the initial review period, remains at 12 months, and thereafter reviews of a duration not more than 3 years.
3. Retain clauses 7 and 8, including footnote as drafted.
4. Retain clause 17 as drafted.
5. That the Committee amend the reporting clause 37 as follows:
 - a. "For each measure in clause 36, CDW should report the current status, explanation of any material variance and planned corrective action, and whether any matter requires Committee attention."
6. 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 and as amended by resolutions above.
7. 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.
8. That the final Statement of Expectations be compiled according to these instructions and provided to Committee members prior to being sent to Central Districts Water Ltd.

Clause 24.2-26 above was carried 9 votes to 0, the voting being as follows:

For:

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

25-26

Transition update from Chief Executives

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

Moved Mr Chris Gallavin, seconded Kaydee Zabelin.

The **COMMITTEE RESOLVED**

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

Clause 25-26 above was carried on the hands.

26-26

Work Schedule

Moved Mr Chris Gallavin, seconded Mayor Bernie Wanden.

The **COMMITTEE RESOLVED**

1. That the Joint Shareholders' Committee - Central Districts Water receive its Work Schedule dated 14 August 2026.

Clause 26-26 above was carried on the hands.

Karakia Whakamutunga

The Committee closed the session with karakia.

The meeting finished at 12.04pm.

Confirmed 4 September 2026

Chair

MEMORANDUM

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 4 September 2026

TITLE: Transfer Agreements Update

PRESENTED BY: Daniel Haigh, Executive Director- Transition

APPROVED BY: Monique Davidson, Chief Executive Horowhenua District

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

1. That receive the memorandum titled 'Transfer Agreements Update,' presented to the Joint Shareholders' Committee- Central Districts Water on 4 September 2026.

1. ISSUE

- 1.1 The purpose of this memorandum is to update the Joint Shareholders' Committee on progress with the Transfer Agreements and outline the proposed pathway through to transfer on 1 July 2027.
- 1.2 Development of the Transfer Agreements has now progressed with work underway across the three Shareholding Councils and Central Districts Water to confirm the principles that will guide the transfer, develop the individual agreements and schedules, and identify the operational and Council matters that need to be resolved before transfer.
- 1.3 This memorandum provides the Shareholders Committee with a high-level overview of:
 - What the Transfer Agreements needs to achieve;
 - Progress to date;
 - The approach being taken to develop and agree the Transfer Agreements;
 - How Elected Members and iwi will be involved;
 - The key milestones through to 1 July 2027.

2. TRANSFER AGREEMENT OVERVIEW

- 2.1 The Local Government (Water Services) Act 2025 requires each Shareholding Council will enter into its own Transfer Agreement with Central Districts Water. The agreements will provide the formal basis for transferring responsibility for water services from the Councils to Central Districts Water from 1 July 2027.
- 2.2 While there will be three separate agreements, the Councils and Central Districts Water are working to a common framework and principles (as drafted by Simpson Grierson) wherever possible. This will support consistency across the three transfers while allowing each agreement to address Council-specific circumstances.
- 2.3 The Transfer Agreements will cover more than the physical transfer of water assets. Collectively the agreements and associated documents will identify:
- Assets, land and interests in land;
 - Contracts and agreements;
 - Regulatory approvals and statutory responsibilities;
 - Plant and equipment;
 - People transferring from Council to Central Districts Water;
 - Liabilities, rights and obligations;
 - Debt and swaps;
 - Services or arrangements that need to be continued between the Councils and Central Districts Water after 1 July 2027; and
 - Matters where the Councils and Central Districts Water will need to continue working together after the transfer (Matters of Shared Interest).
- 2.4 The detailed legislative requirements for the Transfer Agreements are set out in the Local Government (Water Services) Act 2025. The immediate programme focus is on translating those requirements into three workable agreements and ensuring that the significant operational, financial, and governance matters are identified and resolved through the appropriate decision-making pathways.

3. APPROACH TO DEVELOPING THE TRANSFER AGREEMENTS

Transfer Principles

- 3.1 A common set of transfer principles is being developed to provide the foundation for the three Transfer Agreements. These principles are intended to support a consistent approach to determining what transfers, what remains with Councils and how matters requiring further consideration are worked through.
- 3.2 The principles will be reviewed through the respective Council processes and provided to elected members as part of the early engagement on the Transfer Agreements.

Front-end Agreements

- 3.3 Simpson Grierson have prepared a draft Transfer Agreement template for use as the starting point for the three agreements. This has been circulated to the Shareholding Council officers and Central Districts Water for review.
- 3.4 Council Officers are reviewing the template to identify issues that need to be addressed consistently across all three agreements and matters that require a Council-specific position or decision.

Transfer Schedules

- 3.5 Detailed schedules are being developed alongside the front-end agreements. These schedules identify the specific assets, contracts, approvals, equipment and other matters proposed to transfer.
- 3.6 A significant amount of information has already been collated within each Council to populate the schedules. The current focus is on validating that information, identifying gaps and ensuring appropriate subject matter expert review.
- 3.7 The schedules will continue to develop throughout the programme. The objective at this stage is to establish sufficient clarity about what is proposed to transfer to support informed Council and iwi consideration and the development of the integrated draft agreements.

Operational and Continuing Council Matters

- 3.8 In parallel with the agreements and schedules, work is underway to identify matters that require a Council position, continuing Council responsibility, delegation, service arrangements or other operational decisions.
- 3.9 These matters include areas where Councils and Central Districts Water will continue to interact after transfer, such as:
 - Strategic and land-use planning;

- Emergency management;
- Stormwater;
- Building and resource consenting;
- Information sharing and LIM processes;
- Communications and engagement;
- Other operational interfaces and post-transfer service arrangements.

3.10 Identifying these matters early will allow them to be allocated to the appropriate workstream and decision-maker rather than emerging late in the legal drafting process.

4. PROGRESS ACROSS SHAREHOLDING COUNCILS

- 4.1 Officers from all three Shareholding Councils are progressing the development of their Transfer Agreements and Schedules. Different approaches have been taken to organising the work internally, reflecting the resources and structures within each Council.
- 4.2 Progress to date has provided a useful foundation with further validation, specialised input and resolution of individual matters to continue over the coming months, through an integrated process that sees the front-end agreements, schedules, operational matters and Council decisions developed together.
- 4.3 This approach recognises completeness and complexity. Where matters cannot yet be resolved, these will be explicitly identified and managed through the programme.

Horowhenua District Council

- 4.4 Horowhenua District Council continues to make good progress with the population of its transfer schedules, with a good emerging understanding of inputs and priorities across the required information sets. Current efforts are focused on compiling, validating and populating schedule information, drawing on expertise across various Council teams.
- 4.5 Significant progress has been made, and Council remains confident that the highest-priority schedules, including those supporting key decisions relating to land transfers and iwi agreements, will be completed within the required timeframes. As additional information continues to be received and incorporated, officers are working to ensure the schedules provide a robust, accurate, and practical foundation for a successful transfer, while maintaining a strong focus on quality and completeness.

Palmerston North City Council

- 4.6 Palmerston North City Council has appointed a Transfer Agreement Lead who is responsible for leading the development, negotiation and completion of the Council's Transfer Agreement. The Lead has established a programme team with representation from across the organisation to support the population and validation of information within the schedules.
- 4.7 The current focus is on the population of accurate and complete schedules by mid-September, ready for the processes of review and decision making across the remainder of the calendar year. This will include iwi engagement and elected member engagement through late September and October.

Rangitikei District Council

- 4.8 Rangitikei District Council is on track to complete the first round of data capture for the draft schedules by 31 August 2026. However, this information needs to be uploaded into the prescribed format for the schedules - this is planned to be achieved by mid-September. It is estimated that this first round of data capture covers 80% of all assets, equipment and contracts to be transferred.
- 4.9 There will be further work during September to capture remaining assets, equipment and contracts, but there is an expectation that there will need to be a 'mop up' post approval as additional items are discovered. In addition, work will be done to novate contracts proposed for transfer to Central Districts Water.
- 4.10 There are issues regarding specific land parcels which require specific decisions from Council prior to being finalised in the schedules.

5. ELECTED MEMBER AND IWI ENGAGEMENT

- 5.1 Elected Member involvement will occur progressively rather than being limited to consideration of the final Transfer Agreement.
- 5.2 During August- October 2026, each Council is expected to discuss the Transfer Agreement with its elected members. These workshops will provide an overview of the agreement, transfer principles, scope, and clear-cut inclusions, together with significant Council responsibilities and matters where elected member direction may be required.
- 5.3 These workshops are intended to provide early visibility and direction. They are not intended to seek final approval of the Transfer Agreements.
- 5.4 Iwi feedback will also form part of the development of the agreements. Aligning with elected member visibility, relevant transfer information will be provided through the appropriate iwi engagement processes so that feedback can be considered before the draft agreements are presented for formal Council endorsement.

5.5 This sequencing is intended to ensure that both elected member and iwi perspectives can genuinely inform the agreements while they are still being developed.

6. PATHWAY TO 1 JULY 2027

6.1 The programme has been set around a series of clear decision and delivery points. See Attachment 1.

Timing	Milestone	Intended Outcome
Aug–Sept 2026	Principles and key matters confirmed	Agree the framework for the transfer and identify significant Council and operational matters requiring resolution.
Aug–Oct 2026	Council workshops	Provide elected members with early visibility of the principles, scope, clear-cut inclusions and significant issues.
Sept–Oct 2026	Agreement and schedules developed	Develop the front-end agreements, schedules and operational arrangements together and progressively resolve material issues.
October 2026	Integrated draft completed	Produce a substantive draft of each Transfer Agreement, clearly identifying both agreed inclusions and outstanding matters.
Sept–Nov 2026	Iwi engagement	Introduction with Ngā Tapuwae o Hau. Then seek iwi input and feedback.
Sept–Nov 2026	Specialist assurance	Complete appropriate legal, executive and specialist assurance.
Nov–Dec 2026	Council endorsement of draft agreements	Establish Council support for the substantive draft and mandate for progressing

		outstanding negotiations.
Dec 2026–Mar 2027	Resolution of outstanding matters delegated to CEs	Resolve remaining matters and complete outstanding schedules and arrangements.
Mar–Apr 2027	Final agreements settled	Complete material negotiations, legal drafting and completion arrangements.
May 2027	Final approval / authority to execute	Obtain final Council authority where required and confirm execution arrangements.
May–June 2027	Execution and completion readiness	Execute agreements and verify final schedules, datasets and transfer-day requirements.
1 July 2027	Transfer	Transfer Agreements take effect.
Post-transfer	Wash-up process	Resolve agreed residual matters identified through the completion process and new matters arising in first 24 mths of CDW operation.

- 6.2 While this report provides the Shareholder Committee visibility over the process, the Committee should note that key decisions now rest with individual shareholders. Status update on the programme will be provided via the Chief Executives' transition update as and where required.
- 6.3 The pathway deliberately provides for outstanding matters to remain visible through the development process. The October integrated drafts are not expected to represent the end of negotiation. Instead, they will provide a clear baseline showing what is agreed, what is proposed to transfer, and what still requires resolution. This will allow the Councils to endorse the substantive direction of their agreements before detailed negotiations are completed, while retaining appropriate governance oversight of material matters.

7. ROLE OF THE JOINT SHAREHOLDERS' COMMITTEE

- 7.1 The Joint Shareholders Committee provides an important collective shareholder perspective as the three individual Transfer Agreements are developed.
- 7.2 Individual Shareholding Councils remain responsible for decisions relating to their respective Transfer Agreements. Central Districts Water will similarly undertake the approvals required on its side of the transfer.
- 7.3 Section 13(4) of the Local Government (Water Services) Act requires that the three councils 'discuss and reach agreement with each other on the significant matters to be contained in their respective agreements.' The Shareholders Committee's role provides visibility across the three transfers and an opportunity to consider the overall consistency and alignment of the arrangements developing between the Shareholding Councils and Central Districts Water.
- 7.4 The Shareholders Agreement anticipates that the Committee will receive the draft Transfer Agreements as they progress. Further reporting will therefore be provided as the agreements reach the appropriate stage of development noting the transfer agreements are individual Council decisions.

8. NEXT STEPS

- 8.1 Immediate priorities are to:
 - Confirm the transfer principles;
 - Complete Council review of the draft Transfer Agreement template;
 - Continue development and validation of the transfer schedules;
 - Identify and allocate the significant operational and matters of shared interest requiring resolution
 - Undertake elected member workshops;
 - Progress iwi engagement with direction from Nga Tapūwae o Hau and Council elected member visibility; and
 - Bring the work together into integrated draft Transfer Agreements.
- 8.2 Progress against the pathway will continue to be monitored across the three Shareholding Councils and Central Districts Water, with material issues escalated through the appropriate governance and decision-making pathways.
- 8.3 The Joint Shareholders' Committee will receive further updates as the Transfer Agreements progress, including substantive draft agreements once these have been sufficiently developed through the respective Council processes.

9. COMPLIANCE AND ADMINISTRATION

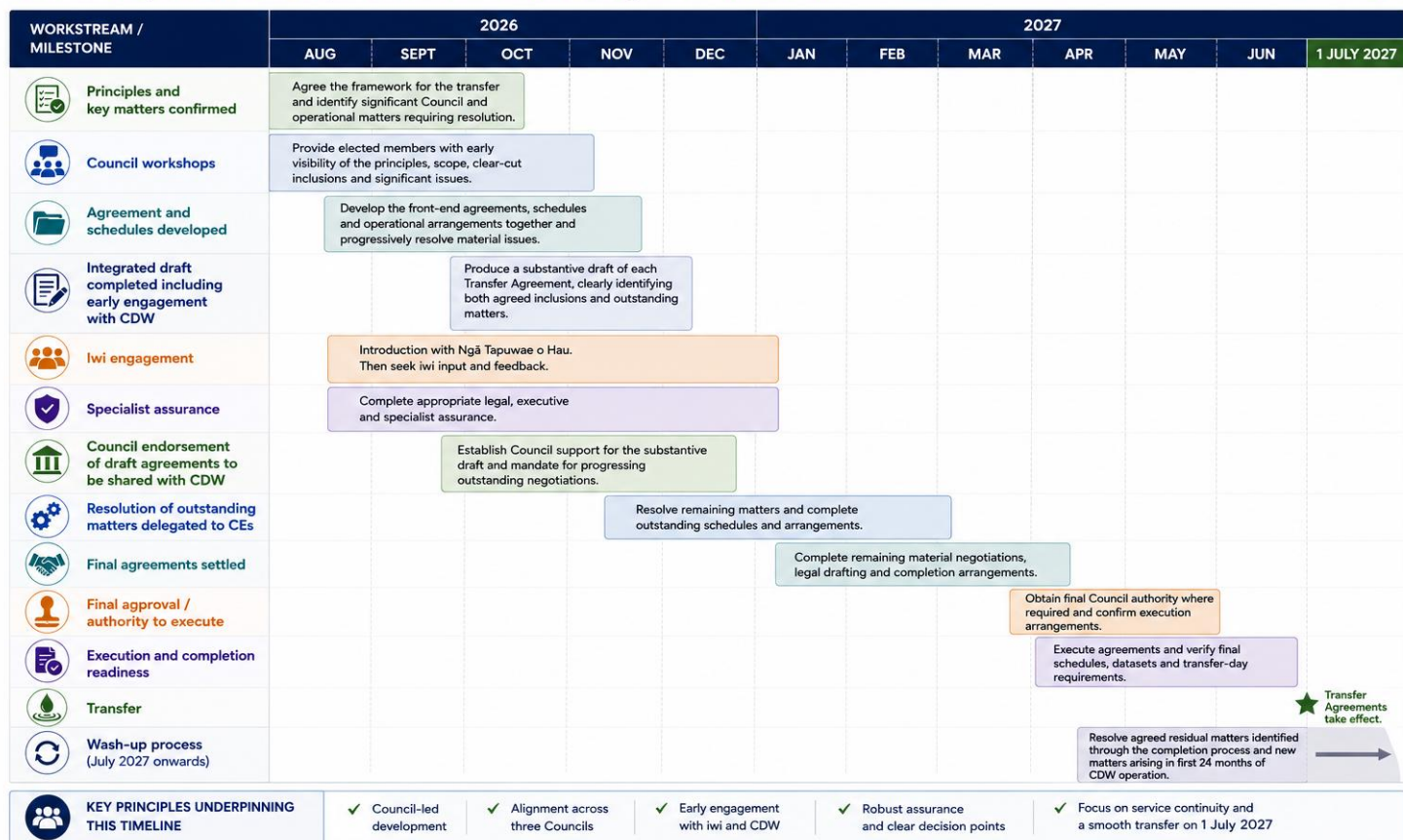
Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No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

ATTACHMENTS

1. Process for Transfer Agreements [↓](#) 

Transfer Agreement Development – Summary Timeline

Council-led process to develop and finalise each Transfer Agreement with CDW



MEMORANDUM

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 4 September 2026

TITLE: Draft Central Districts Water Significance and Engagement Policy

PRESENTED BY: Hannah White, Manager Governance Palmerston North City

APPROVED BY: Monique Davidson, Chief Executive Horowhenua District

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

1. That the Independent Chair provide the Committee's feedback to Central Districts Water on its draft Significance and Engagement Policy.
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1. ISSUE

- 1.1 Central Districts Water is required to agree a Significance and Engagement Policy ("the Policy") within 12 months of establishment, ie. by 31 March 2026, according to section 37 of the Local Government (Water Services) Act 2025 ("the Act").
- 1.2 This memorandum provides the Committee with an oversight opportunity of the Board of Central Districts Water's first draft of the Policy.
- 1.3 Attached is a report from the Board on the process taken to date and an initial draft for feedback.

2. BACKGROUND

- 2.1 Significance and engagement policies are used by public organisations to determine how significant a decision is and the degree to which the community should be engaged before a decision is made. This is based on the Local Government Act principle that those who are likely to be affected by decisions should have an appropriate opportunity to provide their views before a decision is made.
- 2.2 The Policy allows the public to know the levels of consultation it can expect with the new organisation for what kinds of decisions.
- 2.3 Content requirements of the Policy are set out in [ss.35 and 36 of the Act](#). In summary, the Policy is similar to that which elected members will be familiar with

under the Local Government Act but with certain expectations specific to the provision of water services, in particular with regard to significant contracts.

- 2.4 The draft is based on [Tiaki Wai's policy](#).
- 2.5 The Company must engage with its shareholders and communities as part of preparation of the Policy. This memorandum is the Board's engagement with its shareholders. Central Districts Water considered the draft Policy at its 19 August 2026 meeting. Officers received the reworked policy on 28 August for inclusion in this agenda. The Board will consider Committee feedback at its October meeting, prior to putting the Policy out for consultation.
- 2.6 Formal consultation will be part of the Board's engagement with communities. Officers are unaware of the level of engagement the Board has had with iwi and hapū in the drafting to date and would encourage ongoing conversation in line the SOE expectation that our partners would be involved in all aspects of delivery, and there not be a sole reliance on formal consultation.
- 2.7 The Joint Shareholders' Committee has the authority to approve the Significance and Engagement Policy of the Company, under the Act, as was noted in the Statement of Expectations agreed in August and as listed in the Committee Terms of Reference in the Shareholders' Agreement.

3. ANALYSIS OF DRAFT POLICY

- 3.1 Officers have reviewed the draft Policy and provide summary comments in Table 1 below. The Committee should review these comments and determine whether the recommended responses listed or other comments should be provided to the Board for consideration.

Table 1: Comments on draft Policy

	Section	Officer comment	Recommended response
About CDW			
1	Paragraph 3 "Significant decisions <u>may influence...</u> "		Replace with <u>may impact</u> or <u>may have consequences for</u> Include <u>cultural outcomes</u>
2	Paragraph 3, final sentence "and <u>could warrant some form of engagement with the community</u> that CDW	Phrasing suggests community engagement to be an obstacle, rather than leading to better outcomes. While Committee acknowledges	Rephrase to positive commitment to engage with community views and give appropriate opportunities.

	serves.	the Company must be nimble, public ownership of the Company demands public accountability and public voice.	
3	Paragraph 4 “The purpose of this policy is to assist CDW, <u>its shareholders and stakeholders and the community</u> at large to understand..		Include The purpose of this policy is to assist CDW, its shareholders, <u>partners</u> and stakeholders and the community at large to understand Expect clear statement on how Company will engage with Committee in line with SOE expectations to partnership and no surprises
Context for CDW decision-making			
4	Paragraph 3 “ <u>It is generally expected that CDW will undertake formal public engagement</u> on its proposed Water Services Strategy”		Would the Committee like to require formal consultation for the Water Services Strategy? If so, Additional considerations: Water Services Strategy (bottom of p.9) “CDW will <u>generally</u> engage...” will also need to be updated.
5	Paragraph 4 “It is important that people who are likely to be affected about decisions <u>are properly informed and that they have the opportunity to provide their views, when necessary.</u>	As per comment 2 above	Rephrase to positive commitment to engage with community views and give appropriate opportunities.

Approach to decision-making			
6	Paragraph 1 “CDW will <u>generally</u> adopt...”		Remove <u>generally</u> Add a statement 4, “If it is determined not to engage according to significance, record reasons for not doing so, according to s38 of the Local Government (Water Services) Act 2025.”
Step 1: Determining Significance (table)			
7	Criteria: Impact on Mana Whenua interests	Mana whenua included as interested stakeholders rather than partners Does not reflect clear direction of SOE clauses 15 and 35(c) with regard to how shareholders expect partners will be involved throughout. Does not reflect guidance of the Act, s.35(1)(e) that water organisations set out “any particular approaches or arrangements for engaging with particular relevant communities (for example, iwi, hapū, and other Māori organisations in the water organisation’s service area).”	Rephrase - Invitation to Nga Tapūwae o Hau to provide suggested alternatives to: • Include mana whenua, iwi and hapū • Align with SOE • Align with LGWS Act • Balance local interests and whole service area and/or water system
8	Criteria: Environmental impact	Why is there only reference to mitigation in one of the three levels?	

9	Criteria: Impacts on levels of service provided	The note in the high significance column alludes to the requirement in the Act, s236(11) (b) that the Policy must address how significant levels of service changes will be addressed, in a very limited fashion. S236(9)(c) also requires public consultation is there is a significant level of service change to any water service	Policy should explicitly state that the Company will commit to consultation if a decision is determined to be Levels of service-high significance for levels of service (as a stand-alone criterion, regardless of the conclusion of the remainder of the table assessment of “overall significance”).
10	Criteria: Transfer of ownership or control of strategic assets	High significance column states that transfer of ownership or control of a strategic asset requires mandatory <u>engagement</u> , in fact the Act s236(9)(a-b) require <u>public consultation</u> .	Policy should explicitly state that the Company will commit to consultation if a decision is determined to be Levels of service-high significance for transfer/control of strategic assets (as a stand-alone criterion, regardless of the conclusion of the remainder of the table assessment of “overall significance”).
11	Criteria: Financial impact on for water charges	How does the Committee judge “5% greater than projections”? -consider WSDP affordability criteria? -where are projections publicised? (how much warning given)	

Step 2: Deciding whether some form of engagement is appropriate			
12	Paragraph 2 ... “the more likely there will be <u>a need for</u> some form of community engagement”	As per comment 2 and 5 above	Rephrase to positive commitment to engage with community views and give appropriate opportunities.
Step 3: Engagement Planning (Engagement principles table)			
13	Clarity ... “including the feedback desired”		Rephrase to note the level of influence the community might have
14	Accessibility ... “in a format”		Replace with ... “in formats”
15	Identifying key or interested stakeholders “This will include mana whenua for proposals or decisions of relevance to Māori interests”	As per comment 7	As per comment 7
16	Transparency “Where it can...”	Why couch the principle of transparency with a limitation?	Rephrase to refer to unless excluded under the law, or equivalent.
Additional considerations: Decisions on significant contracts			
17	Bullet point 3	Is the Committee comfortable with the 20% guideline?	Include an additional factor for total length of contract as well as value
18	Will not consult where scale <u>or</u> outcome has not substantively changed		Replace with scale <u>and</u> outcome
Review of this policy			
19			Include consultation as part of review
20			Include reporting of performance against policy as part of review

Schedule 1: Strategic assets			
21	... “in their entirety” ... “each group” ... “whole network” Note assets groups are listed in their entirety.	Horowhenua District Council SEP notes each system as a strategic asset. This could be problematic if decision has high localised significance	Committee to provide guidance
General comments			
22	Definitions	The purpose of the Policy is for the community to understand what to expect, however there are many terms in here that will have multiple meanings based on experience and background, which could lead to confusion.	Include a definitions section, particularly for terms such as “significant” “engage(ment)” “consult(ation)” “feedback” “shareholders” (significance has been defined)
23	Monitoring and review		Include a statement about how CDW will report on its performance against the Policy.
24	Presentation	Tiaki Wai policy includes a diagrammatic description which is helpful for public understanding	Include a visual flowchart on either website or in Policy itself that describes the engagement decision-making process.
25	Formatting of tables	Tables are in opposite order left to right, right to left. Confusing.	Align tables so that both move low to high (left to right)

4. NEXT STEPS

- 4.1 The Company will consider the Committee's feedback and reflect in its final draft as appropriate before consulting the community on its final draft in November.
- 4.2 The aim is for the Committee to agree the Board's Significance and Engagement Policy in February 2026, after it has received a report from the Board detailing community response.
- 4.3 The Policy will inform the way that the Company engages with the communities in its service area, including formal consultation on the Water Services Strategy.
- 4.4 Each of the Councils must identify any matters for its own Significance and Engagement Policy and address these through their own Long-Term Plan consultation processes.

5. COMPLIANCE AND ADMINISTRATION

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

ATTACHMENTS

1. Memo from Central Districts Water [↓](#) 
2. Draft Significance and Engagement Policy [↓](#) 



MEMORANDUM

To: Shareholders' Committee
From: Chris Dyhrberg, CEO, Central Districts Water
Date: 4 September 2026
Subject: Draft CDW Significance and Engagement Policy

Purpose

1. The purpose of this paper is to provide to the Shareholders' Committee the draft Significance and Engagement Policy (SEP) (**Attachment 1**) that has been prepared by Central Districts Water (CDW).
2. Section 37 of the Local Government (Water Services) Act 2025 (LGWSA) requires that CDW, as a water organisation, engage with its shareholders and others when preparing its SEP, and that it obtains its shareholders' approval of the proposed SEP before it is adopted.
3. At this stage, CDW is seeking comment from the Shareholders' Committee on the draft SEP, before it then consults more broadly on the draft SEP as required by the LGWSA.
4. This paper provides an overview of the requirements and approach taken by CDW, to assist the Shareholders' Committee with its consideration and provision of initial feedback on the draft SEP.

Recommendations

5. That the Committee:
 - a. Note the contents of this report and the proposed next steps; and
 - b. Consider the draft SEP and work to prepare and provide feedback to CDW on the draft SEP.

Legislative context

Key requirements for a SEP

6. Section 35 of the Local Government (Water Services) Act 2025 (LGWSA) requires all water organisations to adopt a SEP.
7. The content and purpose of the SEP is set out in detail in section 35 of the LGWSA, but broadly requires the SEP to:
 - a. set out the approach, and any criteria, that CDW will use to determine the significance of any proposals and decisions it is considering;



- b. set out the general approach CDW will take to engaging with consumers and communities, including when engagement may be undertaken by CDW or its shareholders;
 - c. set out how CDW will respond to community preferences about engagement on certain proposals and decisions; and
 - d. address any particular approaches or arrangements for engaging with particular stakeholders or communities.
- 8. The SEP is also required to include a list of strategic water services assets, and content that will determine when a contract is a "significant contract" or not, including an outline of how consultation will be undertaken for significant contracts.
- 9. Overall, the purpose of a SEP is to provide clarity – for CDW and others - in relation to the determination of significance and the approach to public engagement, while retaining flexibility when required to accommodate specific preferences and to allow CDW to undertake proposals and make decisions in a way that is most effective. Importantly, the SEP should make it clear when and how communities can expect to be engaged on different issues, proposals and strategic policy matters.
- 10. The SEP is also required to include all matters that CDWs shareholders require for inclusion in the SEP. On this point, CDW has considered the draft statement of expectations prepared by the Shareholders' Committee and the SEPs of each of the shareholders, and drawn from them as appropriate.

Process requirements

- 11. Section 37 of the LGWSA requires CDW to adopt its first SEP within 12 months of establishment. CDW is intending to adopt its first SEP sooner than that, so that it will consult on its first Water Service Strategy and other matters in accordance with its SEP.
- 12. Before adopting its first SEP (and any subsequent SEP), CDW is required to engage with its shareholders, consumers and communities. The CDW Board will confirm its approach to engagement at an upcoming meeting.
- 13. CDW is also required to obtain approval from its shareholders of its proposed SEP, after it has completed community engagement. The terms of reference for the Shareholders' Committee and the draft Statement of Expectations for CDW, provide that feedback and approval on the draft SEP will be provided by the Shareholders' Committee.

Practical application and implications of the SEP

- 14. In practice, the SEP required under the LGWSA will operate in a similar manner to the SEP required under the Local Government Act 2002. However, it will have a specific focus on water services matters given the role and responsibilities of CDW. It is also required to include certain content by the LGWSA (including content relating to significant contracts, joint arrangements and the WSS).



15. As part of its decision-making, CDW will be required to consider the SEP and determine first, the significance of the relevant matter (proposal, activity, decision, etc), and then – in the light of that significance – whether and how it will approach any engagement with the community.
16. The decisions CDW makes will affect residents, businesses and communities in different ways. It is important that people who are likely to be affected by decisions are properly informed and that they have the opportunity to provide their views on any proposal, when that is appropriate. Depending on the relevant matter at hand, any engagement could be targeted (to specific communities or areas), or broader (eg. the entire service area). The draft SEP seeks to explain this and indicated when a broader approach to engagement will be adopted, or where it may be warranted.
17. As the SEP will be used to inform the approach that CDW takes to engagement, it is also important that it recognises that CDW will be required to make a broad range of decisions across any given year. This will include decisions about the levels of service customers receive, where and when essential infrastructure is renewed or built, the investment required in water infrastructure and assets, how that investment is financed (including through water charges), and the contracts that will be entered into to deliver services and infrastructure projects.
18. CDW may also be required to make decisions in urgent or emergency situations, where prior engagement may not be possible. As a result, the SEP will need to strike an appropriate balance between engagement and flexibility, so that CDW is able to deliver its responsibilities in an effective way for its communities.
19. It is anticipated that most strategic decisions will be made and documented through the Water Services Strategy and Water Services Annual Budget processes, but there is also the potential for other decisions to be made throughout any year. This could include decisions about significant contracts and other significant proposals or projects. For some of those decisions, there may be a specific requirement to consult, but in other cases decisions will need to be made about whether to undertake engagement or consultation – with the SEP to provide guidance on those matters. The draft SEP seeks to outline the decisions that CDW will be required to make at a general level, so that there is broad awareness of when and how the SEP will be used.

CDW's draft SEP and request for feedback from the Shareholders' Committee

20. The draft SEP has been prepared by CDW generally in line with the SEPs adopted by other water organisations. CDW has considered the approach taken by the shareholders in their own SEPs and has drawn on those SEPs where applicable.
21. The Shareholders' Committee is being provided with a copy of the draft SEP so that it can provide initial feedback on it in accordance with its terms of reference. This feedback will be considered by CDW prior to confirming the draft SEP that will be used for community engagement. The approach to engagement is to be confirmed at the October Board meeting.



22. To be able to prepare an updated draft SEP that includes any feedback from the Shareholders' Committee, for the CDW Board to consider at its 28 October meeting, the Establishment Team is requesting that the feedback is provided no later than Friday 9 October.

Next steps

23. Following receipt of any feedback from the Shareholders' Committee, the intended process will involve:
 - a. The CDW Establishment Team preparing an updated draft SEP for the Board to consider at its October meeting. The Board will be asked to approve the draft SEP for community engagement, and confirm the approach to engagement;
 - b. CDW will commence engagement with the public on the draft SEP from 2 – 30 November 2026;
 - c. After engagement has concluded, CDW will consider any required changes and then finalise the draft SEP;
 - d. The final SEP will be reported back to the Shareholders' Committee for approval (as per section 37(3)(b), LGWSA) in early 2027, ahead of adoption by the CDW Board and public consultation on the draft Water Services Strategy.

Attachments

Attachment 1: Draft CDW Significance and Engagement Policy

DRAFT**Central Districts Water****Significance and Engagement Policy*****About Central Districts Water***

Central Districts Water (CDW) is a council-owned water organisation that, from 1 July 2027, will be transferred statutory responsibility for the provision of drinking water, wastewater and stormwater services across the Horowhenua, Palmerston North and Rangitikei Districts.

CDW was established by its three shareholding councils - Horowhenua District Council, Palmerston North City Council and Rangitikei District Council – alongside mana whenua partners from across the rohe.

From 1 July 2027, CDW – as a water organisation and water service provider under the Local Government (Water Services) Act 2025 (LGWSA) - will be responsible for making decisions on all water services matters that have been transferred to it. These decisions may have significant consequences for the operational delivery of water services across the rohe. Significant decisions may influence public health, environmental outcomes, affordability, infrastructure resilience, community confidence and the long-term stewardship of essential public assets, and could warrant some form of engagement with the community that CDW serves.

The purpose of this policy is to assist CDW, its shareholders and stakeholders and the community at large to understand when decisions will be considered significant, and when CDW will engage in some way with the community.

Purpose of this policy

The Local Government (Water Services) Act 2025 (LGWSA) requires CDW to adopt a significance and engagement policy, and then use that policy to guide its approach to decision-making.

Importantly, the policy is required to inform assessments of the significance of CDW proposals and decisions, so that appropriate approaches to engagement can be adopted. It has been prepared to provide clarity about when and how communities can expect to be engaged in relation to CDW proposals and decisions.

In summary, this policy:

- Explains how CDW will determine the significance of particular proposals, issues, infrastructure, decisions and activities, including by setting out relevant criteria and matters that will be considered by CDW when determining significance;
- Outlines when communities can expect to be engaged, and by who, and what CDW will do with any feedback and views received following engagement; and
- Outlines the different ways in which any engagement may be carried out, and by who, which will be dependent on the significance and nature of the relevant proposal or decision.

Context for CDW decision-making

As a water service provider, CDW will be required to make a range of decisions across any year. This will include decisions about: the levels of service that customers will receive, where and when essential infrastructure is renewed or built, the investment required in water infrastructure and assets, how that investment is financed (including through water charges), and the contracts that will be entered into to deliver water services and related infrastructure projects.

Many of CDW's strategic decisions (including on its capital investment programme) will be made and documented through the Water Services Strategy and Water Services Annual Budget processes.

It is generally expected that CDW will undertake formal public engagement on its proposed Water Services Strategy, but it is important to note that decisions will also be made by CDW through the course of each year. This could include decisions about significant contracts and other significant proposals or projects.

The decisions made by CDW will have the potential to affect residents, businesses and communities in different ways. It is important that people who are likely to be affected about decisions are properly informed and that they have the opportunity to provide their views, when necessary.

Approach to decision-making

CDW will generally adopt the following approach to its decision-making:

1. Determine the significance of the relevant proposal/decision. CDW will do so using the criteria set out below.
2. Decide whether to engage on the proposal/decision, based on the identified significance and any other relevant circumstances.
3. If some form of engagement is considered appropriate, develop an engagement plan and then undertake engagement in accordance with that plan.

This policy sets out several additional considerations that may apply to certain matters or types of decisions, being:

1. Water Services Strategy
2. Decisions relating to joint water service provider arrangements
3. Decisions about significant contracts.

Step 1: Determining significance

In relation to this policy, the term “significance” means the relative importance of the decision, activity, proposal or other matter, being considered.

When assessing significance, CDW will consider a number of criteria. These will be considered from the perspective of the entire service area covered by CDW, while also taking into account local interests and impacts, recognising that CDW’s decisions (and its proposals and activities) will not always be relevant to, or impact, the entire service area.

The following criteria will be used to assess significance:

Criteria	Low significance	Medium significance	High significance
Consistency with existing policy or decision <i>The extent to which a decision is consistent with, or a departure from, existing policy or decisions made by CDW.</i>	Decision aligns with existing policy or decisions, or is a reasonable consequence of Water Services Strategy or previous decisions	Decision involves some variation from existing policy or plan, but will not result in a material change to the overall outcome being delivered	Decision is inconsistent or contrary to existing policy or plans made in the Water Services Strategy, or prior decisions made by CDW, and will result in a significant change in outcomes being delivered.

Criteria	Low significance	Medium significance	High significance
Impact on Mana Whenua interests <i>The extent to which a decision relates to land or a body of water, takes into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.</i>	Decision relates to projects, assets or plans with no link to matters of specific interest to mana whenua	Decision may relate to te mana o te wai (the health and wellbeing of the water), freshwater quality, or land of interest to Mana Whenua, but will not lead to any adverse effects or cultural consequences	Decision has a significant impact on te mana o te wai (the health and wellbeing of the water), freshwater quality, or could impact on a site / area of significance to Mana Whenua
Community impacts and interest <i>The extent to which existing individuals, organisations, groups and sectors in the community are affected by CDW's decision</i>	Low level of interest, either at a wider service area or local frame of reference, or only likely to impact a small group (eg single street or household)	High level of interest for a particular location or community, but low to moderate interest elsewhere	High level of interest likely across the entire CDW service area
Environmental impact	Less than minor impact on the environment, or no discernible impact based on current water services operations, considered at either a wider service area or local frame of reference	Minor impact on the environment at a local level, but a less than minor impact when considered at a water service frame of reference	Proposal or activity will result in a more than minor impact on the environment that cannot be remedied or mitigated, and which may attract public interest from across the CDW service area

Criteria	Low significance	Medium significance	High significance
Impact on levels of service provided	Decision has little effect on levels of service, or resourcing requirements	Moderate effect or temporary impact on level of service outlined in Water Services Strategy	Large, permanent change to level of service from that outlined in the Water Services Strategy. Note: where a change to levels of service is assessed as significant, this will generally be consulted on by CDW.
Transfer of ownership or control of strategic assets (see definitions of strategic assets below)	Decisions with no meaningful impact on any strategic asset(s).	Any proposal that will have a minor impact on one or more strategic assets.	Any proposal to transfer ownership or control of a strategic water services asset, or which may otherwise have a significant impact on a strategic asset. When considering a proposal to transfer ownership or control of a strategic water services asset, or receive a transfer of ownership or control of a strategic water services assets, mandatory engagement is required under section 236(9) of the LGWSA.
Ability for decision to be reversed	Easy to reverse (eg policy amendment)	Moderately difficult	Very difficult to reverse (eg. Project already under contract)
Financial impact on for water charges	NA	NA	Decision causes an uplift in annual water charges >5% above projections

Having considered each of the criteria above, CDW will determine the overall significance of the decision, activity, proposal or other matter. Overall significance will be assessed on a spectrum ranging from low to high.

When considering overall significance CDW will consider both:

- The number of criteria which suggest that the decision is of higher or lower significance. If 2 or more criteria suggest higher significance, then the decision is likely to be of high significance.
- Each criterion individually if the level of significance under one criterion is sufficiently high that the overall significance remains high regardless of the other criteria.

Step 2: Deciding whether some form of engagement is appropriate

After identifying the overall significance of a decision, activity, proposal or other matter, CDW will decide whether to engage with its community.

Generally, the higher the significance of a proposal or decision, the more likely there will be a need for some form of community engagement. The principles set out below will inform CDW's approach to any community engagement.

While CDW considers engagement to be important, there are some circumstances, including in relation to decisions with a high level of significance, where CDW may form the view that it is not possible or appropriate to engage. These circumstances may include where:

- a decision is routine or operational in nature
- a decision concerns an organisational matter (e.g. decisions involving CDW staff)
- there is a need for a decision to be made urgently and/or in an emergency situation
- the costs of engagement outweigh the benefits of it
- engaging could result in the loss of a substantial opportunity for CDW to achieve its strategic objectives
- a decision to act is necessary to comply with the law, protect life or health, prevent serious property damage, avoid, remedy or mitigate an adverse effect on the environment, or protect the integrity of existing or future infrastructure
- there is a need for confidentiality or commercial sensitivity
- a decision relates to an individual or small group of individuals (for example, decisions as to the application of CDW's waiver policy to individual consumers)
- CDW considers it already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter
- a matter has already been addressed by CDW through other policies or plans which have been the subject of engagement

These circumstances do not remove CDW's commitment to transparency. Where community engagement is not undertaken, CDW will still consider how best to inform the community about any decisions it has made, either before or after they are made depending on the circumstances, unless unable to do so.

Nothing in this section overrides any obligations CDW has to engage under the LGWSA or other legislation.

Step 3: Engagement Planning

The approach CDW takes to community engagement will be determined on a case-by-case basis considering all relevant circumstances. In determining the appropriate engagement method, CDW will consider:

- the level of significance of the matter
- the purpose of any community engagement
- the extent to which CDW is already familiar with the views and preferences of people affected by the proposal, activity or matter
- the preferences and needs of relevant communities, including how widespread any public interest or impact of a decision is likely to be
- the likely costs and benefits of engagement
- any relevant responsibilities of CDW
- any relevant timing considerations or limitations, including any other engagement being undertaken by CDW or its shareholding councils at a similar time

The following table sets out examples of different types and forms of community engagement that may be appropriate, and the tools that may be used by CDW.

Level of Engagement	Involve/collaborate/formal public engagement (high significance decisions)	Engagement / consultation (Water Services Strategy and medium to high significance decisions)	Inform (Low to medium significance decisions)
What does this level of engagement involve?	Formal participatory process to help the public (generally or targeted persons or communities) identify issues and views to ensure concerns and aspirations are consistently understood and considered when making decisions.	Two-way communication where CDW provides information and supporting analysis and seeks public feedback to inform decision-making.	CDW provides balanced and objective information to help the public understand the issue requiring a decision, the alternatives, opportunities and solutions. CDW regulatory reports on decisions made, and implementation of those decisions.
Types of issues we might use	Major projects that involve environmental, cultural,	Proposed (draft) Water Services	Local water restrictions, works

Level of Engagement	Involve/collaborate/formal public engagement (high significance decisions)	Engagement / consultation (Water Services Strategy and medium to high significance decisions)	Inform (Low to medium significance decisions)
this level of engagement for	economic concerns, including material amendments or changes to existing major projects.	Strategy (other than for major projects); major infrastructure projects that impact communities for extended periods; other policy or operational decisions requiring engagement or consultation under legislation	that will disrupt traffic/ access, night works, general operational decisions, small or temporary level of service change
Tools CDW might use for this level of engagement	Online information. Face to Face engagement (eg targeted meetings community stakeholder forums, public workshops, focus groups)	Publicly notified proposals and invitations to receive formal submissions through, including using online methods and processes.	Direct delivery e.g. information fliers/ letters; public notices in newspapers/ social media/ newsletters/via council channels. Website information.
When the community can expect to be involved for this level of engagement	CDW will generally provide the community with opportunities to identify and canvass options, prior to initiating formal engagement ahead of decision-making	Formal public engagement in advance of adopting policy documents or plans, or making decisions.	Usually after a decision is made, but in advance of the activity being undertaken.

The above table is not exhaustive, and CDW will adopt what it considers to be an appropriate approach to engagement in light of the circumstances of the relevant decision or matter.

When determining the appropriate approach to engagement, and subsequently implemented it, CDW will also consider the following engagement principles:

Engagement principles

Clarity	CDW will provide clear information about the proposed decision, the purpose of any engagement (including the feedback desired), and the timing of engagement and the eventual decision
Accessibility	CDW will provide all relevant information in a format that the community can access and understand
Opportunity	Where CDW's engagement is to provide an opportunity for feedback, CDW will provide clear feedback forms and accept feedback online and in writing but will also accept feedback from the community in other ways, where practical and where that will work better for any communities or individuals
Identifying key or interested stakeholders	Before engaging, CDW will work to identify the key or most interested stakeholders in relation to a proposal and invite feedback from those stakeholders. This will include mana whenua, for proposals or decisions of relevance to Māori interests.
Open-mindedness and fairness	CDW will receive feedback from the community with an open mind and give due consideration to those views when making decisions.
Transparency	Where it can, CDW will publish a clear record of decisions made and details of how it considered the community feedback it received.
Coordination	Where required, CDW will coordinate with Shareholding Councils when planning engagement to ensure consistency in approach and minimise confusion and costs.

Additional considerations: Water Services Strategy

The Water Services Strategy is the key strategic planning document developed by CDW, which sets out the short-, medium- and long-term direction for CDW. It will be developed and adopted at 3-yearly intervals, and is required to include infrastructure investment plans, proposed levels of service, performance measures, proposed water charges, and financial forecasting.

CDW will generally engage with the community in relation to its proposed Water Services Strategy by:

- developing a draft Water Services Strategy and making this available to the public. This will be communicated across multiple channels, including the CDW website, social media, news media and advertising;
- inviting feedback on the draft Water Services Strategy through the use of feedback forms, available both on-line and in hard copy;
- allowing feedback from the community over a period of generally no less than three weeks; and
- publishing insights received from community feedback at the time of publishing its final Water Services Strategy and decisions.

When engaging with the community on its draft Water Services Strategy, CDW will specifically seek community feedback on:

- any proposal to transfer ownership or control of a strategic water services asset from CDW to another party;
- any proposal to transfer ownership or control of a strategic water services asset to CDW from another party; and/ or
- any proposal to significantly change levels of service provided by CDW.

Whether a change in levels of service is significant will be determined in accordance with the criteria at step one above. Schedule 1 lists what CDW considers to be a strategic water services asset.

Decisions relating to joint water service provider arrangements

This policy is required to address all matters necessary for determining whether a proposed joint water service provider arrangement is a significant joint water service provider arrangement, and how to undertake engagement in relation to such proposals (which is required by the LGWSA).

The matters used to satisfy these requirements are included in steps one, two and three above. If CDW was to consider delivering water services through a joint water services arrangement, it would first consider whether that arrangement was significant under step one, and then consider how to engage in line with the LGWSA and steps two and three above.

Additional considerations: Decisions on significant contracts

The LGWSA requires CDW to determine whether any proposed contracts are significant contracts, with criteria to be included in this policy to inform that decision. If a contract is assessed as significant, then CDW must engage with its shareholders and the community under the LGWSA.

The assessment of whether a water services contract is a “significant contract” will be made using the following criteria, in addition to the criteria and matters set out in Step 1:

- whether the contract would create a public-private partnership, as defined in the LGWSA;
- whether the proposed contract will have a significant impact on CDWs ability to meet its obligations under the LGWSA, Water Services Act 2021, any resource consents, drinking water requirements or any other statutory obligation in relation to the water service to which the contract relates;
- whether the proposed contract is of high value relative to the total annual revenue received from providing the water service that relates to the proposed contract, but noting that:
 - for operational expenditure contracts, a proposed contract will be significant where the value of the contract is for 20% or more of the total revenue received by CDW annually for providing the relevant water service;
 - for capital expenditure projects, a proposed contract will be significant where the value of the contract is greater than 20% of the total projected annual capital expenditure for CDW;
 - if funding for the activity that is the subject of the proposed contract has already been budgeted for in the water services strategy, and was the subject of specifically engagement or consultation, the proposed contract will not generally be considered a significant contract;
 - if the proposed contract involves the renewal or extension of an existing water services contract for a limited duration (ie. up to 2 years), the proposed contract will not be treated as a significant contract:

Where one or more of these criteria are met, or the proposed contract is assessed as significant against the criteria in Schedule 1, CDW will undertake engagement on the contract as a significant contract in accordance with the LGWSA. In undertaking this engagement, CDW will not disclose any matters that are commercially sensitive or which could impact on the ability of CDW to conduct a competitive tender process.

For clarity, CDW will not generally undertake engagement on high value contracts where:

- the matter, proposal or project that the contract relates to has already been the subject of specific engagement by CDW (or its shareholding councils prior to 1 July 2027), i.e. through the Water Services Strategy; and
- the scale or outcome of the matter, proposal or project the contract will cover has not substantially changed.

Review of this policy

This Policy will be reviewed by CDW every three years or as otherwise required.

Schedule 1: Strategic assets

A strategic asset is an asset that is needed to deliver on the strategic outcomes and priorities that are important to the current or future performance of CDW.

CDW considers the following assets, in their entirety, to be strategic assets:

- The drinking water network, including pump stations and reservoirs
- Drinking water treatment plants
- The wastewater network, including pump stations
- Wastewater treatment plants
- Piped stormwater network, including pump stations

CDW considers each asset and group of assets listed above as a single strategic asset. Individual components or assets within these groups of assets will not necessarily be considered strategic assets, unless that component or asset materially affects the ability of CDW to deliver the relevant water service. As such, not all decisions made about these assets and groups of assets will be regarded as significant, nor would they necessarily affect the asset or group of assets' strategic nature.

For example, the wastewater network as a whole is a strategic water services asset, but individual parcels of land related to that network, or individual assets within the network, may not be. The purchase or sale of such land or assets is unlikely to amount to a significant decision. It is only where separate decisions could materially impact on the ability to deliver across the whole network that they will be considered significant decisions.

COMMITTEE WORK SCHEDULE

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 4 September 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 4 September 2026.

The following schedule is provided as a high-level indication of the work programme. The Committee can expect to see changes as work progresses and necessary steps are confirmed and cadence between CDW and the Committee settles.

Meeting Date	Topics
2026	
4 September	• Visibility on Councils' draft Transfer Agreement Template • Visibility of Councils' draft Service Level Agreements • Opportunity to comment on Board's draft Significance and Engagement Policy
3 November workshop	Working draft of Water Services Strategy and next steps
4 December	• Review and provide comment on the draft Water Services Strategy against the SOE • Visibility of Councils' draft Service Level Agreements • Schedule of meetings and locations for Feb-June 2027 • Transition update from Chief Executives
2027	
12 February (TBC: 26 Feb)	• Agree Board's Significance and Engagement Policy • Board to present back Water Services Strategy with any changes before consultation • Company six-month report
9 April (TBC: 28 May)	• Water Services Strategy presented

Oversight	4/9	3/11 workshop	4/12	12/2 (26/2)	9/4 (28/5)	11/6 (TBD)
Councils						
Transition updates			x		x	
Transfer agreements	x			x		
Service Level Agreements			x		x	
Company						
Six-monthly updates				x		
Significance & Engagement Policy	x			x		
Water Services Strategy		x	x	x	x	
Customer Charter						
Committee						
Meeting schedule			x		x	