



AGENDA

Joint Shareholders' Committee - Central Districts Water

LATE ITEM

10.00AM, FRIDAY 22 MAY 2026

COUNCIL CHAMBER, 126-148 OXFORD ST, LEVIN

MEMBERS

Mr Chris Gallavin (Chairperson)

Mayor Andy Watson (Deputy Chairperson)

Mayor Grant Smith (PNCC)

**Mayor Bernie Wanden
(HDC)**

**Deputy Mayor Dave
Wilson (RDC)**

Cr Sam Jennings (HDC)

Cr Kaydee Zabelin (PNCC)

Ms Danielle Harris

(Kurahaupo Confederation)

**Mr Hayden Turoa (Tainui
Confederation)**

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



JOINT SHAREHOLDERS' COMMITTEE - CENTRAL DISTRICTS WATER MEETING

22 May 2026

ORDER OF BUSINESS

12. Transition update from Chief Executives

Page 5

Memorandum, presented by Chris Dhyrberg, Executive Director.

Reason for Lateness:

Timing of Committee agenda did not align with Board agenda preparation.

Reason for Urgency:

Progress will be out of date by the time the Committee next meets in August.

MEMORANDUM

TO: Joint Shareholders’ Committee - Central Districts Water

MEETING DATE: 22 May 2026

TITLE: Transition update from Chief Executives

PRESENTED BY: Chris Dhyrberg, Executive Director

APPROVED BY: Cameron McKay, General Manager Corporate Services

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

1. That the Committee receive the ‘Transition update from the Chief Executives,’ presented on 22 May 2026.

1. ISSUE

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

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



2. NEXT STEPS

A regular update will be brought to the Committee. This has been placed on the Work Schedule.

3. COMPLIANCE AND ADMINISTRATION

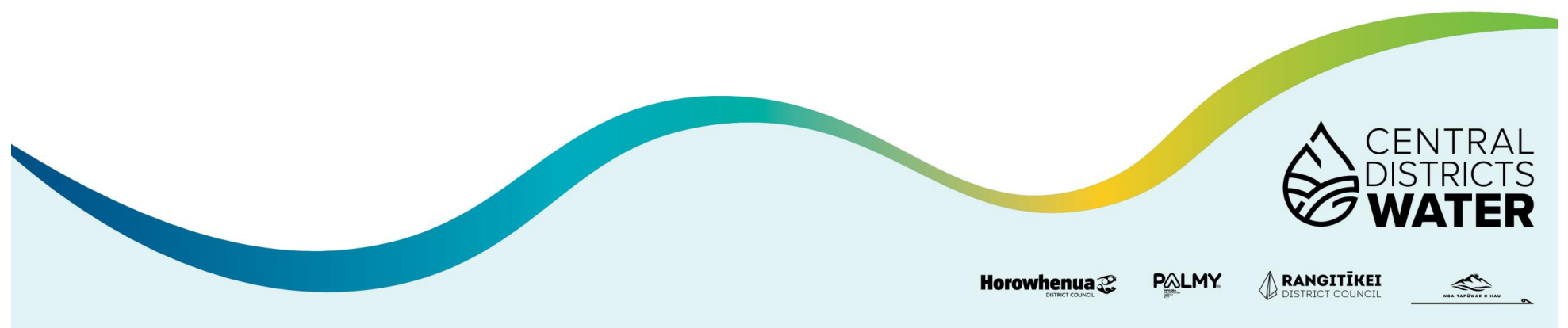
Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these objectives?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

ATTACHMENTS

1. Establishment Programme Update May 2026  

Establishment Programme Update

CDW Board Meeting – 27 May 2026



Purpose

The purpose of this paper is to provide the Board a high-level update on the Establishment Programme progress. To avoid duplication, the material in this paper is sourced from the weekly Project Steering Group (PSG) updates. Detail on issues will be included in separate papers, particularly where decisions are required.

There are no specific decisions required within this paper.



Content

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



1. Executive Summary

Establishment Programme is Up and Running

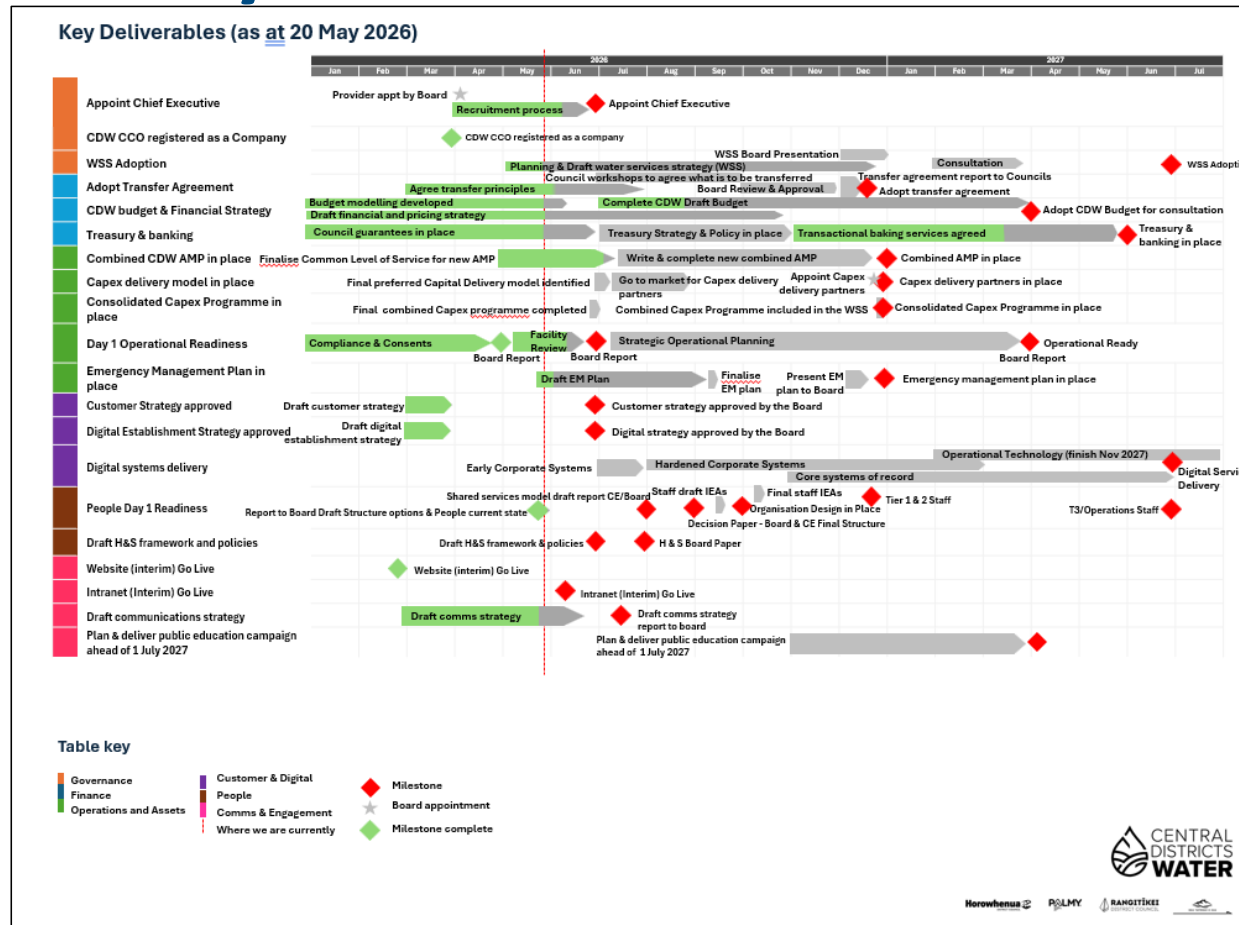
- Overall, the Establishment Programme is running approximately three months ahead of the original schedule.
- Over the last month, the programmes of work for the Transfer Agreement and the Water Services Strategy have progressed well and are being integrated into the overall Establishment Programme and coordinated with the councils for their input.
- Continuing to work on clarifying the overall establishment budget to update for changed assumptions and previous council decisions. Working closely with the council CEs to ensure alignment.

Resetting the Governance Processes Underway

- Adjusting to the needs of a Board and making that work well remains a big focus for the team
- Adding the Board and the Shareholders' Committee to the governance framework is requiring a rethink of roles and responsibilities. There has been a positive reset to the PSG meetings and an improvement to keeping the council CEs appropriately briefed



2. Key Deliverables



Update from 16 April 2026

Changes to the Work Programmes

- Updated progress tracking line
- Updated People work programme to consolidate and simplify
- Added Tier 1 & 2 staff and T3/Operations staff to People work programme.

Progress of Work Programmes

- Mostly on track
- Ahead in transactional banking services and draft CDW budget.
- Finalise common LOS for new AMP is 90% complete, with the end date moved out slightly to align with Board meeting dates. From early May to mid-July.
- Draft communications strategy slightly behind due to resourcing. 75% complete and moved due date to mid-June and report to the Board in July.

3. Establishment Programme

Current activities

- Olivia Wix has been confirmed as the formal Workstream Lead for Communications & Engagement. She will be seconded from PNCC for two days per week. She was previously in an informal arrangement to access resources within the three councils
- Input to the workstream plans by Nga Tapūwae o Hau – ongoing commitment to directly incorporate Nga Tapūwae o Hau resources into the establishment programme, including into the Transfer Agreement process
- Developing the process to coordinate the development of the Transfer Agreement across the three councils
- Integration of the Water Services Strategy development programme into the wider establishment programme

Next Focus

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

Issues or Challenges

- Conflicting priorities



4. Financial Report

Description	CDW Establishment \$000
Actual spending up to the end of April (net of \$250k grant revenue)	\$653
WSDP Budget Excluding IT & Board costs	\$3,687
Total forecast (from beginning of establishment to 30 June 2027)	\$4,312
Additional spending required **	\$625

** The additional spending required relates to higher costs for the Establishment team due to them being more senior and working more hours.

Council staff costs for the transition are included within individual Council budgets and are funded by water debt.

IT Costs (\$6.3m budgeted in years 2 & 3 in the WSDP) and Estimated CDW Operating costs will be presented at future meetings



5(a) Governance

Current activities

- Board processes and structure – continued progress on assisting the Board with its operational setup
- Supporting Board meetings and induction briefings – preparation of the material for the Board meetings
- Approval of updated Shareholders' Agreement – approved by CDW Board on 8 April. Council approvals are now also complete
- Paper to the three councils being drafted to report back on some minor and non-material changes made to the Shareholders' Agreement and Constitution that were approved by the three council CEOs post councils' approval
- Five party MoU – to cover the relationship between CDW, Nga Tapuwae o Hau and the three councils. Drafting underway

Next Focus

- MoU – needs attention now that the Board is in place and can provide input. Needs to be developed alongside the SoE
- Governance Swim Lanes – next iteration to be developed
- Present report to the three councils on the minor, non-material edits to the Shareholders' Agreement and Constitution

Issues or Challenges

- Adjusting to the new governance environment



5(b) Finance

Current activities

- **Pricing Model** – Reviewing options modelled – Overview of modelling and options to be presented to the Board in July
- **Budget and Forecast** – Draft forecast has been updated to reflect Council staff time needed and costs with setting up CDW earlier than originally planned (E.g board and CE 5-7 months earlier than planned, Digital implementation likely in 2026/27 rather than year 2-3)
- **Accession to LGFA & RFI for banking services** – Results of bank proposals to be presented to Board in June for approval – Options for independent establishment funding are being explored
- **Budget Model** for Water Services Strategy development – Ready for updating June-August – prioritisation to occur in Sept/Oct
- **Billing** – Partner Councils assessing feasibility of option for billing on behalf of CDW (due end of May)
- **Collaboration** – First national Finance Workstream Lead group for collaboration and joint sharing of resources was on 14 May – Workshop to occur in late June/early July

Next Focus

- **Debt Transfer** - Partner Councils to approve debt transfer principles & approach for transfer and guarantees by early June
- **CDW Transactional banking approved and accession to LGFA in June** – Shareholder Councils will be asked to sign a letter of support in late June to enable independent funding for CDW in advance of 1 July 2027 for operational efficiency

Issues or Challenges

- **Budget/Forecast** – Forecast needs to be updated from Establishment budget to bring forward the digital investment and account for Establishment team working more than assumed and some key staff starting in advance of 1 July



5(c) Operations & Asset

Current activities

- Finalizing the LOS for the new combined AMPs and work started on writing the first section of the new AMPs
- Work started on a consolidated CDW capital plan to align with requirements for the Water Services Strategy, budgets and the AMPs
- Currently producing isochrone maps for the three Council regions to indicate response times against KPI's
- Working on a single service area GIS map for CDW
- Compliance workshop completed
- Consider how capital projects will be delivered for CDW
- Create an Emergency Management plan for CDW

Next Focus

- Agree on CDW levels of service to be included in the AMP
- Use depot geospatial information to plot service coverage across the CDW region and identify efficiencies and gaps
- Align consent compliance challenges to capital works programme
- Prepare a capital delivery model options presentation for Board consideration

Issues or Challenges

- No issues at this stage



5(d) Customer & Digital

Current activities

- Finalisation of Customer & Digital strategies for approval by the Board
- Development of a detailed budget estimate for establishment of Day One digital capability

Next Focus

- Detailed implementation planning
- Refinement of the budget for Day One digital capability following approval of the Digital strategy

Issues or Challenges

- No issues or challenges at this stage



5(e) Communication & Engagement

Current activities

- External Comms Strategy/Stakeholder mapping
- Staff strategy being fleshed out more
- Media protocols for the Board - for approval at 27 May Board meeting
- Holding PowerPoint for board use about CDW
- Staff updates following board meetings

Next Focus

- Finalising strategies
- Intranet build
- Governance Comms Strategy



5(f) People

Current activities

- **Data Collection**
 - 50-100% waters work positions by council
 - Leave snapshot as at 1 April
 - Entitlements matrix (employment terms and conditions)
- **CE Recruitment**
 - Applications close 22 May
 - Sheffield to review application with the Board for long-listing on Tuesday 26 May
- **Function and Structure**
 - Function map now with beginnings of 'straw man' structure. Ongoing through April; version option; including areas for possible shared services.

Next Focus

- **All Current activities** are ongoing through April
- **Draft People Change Plan (high level)**
 - To support staff transfer
 - To support stand-up of people as needed as at 1 July 2027
- **T2/T3 proposed positions**
 - Position descriptions ready for requirements refinement
 - Ready for indicative sizing

Issues or Challenges

- None



6. Transfer Agreement

Current activities

- Four workshops, facilitated by Simpson Grierson, have been set up to discuss identification of the key content of the Transfer Agreement schedules
- Workshop 1 held on 13 May: land transfers and easements. This covered the categories/status of land to be addressed. The relevant schedules, an output of the workshop, have been provided to the Transition Managers. These schedules will need to be completed in draft, with initial sign-off from CEs, by 31 August.
- Workshop 2 on 21 May: approvals that will transfer. This will cover resource consents, building consents, designations and other approvals.
- Workshop 3 on 26 May: contracts/projects and other agreements. This will cover capital works, development contributions and other contractual arrangements.
- Workshop 4 on 4 June: stormwater. This will cover the approach to transferring stormwater statutory and operational responsibilities.

Next Focus

- Ensuring that the SME workshops run smoothly and achieve the desired outcomes
- Set up a workshop to address matters of shared interest e.g., shared service agreements and service level agreements

Issues or Challenges

- Ensuring iwi involvement is timely and at the right stages



7. Water Services Strategy

Current activities

- High level WSS programme is substantially complete and is being amalgamated into the overall work programme
- Appointment of Beca as Engineering Consultancy Advisor to provide ongoing advice as required, including support for the WSS
- Discussions with Beca to develop resourcing plan for the programme

Next Focus

- Resolve programme conflicts and development of resourcing requirements
- Initial development of method to prioritise across all capital programmes
- Start preparation of introductory sections of strategy

Issues or Challenges

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



