



Southern Waters
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MEETING OF THE
Southern Waters Stakeholders' Representative Group

2 October 2026

Commencing at 9.00am

In the Council Chambers

1 Rosebank Terrace

BALCLUTHA

SOUTHERN WATERS STAKEHOLDERS' REPRESENTATIVE GROUP

Notice is hereby given that a Meeting of the Southern Waters Stakeholders' Representative Group will be held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Friday 2 October 2026, commencing at 9.00am.

Steve Hill
CHIEF EXECUTIVE OFFICER

Committee Members

Mayor Jock Martin – Chair (CDC)
Mayor Tamah Alley (CODC)
Mayor Ben Bell (Gore DC)
Mayor Mel Tavendale (Waitaki DC)

Councillor Roger Cotton (CDC)
Councillor Cheryl Laws (CODC)
Councillor Neville Phillips (Gore DC)
Councillor Frans Schlack (Waitaki DC)

SOUTHERN WATERS STAKEHOLDERS REPRESENTATIVE GROUP

Friday 2 October 2026

APOLOGIES

None received at the time of printing this agenda.

DECLARATIONS OF INTEREST

None advised at the time of printing this agenda.

**GOVERNANCE-ONLY TIME WILL BE HELD AT THE START OF THE MEETING WITH THE
BUSINESS PORTION COMMENCING AT 11AM.**

Item	Page #	Title
1	4	Confirmation of SWSRG Minutes <i>(For Information)</i> Minutes of the SWSRG Meeting held on 4 September 2026.
2	11	Southern Waters Status Update – September 2026 <i>(For SWSRG Information)</i> Report provides an update on the programme status.
3	15	Updates from Members <i>(For SWSRG Information)</i> Report provides an opportunity for updates from Member Councils.
4	16	Reasons to Move to Public Excluded Session <i>(For SWSRG Decision)</i> The SWSRG may upon resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Southern Waters Stakeholders' Representative Group

Item for CONFIRMATION

Report	Confirmation of Minutes
Meeting Date	2 October 2026
Item Number	1
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1059011

REPORT SUMMARY

Attached for confirmation are the minutes of the meeting of the Southern Waters Stakeholders' Representative Group (SWSRG) held on 4 September 2026.

RECOMMENDATION

1. That the minutes of the meeting of the SWSRG held on 4 September 2026 be approved as a true and correct record.

Southern Waters Stakeholders' Representative Group

Minutes of the meeting of Southern Waters Stakeholders' Representative Group held in the Council Chambers, Bowler Avenue, Gore on Friday 4 September 2026 commencing at 9.00am.

Present Mayor Jock Martin (Chair), Mayor Tamah Alley, Mayor Mel Tavendale, Councillor Frans Schlack, Councillor Roger Cotton, Councillor Neville Phillips

In Attendance Debbie Lascelles (CE Gore DC), Peter Kelly (CE CODC), Steve Hill (CE CDC), Bruce Gemmell (Establishment Chair), Fiona Smith (Programme Director), Fraser Liggett (Legal & Governance Lead), Tracy Quertier (Governance & Corporate Support Officer)

Apologies Mayor Ben Bell, Councillor Cheryl Laws, Alex Parmley (CE Waitaki DC).

Moved Mayor Tamah Alley / Councillor Roger Cotton and Resolved:

"That the apologies be sustained."

The Chairperson Mayor Jock Martin welcomed everyone to the meeting.

1 CONFIRMATION OF MINUTES

The minutes of the meeting of the Southern Waters Stakeholders' Representative Group held on 2 July 2026 were submitted for confirmation.

Councillor Frans Schlack queried wording contained within the Updates from Members section regarding potential increases in water charges following 1 July 2027. Discussion confirmed the original intention related to communication around future charging changes rather than a specific increase in charges. Fiona Smith advised the wording did not accurately reflect the discussion held and recommended the item be removed.

Mayor Jock Martin noted the amendment would be made before finalising the record.

Moved Mayor Mel Tavendale / Mayor Tamah Alley and Resolved:

"That the minutes of the meeting of the Southern Waters Stakeholders' Representative Group held on 2 July 2026 be approved with the amendment as a true and correct record."

2 DRAFT STATEMENT OF EXPECTATIONS

The report asks the SRG to consider comments by Southern Waters and approve the Statement of Expectations in accordance with sections 224 to 227 of the Local Government (Water Services) Act 2025.

Fraser Liggett outlined the process undertaken since June 2026, noting that shareholder council feedback had been incorporated and Southern Waters had reviewed the draft Statement of Expectations.

Fiona Smith advised that the amendments reflected previous SRG discussions and recognised the need to balance compliance requirements with affordability, resilience and growth objectives. She noted that where significant trade-offs were required during establishment, those decisions would be transparently reported back through the six-monthly reporting process.

Mayor Tamah Alley noted this was the first Statement of Expectations considered by Central Otago District Council and acknowledged the assistance of councils with greater CCO experience.

Steve Hill proposed strengthening the “No Surprises” provision by specifically referencing significant trade-offs, ensuring SRG members were informed ahead of six-month reporting where required.

Discussion followed between Steve Hill, Fiona Smith, Bruce Gemmell and members regarding governance expectations and transparency. Fiona advised Southern Waters already intended to communicate material trade-offs early rather than waiting for formal reporting cycles. Bruce Gemmell emphasised the importance of proactive communication and ensuring councils were aware of significant decisions before public disclosure.

The Group agreed to incorporate specific reference to significant trade-offs within Section 4.1(d) of the Statement of Expectations.

Moved Mayor Mel Tavendale / David and Resolved:

“That the Stakeholders’ Representative Group receives the ‘Draft Statement of Expectations’ report.”

Moved Mayor Tamah Alley / Councillor Roger Cotton and Resolved:

“That the Stakeholders’ Representative Group adopts the Statement of Expectations, including the agreed amendment relating to significant trade-offs;

- a. Notes that the SRG approved the process for preparing the Statement of Expectations on 5 June 2026.***
- b. Notes the amendments proposed by Southern Waters to the Draft Statement of Expectations.***
- c. Approves the draft Statement of Expectations, as amended.***
- d. Resolves to agree and adopt the Statement of Expectations on behalf of the shareholders in accordance with sections 224 to 227 of the Local Government***

(Water Services) Act 2025 and the Shareholders' Agreement (including clause 5.1(b)).

e. Provides the final Statement of Expectations to Southern Waters."

3 SOUTHERN WATERS PROGRAMME STATUS UPDATE –AUGUST 2026

Report provides a regular update to the SRG and shareholder Councils on programme activity.

Fiona Smith provided an update on programme activities, advising significant work had been undertaken on the operating model, including current-state and future-state workshops involving all four shareholder councils.

She reported progress against:

- Operating model development.
- Supplier and contractor engagement.
- Asset condition and risk assessment work.
- Asset valuation activities.
- Financial modelling.
- Water Services Strategy development.

Fiona advised that the Local Government Funding Agency (LGFA) accession process had experienced a delay as LGFA required confirmation of director appointments before progressing the application further.

Bruce Gemmell provided an update on engagement with mana whenua and encouraged continued efforts to strengthen relationships and participation.

Moved Mayor Mel Tavendale / Councillor Neville Phillips and Resolved:

"That the Stakeholders' Representative Group receives the 'Southern Waters Programme Status Update – August 2026' report."

4 UPDATES FROM MEMBERS

This is an opportunity for Members to discuss any additional areas of interest to members of this group.

- **Water Services Authority Seminar**

Mayor Jock Martin advised members of an invitation received from Taumata Arowai/Water Services Authority to attend governance and technical seminars in Christchurch during October.

Bruce Gemmell advised that Southern Waters would be represented but cautioned that a significant amount of governance sector activity was currently occurring while establishment teams remained focused on setting up organisations.

- **Information Sharing and Reporting**

Steve Hill requested greater consideration of council meeting schedules when circulating papers and requested regular programme updates continue, even when SRG meetings were not being held. Bruce Gemmell advised Southern Waters was developing a dashboard reporting approach to assist members.

- **Gore Water Reservoir Project**

Councillor Neville Phillips advised that Gore's water tower had now been demolished and replacement infrastructure would significantly improve water resilience and service levels for the district.

- **Governance Development and Training**

Mayor Jock Martin raised the prospect of governance training and professional development for SRG members as Southern Waters moved into a more mature operational phase.

Steve Hill supported consideration of governance upskilling, particularly regarding relationships between shareholder councils, the SRG and the Board.

Members agreed to continue considering governance training and future engagement models.

5 REASONS TO MOVE TO PUBLIC EXCLUDED SESSION

Moved Councillor Roger Cotton / Councillor Neville Phillips and Resolved:

"That the Stakeholders' Representative Group receives the 'Reasons to Move to Public Excluded Session'".

That if required, the Stakeholders' Representative Group excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:

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 the passing of this resolution
Remuneration for the Rural Water and Mana Whenua Representatives to the SRG	The report contains proposed remuneration information for identifiable representative positions ahead of that remuneration being settled and approved and includes benchmarking data supplied by Sheffield South Island in	A2(a) Protect the privacy of natural persons, including that of deceased natural persons. A2(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority

	confidence, which Sheffield has stated must not be disclosed without its written consent.	of any enactment, where the making available of the information would: Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
Southern Waters Limited Board Remuneration Policy and 2026/27 Starting Fees	The report contains detailed proposed remuneration information relating to the Establishment Chair and Directors of the Southern Waters Board, ahead of the remuneration framework and fees being settled and approved by Shareholders. Public disclosure at this stage would inappropriately reveal the personal financial affairs of identifiable individuals.	A2(a) Protect the privacy of natural persons, including that of deceased natural persons.
Appointment of additional Directors to the Southern Waters Board – Selection Panel Recommendation	The report contains personal information about identifiable candidates recommended for appointment as Directors of the Southern Waters Board, including outcomes of the recruitment, interview, and due diligence process undertaken by the Selection Panel and Sheffield.	A2(a) Protect the privacy of natural persons, including that of deceased natural persons.

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 or Section 6 or Section 7 or Section 9 of the Official

Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown after each item.

The meeting moved into public excluded session at 9:53am.

The meeting moved out of public excluded session and closed at 11:21am.

Read and Confirmed

J K Martin
MAYOR

Southern Waters Stakeholders' Representative Group

Item for Information

Report	Southern Waters Programme Status Update – September 2026
Meeting Date	2 October 2026
Item Number	2
Prepared By	Southern Waters
File Reference	1059012

REPORT SUMMARY

Report presents the Southern Waters programme status update for September 2026.

RECOMMENDATIONS

1. **That the Stakeholders' Representative Group receives the 'Southern Waters Programme Status Update – September 2026' report.**



Southern Waters

Southern Waters Programme Status Update September 2026

About Southern Waters

Southern Waters is a new joint water services council-controlled organisation owned by Central Otago District Council, Clutha District Council, Gore District Council, and Waitaki District Council. It has been established to deliver on the commitments made by those councils in their Water Services Delivery Plans, providing safe, reliable, and sustainable drinking water, wastewater, stormwater and rural water services to communities across the region.

Water services are currently delivered by each council independently. Southern Waters will bring these together into a single entity focussed on meeting current and future compliance obligations. The programme is working towards a transfer of all water services by 1 July 2027 with the entity required to meet financial sustainability thresholds by 2028.

Overall Programme Status

The programme is progressing well across all workstreams. The Statement of Expectations has now been adopted by SRG. Additional directors have now been confirmed for the Board of Southern Waters. Progress continues for appointing the rural water representative to the SRG. Completion of the Local Government Funding Agency (LGFA) accession process is progressing but delayed following requests for information. Current and future-state workshops, with all shareholder councils as well as engagement with key suppliers, is now complete. These were key inputs for the design and build of the operating model. Work is now underway on the Water Services Strategy, financial modelling and financial strategy. Early work has commenced on the transfer agreement.

Key milestones:

Milestone	Target	Status
Foundation documents adopted	Apr 2026	Complete
Local Government Funding Agency accession	Nov 2026	Delayed

Go Live plan endorsed	Oct 2026	On Track
Water Services Strategy adopted	Apr 2027	On Track
Readiness confirmation	May 2027	On Track
Day 1 – services transfer to Southern Waters	Jul 2027	On Track

Key Achievements to Date

Entity Establishment

- Southern Waters is incorporated, and all four shareholding councils have adopted the Shareholders' Agreement and Constitution. The Stakeholders' Representative Group (SRG) is established with its Chair and Deputy Chair elected, and a selection panel has been set up to appoint the rural water representative to the SRG.

Governance

- The Statement of Expectations has now been adopted and will guide the development of the Water Services Strategy.
- Letters of offer have been made for the appointment of three new Directors.
- The SRG has engaged Te Rūnanga o Ngāi Tahu seeking guidance on the appointment of two mana whenua representatives.
- Interviews are now complete for the appointment of a rural water representative for SRG.

Operating Model

- Work continues to develop the operating model design and implementation plan with the Programme Team and shareholding councils. Workshops were undertaken in July with all shareholder councils to better understand current operating arrangements and state. In August future-state design workshops were held with the councils focusing on options for how core functions could be structured and delivered and interviews with key suppliers provided valuable insights into the opportunities available to Southern Waters.
- Work now focuses on developing the Target Operating Model and Transition Plan for consideration by the Board.

Finance and Assets

- We have provided LGFA with the further details on asset condition to support understanding of required capital investment. Once Directors are confirmed we will advise the LGFA. Approval of the lending documents by councils are now expected in October 2026 with final LGFA accession planned for November 2026.
- A financial model is being developed to quantify the revenue required to fund operating and capital costs and meet LGFA covenants, supporting pricing decisions and scenario planning.
- A financial strategy is being developed which will inform the Water Services Strategy currently under development.

Focus Areas Ahead

The programme's current priorities include:

- Progressing additional mana whenua and rural water appointments to the SRG.
- Progressing operating model design.
- Progressing a process for transfer of staff from councils to Southern Waters.
- Completing asset valuation work across all councils.

- Completing a financial model to support the financial strategy and prepare for LGFA accession.
- Progressing the Water Services Strategy to guide future investment priorities.
- Development of Southern Water's Significance and Engagement Policy.
- Progressing the relationships with mana whenua and rūnaka.

For further information about Southern Waters, www.southernwaters.co.nz.

Southern Waters Limited | Programme Status Update | September 2026

Southern Waters Stakeholders' Representative Group

Item for Information

Report	Updates from Members
Meeting Date	2 October 2026
Item Number	3
Prepared By	Southern Waters
File Reference	1059013

REPORT SUMMARY

This is an opportunity for Members to discuss any additional areas of interest within the remit of this group.

RECOMMENDATIONS

1. **That the Stakeholders' Representative Group receives the 'Updates from Members' report.**

Southern Waters Stakeholders' Representative Group

Item for DECISION

Report	Reasons to Move to Public Excluded Session
Meeting Date	2 October 2026
Item Number	4
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1059014

REPORT SUMMARY

The Southern Waters Stakeholders' Representative Group may upon resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Grounds to exclude the public under the Local Government Official Information and Meetings Act 1987 are contained in the Central Otago District Council's Standing Orders which were adopted by the SRG on 30 April 2026.

RECOMMENDATIONS

1. That the Stakeholders' Representative Group receives the 'Reasons to Move to Public Excluded Session' report.
2. That if required, the Stakeholders' Representative Group excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:

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 the passing of this resolution
Appointment of the Rural Water Representative to the Stakeholders' Representative Group	The report contains personal details regarding the preferred appointee.	A2(a) Protect the privacy of natural persons, including that of deceased natural persons.
Southern Waters Director Remuneration	The report contains remuneration details relating to the Southern Waters Directors.	A2(a) Protect the privacy of natural persons, including that of deceased natural persons.
Public Excluded SWSRG Minutes – 4 September 2026		The specific provisions of the Act that relate to these minutes can be found in the open

Matters dealt with in these minutes: • Remuneration for the Rural Water and Mana Whenua Representatives to the SRG • Southern Waters Limited Board Remuneration Policy and 2026/27 Starting Fees • Appointment of additional Directors to the Southern Waters Board – Selection Panel Recommendation	The report contains proposed remuneration information for identifiable representative positions ahead of that remuneration being settled and approved and includes benchmarking data supplied by Sheffield South Island in confidence, which Sheffield has stated must not be disclosed without its written consent. The report contains detailed proposed remuneration information relating to the Establishment Chair and Directors of the Southern Waters Board, ahead of the remuneration framework and fees being settled and approved by Shareholders. Public disclosure at this stage would inappropriately reveal the personal financial affairs of identifiable individuals. The report contains personal information about identifiable candidates recommended for appointment as Directors of the Southern Waters Board, including	minutes of the SWSRG meeting held on 4 September 2026.
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	outcomes of the recruitment, interview, and due diligence process undertaken by the Selection Panel and Sheffield.	
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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 or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown after each item.

Appendix 1: Grounds to exclude the public

A local authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the following grounds:

- A1** That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information would be likely:
- (a) To prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
 - (b) To endanger the safety of any person.
- A2** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
- (a) Protect the privacy of natural persons, including that of deceased natural persons; or
 - (b) Protect information where the making available of the information would:
 - i. Disclose a trade secret; or
 - ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
 - (ba) In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu; or
 - (c) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:
 - i. Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
 - ii. Be likely otherwise to damage the public interest.

- (d) Avoid prejudice to measures protecting the health or safety of members of the public; or
- (e) Avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
- (f) Maintain the effective conduct of public affairs through –the protection of such members, officers, employees, and persons from improper pressure or harassment; or
- (g) Maintain legal professional privilege; or
- (h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities; or
- (i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- (j) Prevent the disclosure or use of official information for improper gain or improper advantage.

LGOIMA, s 7.

Under A2 (above) the public may be excluded unless, in the circumstances of a particular case, the exclusion of the public is outweighed by other considerations which render it desirable and in the public interest, that the public is not excluded.

- A3** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information, the public disclosure of which would:
 - (a) Be contrary to the provisions of a specified enactment; or
 - (b) Constitute contempt of Court or of the House of Representatives.
- A4** That the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that Council by an Ombudsman under section 30(1) or section 38(3) of this Act (in the case of a Council named or specified in Schedule 1 to this Act).
- A5** That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation in:
 - (a) Any proceedings before a Council where:
 - i. A right of appeal lies to any Court or tribunal against the final decision of the Council in those proceedings.
 - ii. The Council is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and
 - iii. Proceedings of a local authority exist in relation to any application or objection under the Marine Farming Act 1971.

LGOIMA, s 48.