



Horowhenua
DISTRICT COUNCIL

PALMY
PALMERSTON NORTH DISTRICT COUNCIL

RANGITĪKEI
DISTRICT COUNCIL

NGA TAPŪWAE O HAU

AGENDA

Joint Shareholders' Committee - Central Districts Water

10.00AM, FRIDAY 9 OCTOBER 2026

COUNCIL CHAMBER, FIRST FLOOR,
CIVIC ADMINISTRATION BUILDING,
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Mr Chris Gallavin (Chair)

Mayor Andy Watson (Deputy Chair)

Grant Smith (The Mayor)

**Mayor Bernie Wanden
(HDC)**

**Deputy Mayor Dave
Wilson (RDC)**

**Councillor Sam Jennings
(HDC)**

Kaydee Zabelin (PNCC)

**Ms Danielle Harris
(Kurahaupo Confederation)**

**Mr Hayden Turoa (Tainui
Confederation)**

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



JOINT SHAREHOLDERS COMMITTEE - CENTRAL DISTRICTS WATER MEETING

9 October 2026

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

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

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

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

4. Declarations of Interest (if any)

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

5. Public Comment

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

6. Confirmation of Minutes

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That the minutes of the Joint Shareholders' Committee - Central Districts Water meeting of 4 September 2026 Part I Public be confirmed as a true and correct record.

7. Draft Central Districts Water Significance and Engagement Policy

Page 9

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

8. Work Schedule

Page 29

9. Karakia Whakamutunga

10. Exclusion of Public

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

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

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated. *[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

Minutes of the Joint Shareholders' Committee - Central Districts Water Meeting Part I Public, held in the Council Chamber, 46 High Street, Marton on 04 September 2026, commencing at 10.03am.

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

Members Present online: Ms Danielle Harris

Alternate Member Present: Councillor Brent Barrett

Apologies: Mayor Grant Smith, Councillor Sam Jennings, Mr Hayden Turoa

Karakia Timatanga

Ms Marj Heeney opened the meeting with karakia.

27-26 Apologies

Moved Mayor Andy Watson, seconded Mayor Bernie Wanden.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

The clause 27-26 above was carried on the hands.

28-26 Confirmation of Minutes

Moved Mr Chris Gallavin, seconded Deputy Mayor Dave Wilson.

The **COMMITTEE RESOLVED**

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

The clause 28-26 above was carried on the hands.

29-26 Transfer Agreements Update

Memorandum, presented by Daniel Haigh, Executive Director- Transition and Justine Moore, Transition Agreement Lead Horowhenua District Council.

Moved Mayor Andy Watson, seconded Deputy Mayor Dave Wilson.

The **COMMITTEE RECOMMENDS**

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

The clause 29-26 above was carried on the hands.

30-26

Draft Central Districts Water Significance and Engagement Policy

Memorandum, presented by Monique Davidson, Chief Executive Horowhenua District Council, Hannah White Manager Governance Palmerston North, and Chris Dyhrberg, Chief Executive Central Districts Water.

The officer noted corrections to the memorandum in sections 1.1 (p.19) and 4.2 (p.26) that the Significance and Engagement Policy must be agreed before 31 March 2027, with the aim being to agree it in February 2027.

The Chair moved the alternate motion below to provide time for the Committee to consider its feedback.

Moved Mr Chris Gallavin, seconded Kaydee Zabelin.

The **COMMITTEE RESOLVED**

1. That the Committee meet at 10am, Friday 9 October at Palmerston North City Council Chambers to provide the Committee's feedback to Central Districts Water on its draft Significance and Engagement Policy.

The clause 30-26 above was carried on the hands.

31-26

Work Schedule

Moved Mr Chris Gallavin, seconded Ms Marj Heeney.

The **COMMITTEE RESOLVED**

1. That the Joint Shareholders' Committee - Central Districts Water receive its Work Schedule dated 4 September 2026.

The clause 31-26 above was carried on the hands.

Karakia Whakamutunga

Ms Marj Heeney closed the meeting with karakia.

The meeting finished at 11.48am.

Confirmed 9 October 2026

Chair

MEMORANDUM

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 9 October 2026

TITLE: Draft Central Districts Water Significance and Engagement Policy

PRESENTED BY: Monique Davidson, Chief Executive Horowhenua District Council

APPROVED BY: Monique Davidson, Chief Executive Horowhenua District Council

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

1. That the Committee provide the following feedback to Central Districts Water on its draft Significance and Engagement Policy:
 - That Central Districts Water carefully consider feedback raised by community through consultation.
 - That Central Districts Water consider officer notes in sections 3.4- 3.6 of this memorandum.
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1. ISSUE

- 1.1 On 4 September 2026 the Committee received an initial Significance and Engagement Policy draft from Central Districts Water, accompanied by officer comment. The Committee resolved to meet again on 9 October (today) to provide the Committee's feedback to Central Districts Water.
- 1.2 Central Districts Water must agree a Significance and Engagement Policy within 12 months of establishment (31 March 2027), as required by s.37 of the [Local Government \(Water Services\) Act 2025 \(LGWSA\)](#). The purpose and content of the Policy are set out in the LGWSA in sections 35 and 36.
- 1.3 Attached to this memorandum is the revised draft Significance and Engagement Policy for Committee consideration.
- 1.4 The Committee is asked to provide any further feedback to Central Districts Water prior to the Company consulting the public.

2. **PROGRESS SINCE PREVIOUS COMMITTEE MEETING**

- 2.1 The Chair, Cr. Zabelin, representatives from Central Districts Water and officers met on 15 September to discuss changes Central Districts Water had made which incorporated officer feedback. Cr Zabelin articulated concerns that had been raised by Committee members on 4 September.
- 2.2 In turn Central Districts Water updated the draft Policy and provided this to officers on 17 September. Upon this draft, officers prepared advice to the Committee which was circulated via email on 18 and 22 September.
- 2.3 On 25 September, the Chair, Cr. Jennings, representatives from Central Districts Water and officers met to discuss feedback which had been received from Committee members.
- 2.4 On 29 September, Simpson Grierson, representing Central Districts Water, provided the final draft of the Policy which is attached to this memorandum.

3. **ANY OUTSTANDING CONSIDERATIONS FOR THE COMMITTEE**

- 3.1 Officers agree the proposed draft, as it is now formed, is an improved version. Any remaining refinements are matters of style, in particular how it might be read or understood by a community member.
- 3.2 The policy sets a direction and expectations but is not intended to be prescriptive and details of engagement approaches sit outside this policy and are therefore able to be developed to suit the particular engagement.
- 3.3 Officers note that some recommended changes have been made to the document to improve clarity. For example, the Policy has been strengthened by including a clear policy statement at the start of the document.
- 3.4 As this Policy is to be consulted on and to inform staff at a new organisation as well as the public about CDW's engagement, officers still recommend the inclusion of a flow-chart to assist with understanding. In the interests of efficiency, the draft flow chart provided by officers to CDW in an earlier draft may be used and adapted as necessary. This is preferable to developing later, if needed, as has been suggested in feedback from CDW to date.
- 3.5 The Policy would be made more useful by including clear and consistent guidance for each decision-making step within the Policy, describing the process for how each step leads to the next, and more closely tying those together.

- 3.6 The Policy would support greater transparency and accountability of decisions and decision-makers by including clear reporting requirements for individual assessments of significance being made, especially when engagement is not recommended and there is or might be community interest in the decision or its outcomes.

4. NEXT STEPS

- 4.1 The Board will consider any feedback from the Committee, prior to Central Districts Water seeking feedback from the public through formal consultation.
- 4.2 The Board will consider any changes in response to public feedback before presenting back to the Committee for final approval.

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

ATTACHMENTS

1. Draft Significance and Engagement Policy as at 29 Sept 2026 [↓](#) 

DRAFT

Central Districts Water

Significance and Engagement Policy

At a glance: how this Policy will be used by Central Districts Water

This Policy has been prepared in order to satisfy the requirements of the Local Government (Water Services) Act 2025 (LGWSA), which require all water organisation to be transparent about how they will approach decision-making and engagement.

It sets out the process steps and matters that Central Districts Water (CDW) will consider when deciding when and how it will engage with the community. The approach to engagement will vary between different decisions, but this Policy seeks to clarify when there will be engagement and the situations when there may not be.

As a quick guide to how this Policy works, when CDW is making decisions it will follow the below steps:

Step 1: assessing significance	CDW will assess the significance of the matter or issue that requires a decision. The decision maker will not always be the Board of CDW, and so CDW staff will also need to undertake this assessment. The required assessment will be against the criteria set out in Section 4 of this Policy.
Step 2: deciding on engagement	Following the significance assessment, CDW will reach a view on whether engagement is appropriate or not. This will usually be informed by the significance of the matter or issue, but CDW will also take into account other relevant matters of circumstances. As an example, where a decision needs to be made urgently, there may not be an opportunity for engagement with the community.
Step 3: confirming the approach to engagement	CDW's approach to engagement will be informed by the significance of the matter or issue, the engagement options that CDW can use, and the principles set out in Section of 5 this Policy. If a matter is assessed as highly significant, it is more likely that there will be formal engagement with the community.

1. 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.

CDW's decisions may have consequences (positive or adverse) for public health, cultural or environmental outcomes, or have an impact on affordability, infrastructure resilience, community confidence and the long-term stewardship of essential public assets. As a result, it will be important for the community to be provided with opportunities to engage with CDW before it makes certain decisions. These opportunities will ensure that community perspectives, needs, and aspirations are understood and considered by CDW, alongside technical and operational input and advice. .

2. Purpose of this policy

The Local Government (Water Services) Act 2025 (LGWSA) requires CDW to adopt a significance and engagement policy, and to then use that policy when making decisions about community engagement.

The purpose of this Policy is to be transparent about how CDW will approach decision-making, as well as to guide CDW's own decision-making processes so that it is consistent in the way that it assesses proposals and decisions, and so that it adopts appropriate approaches to community engagement. The Policy seeks to provide clarity about when and how communities can expect to be engaged in relation to CDW proposals and decisions.

CDW has used the term "engagement" in this policy. This term refers to any intentional process initiated by CDW that involves working with its shareholders, partners, stakeholders and the community to guide its understanding of relevant matters and ultimately shape the decisions that it makes. The term includes "consultation", which is a term that is commonly associated with a formal or prescribed type of engagement.

This policy applies to all issues, proposals and decisions of CDW. It does not apply directly to Palmerston North City Council, Horowhenua District Council and Rangitikei District Council. The Councils use their own Significance and Engagement Policy to guide decision-making.

Nothing in this policy replaces or overrides any legislative obligations of CDW.

This policy also sets out several additional considerations that may apply to certain matters or types of decisions, or certain parties. Those are:

1. The Water Services Strategy, described in Section #
2. Decisions relating to joint water service provider arrangements, described in Section #
3. Decisions on significant changes to service levels or the transfer or ownership or control of a strategic water services asset, described in Section #
4. Decisions about significant contracts, described in Section #.
5. The approach to engagement with CDW's shareholders and mana whenua within the CDW rohe.

3. Context for CDW decision-making

As a water service provider CDW makes a range of decisions, including decisions about: levels of service that customers will receive, where and when essential infrastructure is renewed or built, investment required in water infrastructure and assets, how that investment is financed (including through water charges), and 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.

CDW will engage with the community on its proposed Water Services Strategy (which is to be prepared and adopted every 3 years), but it is important to note that other 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. Where this impact is significant, 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.

4. CDW's approach to decision-making

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 and determining 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, its entire service area.

The following criteria will be used to assess and determine significance:

Criteria	High significance	Medium significance	Low 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 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.	Decision involves some variation from existing policy or plan, but will not result in a material change to the overall outcome being delivered	Decision aligns with existing policy or decisions, or is a reasonable consequence of Water Services Strategy or previous decisions
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, wāhi tapu, valued flora and fauna, and other taonga.</i>	Decision has a significant impact on te mana o te wai (the health and wellbeing of the water), freshwater quality, or could adversely impact a site / area of significance to Mana Whenua or result in adverse cultural impacts Decisions that have the potential to result in material cultural impacts are more likely to be of high significance	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 have limited or no impact on mana whenua interests or cultural consequences	Decision relates to projects, assets or plans with no link to matters of specific interest to Mana Whenua

Criteria	High significance	Medium significance	Low significance
Community impact and interest <i>The extent to which existing individuals, organisations, local or district-wide communities, groups and sectors in the community are interested or affected by CDW's decision</i>	High level of interest likely across the entire CDW service area	High level of interest for a particular location or community, but low to moderate interest elsewhere	Low level of interest, either at a wider service area or local level, or only likely to impact a small group (eg single street or household)
Environmental impact <i>The extent to which a decision may lead to environmental effects or impact on environmental characteristics</i>	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	Minor impact on the environment at a local level, but a less than minor impact when considered at a water service frame of reference	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

Criteria	High significance	Medium significance	Low significance
Impact on levels of service <i>The extent to which a decision will impact the levels of service CDW intends to deliver for the water services it provides.</i>	Large, permanent change to level of service from that outlined in the Water Services Strategy. Note: Where a proposal to make a significant change to the level of service provided by CDW is considered through the water services strategy process, this will be the subject of engagement (as described in Section # below). Note: Where a change to any level of service is assessed as significant, there will be engagement following the approach set out in Section # below.	Moderate effect or temporary impact on level of service outlined in Water Services Strategy	Decision has little effect on levels of service, or resourcing requirements

Criteria	High significance	Medium significance	Low significance
Decisions relating to strategic water services assets <i>The extent to which the decision will impact strategic water services assets (see definition of strategic water services assets in the Schedule below)</i>	Any proposal to transfer ownership or control of a strategic water services asset, or which may otherwise have a material impact on a strategic asset. Note: 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, engagement is required under section 236(9) of the LGWSA. See section 8 below for the approach taken to such decisions.	Any proposal that will have a less than material, but more than minor impact on one or more strategic water services assets.	Decisions with minor or less than minor impacts on any strategic water services asset(s).
Ability for decision to be reversed <i>The ease with which a decision and its consequences can be reversed</i>	Very difficult to reverse (eg. Project already under contract)	Moderately difficult	Easy to reverse (eg policy amendment)

Criteria	High significance	Medium significance	Low significance
Financial impact The extent to which a decision will impact the financial position of CDW, in particular in relation to water services charges.	Decision affects CDW's financial sustainability or requires significant increases in charges beyond previously forecast levels (as set out in water services strategy). Where any decision could require an uplift in annual water charges by greater than 5% from projections in the water services strategy, it will be assessed as significant.	Decision moderately affects CDW's financial position or moderately increases charges beyond previously forecast levels (as set out in the water services strategy).	Decision would have only a minor or less than minor impact on CDW's financial position and charges.

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

When determining overall significance CDW will consider both:

- The number of criteria that suggest that the decision is of higher, medium or lower significance. If two 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 determining the overall significance of a decision, activity, proposal or other matter, CDW will then decide whether to engage with the community.

The higher the significance of a proposal or decision, the more likely that CDW will provide opportunities for community engagement.

However, there are some circumstances where despite the significance of a decision CDW may not engage. These circumstances include where:

- a decision is routine or operational in nature (ie. business as usual type decisions)
- a decision concerns a CDW internal or 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 without prior engagement 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 to maintain confidentiality or protect 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. Depending on the circumstances, this will occur either before they are made, or after they are made, unless CDW is unable to do so.

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

Step 3: Approach to engagement

The approach CDW takes to community engagement will be determined on a case-by-case basis considering all relevant circumstances and guided by the principles below. 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, or expectations of its shareholding councils
- 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	Engagement / consultation (including Water Services Strategy)	Inform
What does this level of engagement involve?	Formal participatory process to help the public (either 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 available, opportunities and solutions. CDW regulatory reports on decisions made, and implementation of those decisions.
Types of issues we might use this level of engagement for	Major projects that involve environmental, cultural, economic concerns, including material amendments or changes to existing major projects.	Proposed (draft) Water Services 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	Local water restrictions, works that will disrupt traffic/ access, night works, general operational decisions, small or temporary level of service change

Level of Engagement	Involve/collaborate/formal public engagement	Engagement / consultation (including Water Services Strategy)	Inform
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, 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 and form of engagement in light of the circumstances of the relevant decision or matter.

5. Engagement principles

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

Clarity	CDW will provide clear information about the proposed decision, the purpose of any engagement (including the feedback that CDW is seeking from the community), and the timing of engagement and the eventual decision
Accessibility	CDW will provide all relevant information in one or more formats, appropriate for the nature of the engagement, which ensures that the community can access and understand the information presented
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 partners, stakeholders or other affected communities in relation to a proposal and invite feedback from those groups or persons. 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	Unless there is any limitation on its ability to do so, 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.

6. Engagement on the 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 formally engage with the community in relation to its 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;
- as part of engaging with the public, CDW will also prepare a summary of the proposals and key matters contained in the draft Water Services Strategy, which will serve to highlight the matters that it particularly wants feedback on;
- inviting feedback on the draft Water Services Strategy through the use of feedback forms, available both on-line and in hard copy. These feedback forms will likely include pre-populated questions as well general opportunities to provide feedback;
- 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, and the way in which those insights were considered through decision-making.

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 1 above. Schedule 1 lists what CDW considers to be a strategic water services asset.

From time-to-time CDW may amend its Water Services Strategy. CDW will follow the steps in Sections # to # of this policy to determine the appropriate approach to that process, including if and how engagement will occur.

7. 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 1, 2 and 3 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 1, and then consider how to engage in line with the LGWSA and steps 2 and 3.

8. Decisions on significant changes to service levels or the transfer or ownership or control of a strategic water services asset

CDW expects that most decisions about service levels or strategic assets will be made through the water services strategy, with engagement a required part of that process. It is expected that proposals to change levels of service or strategic assets that are out of cycle with the water services strategy will be relatively rare.

Where any proposed change to service levels is assessed as highly significant or the potential transfer of ownership or control of a strategic asset is under consideration, CDW will first engage with the Shareholder Councils about the proposal before deciding to progress such a decision.

Where any proposal will progress, CDW will satisfy the process requirements set out in sections 30 and 31 of the LGWSA, which require:

- The identification and assessment of options;
- Making relevant information available;

- Engagement with mana whenua in the manner outlined in Section 11 of this policy;
- Public engagement on the preferred option

The approach to subsequent public engagement for such proposals will consider the nature of the services provided or strategic asset(s) involved, and the community that is served. If the proposal relates to a specific network or asset only, then CDW may decide to focus any engagement on the affected community only, rather than broader engagement across the wider service area.

9. 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 CDW's 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 specific 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 step 1 of Section 4, 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.

10. Engagement with Shareholder Councils

CDW was established by three territorial authorities: Horowhenua District Council, Palmerston North City Council and Rangitikei District Council. As the shareholders of CDW, those councils have an important oversight role in relation to CDW. They also have the ability to deliver a statement of expectations to CDW that will inform its operation, strategic planning and decision-making.

In order to recognise the outcomes and principles set out in the statement of expectations prepared by its Shareholder Councils, and the approach that it expected of CDW, CDW will directly engage with all Shareholder Councils on all key decisions it is required to make (including the water services strategy, in advance of any public engagement, and decisions on water charges, significant capital programme changes, strategic assets and any service level changes). CDW will also ensure that the Council is kept generally informed of other decisions, particularly where these may interact with council activities.

CDW's direct engagement on most matters will be through the Shareholder's Committee, which comprises members from across the Shareholder Councils and Nga Tapuwae o Hau, but in some cases CDW may engage directly with each separate council. This is more likely where any decision relates to a project, asset or matter that impacts on one council only. Following any direct engagement with the Shareholder Councils, CDW may still want to or need to engage with the wider community on decisions. Any feedback provided by the Shareholder Councils may inform the approach to any broader community engagement.

11. Engagement with Mana Whenua

CDW acknowledges the physical, cultural and spiritual significance of wai (water) and the relationship with Māori. We will ensure that our engagement with mana whenua, which will be led by Nga Tapuwae o Hau, (the Rōpū formed to represent the alliance of collective iwi and hapū interests across the CDW Service Area - rohe), is meaningful and upholds the mana and mauri of all water as recognised in the statement of expectations prepared by the Shareholder Councils and Nga Tapuwae o Hau.

In doing so, we will provide relevant information to inform mana whenua and Māori contributions to decision-making processes, and provide opportunities to directly engage with and inform the design of CDW processes where appropriate.

12. Review of this policy

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

DRAFT

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 or groups of assets to be strategic assets:

- Each separate drinking water networks, including associated pump stations and reservoirs
- Drinking water treatment plants
- Each separate wastewater network, including associated pump stations
- Wastewater treatment plants
- Each piped stormwater network, including associated pump stations

CDW considers each of the above assets or group of assets to be strategic assets in their entirety. Individual components or assets within the above groups of assets will not necessarily be considered strategic assets in their own right, 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 groups of assets will be regarded as concerning a strategic asset and/or significant.

For example, each wastewater network owned by CDW is considered a strategic asset as a whole, but individual parcels of land related to that network, or individual assets within each wastewater network may not be. This is considered appropriate to allow CDW to make decisions in relation to separate assets or aspects of certain networks without needing to undertake the formal engagement that would typically be expected for decisions concerning strategic assets.

COMMITTEE WORK SCHEDULE

TO: Joint Shareholders Committee - Central Districts Water

MEETING DATE: 9 October 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.

Meeting Date	Topics
2026	
~~9 October~~	~~• Opportunity to comment on Board's draft Significance and Engagement Policy~~
3 Nov 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 • Schedule of meetings and locations for Feb-June 2027 • Shareholder transition update (including oversight of SLA and transfer agreements) ~~• Visibility of Councils' draft Service Level Agreements~~ • Changes to quorum and voting rights
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 • Shareholder transition update
9 April (TBC: 28 May)	~~• Water Services Strategy presented~~ • Shareholder transition update
11 June (TBD)	• Water Services Strategy presented • Shareholder transition update • Schedule of meetings and locations for July 2027-June 2028

Oversight	9/10	3/11 workshop	4/12	12/2 (26/2)	9/4 (28/5)	11/6 (TBD)
Councils						
Transition updates			x	x	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	