MEETING OF THE

Southern Waters Stakeholders' Representative Group

6 November 2026

Commencing at 9.00am

Hosted Online by Waitaki District Council

SOUTHERN WATERS STAKEHOLDERS' REPRESENTATIVE GROUP

Notice is hereby given that a Meeting of the Southern Waters Stakeholders' Representative Group will be hosted online by Waitaki District Council on Friday 6 November 2026, commencing at 9.00am.

Steve Hill
CHIEF EXECUTIVE OFFICER

Committee Members

Mayor Jock Martin – Chair (CDC)	Councillor Roger Cotton (CDC)
Mayor Tamah Alley (CODC)	Councillor Cheryl Laws (CODC)
Mayor Ben Bell (Gore DC)	Councillor Neville Phillips (Gore DC)
Mayor Mel Tavendale (Waitaki DC)	Councillor Frans Schlack (Waitaki DC)

SOUTHERN WATERS STAKEHOLDERS REPRESENTATIVE GROUP

Friday 6 November 2026

APOLOGIES
Councillor Roger Cotton

DECLARATIONS OF INTEREST
None advised at the time of printing this agenda.

Item	Page #	Title
1	**4**	**Confirmation of SWSRG Minutes** *(For Information)* Minutes of the SWSRG Meeting held on 2 October 2026.
2	**9**	**Southern Waters Status Update – October 2026** *(For SWSRG Information)* Report provides an update on the programme status.
3	**14**	**Southern Waters Capital Works Prioritisation Framework** *(For SWSRG Information)* Report provides an update on the capital works prioritisation framework.
4	**25**	**Updates from Members** *(For SWSRG Information)* Report provides an opportunity for updates from Member Councils.
5	**26**	**Reasons to Move to Public Excluded Session** *(For SWSRG Decision)* 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	6 November 2026
Item Number	1
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1069291

REPORT SUMMARY

Attached for confirmation are the minutes of the meeting of the Southern Waters Stakeholders' Representative Group (SWSRG) held on 2 October 2026.

RECOMMENDATION

1. **That the minutes of the meeting of the SWSRG held on 2 October 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, 1 Rosebank Terrace, Balclutha on Friday 2 October 2026 commencing at 9.00am.

Present	Mayor Jock Martin (Chair), Mayor Tamah Alley, Mayor Ben Bell, Mayor Mel Tavendale, Councillor Roger Cotton, Councillor Cheryl Laws, Councillor Neville Phillips, Councillor Frans Schlack
In Attendance	Debbie Lascelles (CE Gore DC), Peter Kelly (CE CODC), Steve Hill (CE CDC), Alex Parmley (CE Waitaki DC), Bruce Gemmell (Establishment Chair), Fiona Smith (Programme Director), Fraser Liggett (Legal & Governance Lead), Arna Smith (EA to Mayor)
Apologies	There were no apologies.

UNCONFIRMED

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 4 September 2026 were submitted for confirmation.

Mayor Tavendale / Councillor Cotton and Resolved:

"That the minutes of the meeting of the Southern Waters Stakeholders' Representative Group held on 4 September 2026 be approved as a true and correct record."

2 SOUTHERN WATERS PROGRAMME STATUS UPDATE –SEPTEMBER 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.

- Mayor Mel raised Ngai Tahu Engagement progress and how those relationships/communications were tracking. Follow up is needed and Fraser and Bruce will continue to chase this engagement.
- It was noted that possibly having Mana Whenua representation appointed may help with engagement.
- Suggestion that individual councils/mayors use their contacts directly to follow up with iwi engagement progress.
- Discussion on SRG financial updates are needed going forward for future meetings so governance can see where budget oversights are landing and if budgets are on track, concerns as well as mayors would like to see cost estimates as this is necessary for public accountability as well.
- It was agreed that financial update would be circulated via email as early as the week of the 5/10/26.

Moved Mayor Bell / Mayor Tavendale and Resolved:

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

Mayor Tamah Alley left the meeting at 11.30am and was an apology for the public excluded session.

3 UPDATES FROM MEMBERS

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

Gore- Meet with Bruce and Fiona happy with how things are going.

Waitaki- keen to see that financial accountability, expressed staff feeling uncertainty

Bruce- inducted the new directors on Tuesday.

Moved Mayor Tavendale/ Mayor Bell and Resolved:

"That the Stakeholders' Representative Group receives the 'Updates from Members report'

4 REASONS TO MOVE TO PUBLIC EXCLUDED SESSION

Moved Councillor Phillips / Mayor Bell 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:

UNCONFIRMED

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 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	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	The specific provisions of the Act that relate to these minutes can be found in the open minutes of the SWSRG meeting held on 4 September 2026.

UNCONFIRMED

• Appointment of additional Directors to the Southern Waters Board – Selection Panel Recommendation	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 outcomes of the recruitment, interview, and due diligence process undertaken by the Selection Panel and Sheffield.	

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 11.41am.

The meeting moved out of public excluded session and closed at 12.05pm.

Read and Confirmed

J K Martin
MAYOR

UNCONFIRMED

Southern Waters Stakeholders' Representative Group

Item for INFORMATION

Report	Southern Waters Programme Status – October 2026
Meeting Date	6 November 2026
Item Number	2
Prepared By	Erica Hodgkinson – Programme Manager Southern Waters Fiona Smith – Programme Director Southern Waters
File Reference	1069292

REPORT SUMMARY

This item presents the Southern Waters Programme Status Update for October 2026 (Attachment A). The update covers overall programme status, key milestones, achievements to date and focus areas ahead. It also includes a forward view of the items Southern Waters expects to bring to the Stakeholders' Representative Group (SRG), to help the SRG plan its future meeting frequency and dates.

RECOMMENDATIONS

1 That the Stakeholders' Representative Group receives the Southern Waters Programme Status Update for October 2026.

2 That the Stakeholders' Representative Group notes the forward view of items Southern Waters expects to bring to the SRG, to inform decisions on future meeting frequency and dates.

REPORT

1 Background

Southern Waters provides the SRG with a regular update on the progress of the establishment programme, ahead of the transfer of water services from the four shareholding councils on 1 July 2027.

2 Report Discussion

The programme is progressing well across all workstreams. Key points for October 2026 are:

- Three new directors joined the Southern Waters Board on 1 October 2026, and the first full Board meeting was held on 14 October 2026.
- Papers seeking approval of the SRG rural water representative have gone to each shareholding council.

- LGFA accession is expected in late November 2026, once councils have approved the lending documents.

- Southern Waters expects to bring the draft Water Services Strategy, the draft transfer agreements and the Significance and Engagement Policy to the SRG in upcoming meetings.

Further detail is set out in Attachment A.

3 Assessment of Options

This report is for information only, so no assessment of options is required.

4 Consultation

No consultation was required for this report. The programme continues to work with the shareholding councils through the Project Steering Group and Project Working Group.

5 Legal Considerations

There are no legal considerations arising from this report.

6 Financial Impact

There is no financial impact arising from this report.

7 References – Tabled/Agenda Attachments

Attachment A: Southern Waters Programme Status Update – October 2026.

Southern Waters
Programme Status Update
October 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. Additional directors have now been confirmed for the Board of Southern Waters. Approval of the rural water representative to the SRG is underway with councils. Completion of the Local Government Funding Agency (LGFA) accession is progressing. Draft lending documents were received following the LGFA Board meeting on 14 October 2026, and accession is expected in late November 2026 once councils have approved the lending documents. Work is now underway on the Water Services Strategy, financial modelling and financial strategy. Work has commenced on the transfer agreements. Planning for the transition of council staff to Southern Waters is progressing.

Key milestones:

Milestone	Target	Status
Foundation documents adopted	Apr 2026	Complete
Local Government Funding Agency accession	Nov 2026	Delayed
Go Live plan endorsed	Nov 2026	Delayed
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.
- The Statement of Expectations has been adopted.

Governance

- Three new directors have been appointed to the Board of Southern Waters and took up their roles on 1 October 2026. The first full Board meeting was held on 14 October 2026.
- Papers seeking approval of the rural water representative appointment have been to each shareholder council.
- Southern Waters' third quarterly report to MCERT, covering progress towards implementing the Water Services Delivery Plan, was approved by the Chief Executives and submitted to MCERT.

Programme implementation:

- As of 1 September 2026, $2.48 million of the approved $8.815 loan to Southern Waters has been draw down, including $28,986 of interest.
- Draft lending documents were received from the LGFA following its Board meeting on 14 October 2026, and the remaining commercial terms are being finalised. Accession is expected in late 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.
- Revenue assurance work is under way.
- Target operating model design work is now progressing to detailed organisation design.
- Staff transfer principles, transition pathways and a consultation plan are being developed.

Focus Areas Ahead

The programme's current priorities include:

- Progressing additional mana whenua and rural water appointments to the SRG.

- Progressing detailed organisational design, then finalising a process for transfer of staff from councils to Southern Waters, including staff consultation.
- Completing asset valuation work across all councils.
- Completing the financial model to support the financial strategy, including modelling pricing outcomes.
- Completing LGFA accession following council approvals.
- Progressing the Water Services Strategy to guide future investment priorities.
- Development of the Transfer Agreements, including the timeline for debt transfer.
- Development of Southern Waters' Significance and Engagement Policy.
- Progressing the relationships with mana whenua and rūnaka.

Forward View – Items for the SRG

To help the SRG plan its future meeting frequency and dates, the table below sets out when Southern Waters expects to bring items to the SRG.

Item	For information, feedback or decision	When
Water Services Strategy	Draft for feedback, ahead of public consultation	Provided mid-December for feedback by mid-January
Significance and Engagement Policy	Draft for feedback, ahead of public consultation	December 2026
Significance and Engagement Policy	Post-consultation amendments for review and sign-off	April 2027

Southern Waters Stakeholders' Representative Group

Item for INFORMATION

Report	Southern Waters Capital Works Prioritisation Framework
Meeting Date	6 November 2026
Item Number	3
Prepared By	Matt Bayliss – Assets Workstream Lead, Southern Waters
File Reference	1072043

REPORT SUMMARY

This report updates the Stakeholders' Representative Group (SRG) on the capital works prioritisation framework that Southern Waters has developed to guide its capital investment decisions. The framework was developed with input from the shareholding councils and has been reviewed by the Southern Waters Establishment Chair and the Project Steering Group (PSG).

The framework allocates capital projects into priority levels from P1 (health and safety, and legislative and regulatory compliance) to P6 (unplanned development). A separate category, C1, covers projects that are contractually committed or externally funded and are therefore not open to reprioritisation. The framework gives Southern Waters a consistent and transparent way to bring the four councils' capital programmes together, and we have used it to build an optimised capital programme that is now informing financial modelling and the draft Water Services Strategy.

RECOMMENDATIONS

1 That the Stakeholders' Representative Group receives the 'Southern Waters Capital Works Prioritisation Framework' report.

REPORT

1 Background

Southern Waters is bringing together the capital programmes of Central Otago, Clutha, Gore and Waitaki District Councils for the first time. To plan and fund a programme that can be delivered from Day 1, we need a consistent way to decide which projects come first.

A prioritisation framework normally turns the needs identified in a Strategic Asset Management Plan (SAMP) and Asset Management Plan (AMP) into a funded, deliverable programme. Southern Waters is still in its establishment phase and has not yet fully developed these plans, so the framework provides an initial basis for setting the capital programme and supporting the financial modelling needed for Day 1. We expect to develop and refine it as Southern Waters' asset management matures. Attachment A (slides 2 and 3) sets out its purpose and rationale.

2 Report discussion

Southern Waters engaged Beca in May 2026 to support development of a single framework across the four councils. The work followed three stages: agreeing the framework's principles, aims and categories with council representatives; gathering and validating a standard set of capital project data from each council; and then testing, moderating and refining the prioritised programme, taking into account short-term deliverability, risks and the consequences of deferring projects.

2.1 Prioritisation aims

The framework aims to confirm a deliverable, sustainable and balanced forward works programme; to challenge *when* projects are funded rather than *whether* they are funded; to apply a quantitative approach supported by conversations with council and Southern Waters staff; to factor in known interdependencies with other council projects; and to support consistent delivery of the capital programme (Attachment A, slide 4).

2.2 Project categories and priority levels

Projects that are contractually committed or externally funded (C1) are set aside first, as they are not open to reprioritisation. Each remaining project is placed in a project category and given a priority level from 1 (highest) to 6 (lowest), as shown in Figure 1 and Table 1.

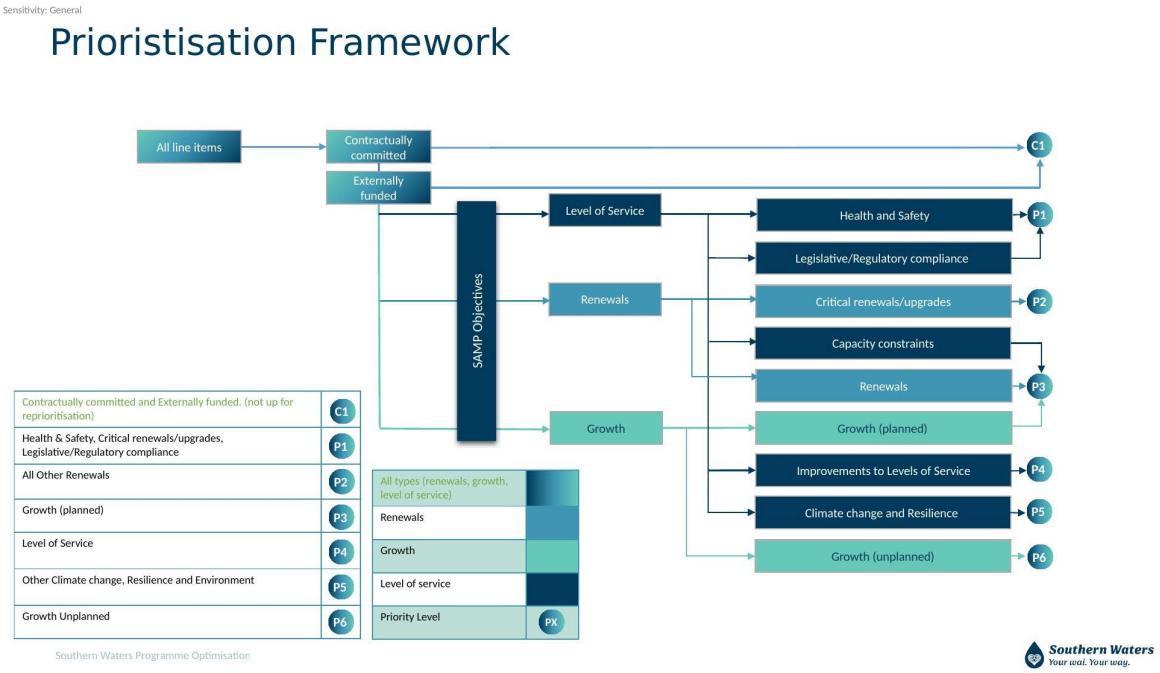


Figure 1: Prioritisation Framework (Attachment A, slide 5)

Table 1: Project categories and priority levels (Attachment A, slide 6)

Project category	Description	Priority level
Health & Safety	Project(s) that mitigate high or extreme health and safety matters.	1

Project category	Description	Priority level
Legislative/Regulatory compliance	Project(s) targeting new, renewed and/or upgraded infrastructure specifically to meet compliance (e.g. drinking water standards, wastewater standards, resource consents, stormwater, WEPS).	1
Critical renewals/upgrades	Project(s) targeting renewal and/or upgrade of critical infrastructure (refer to asset management plan for criteria (high/med/low)). Includes critical projects for other activities, e.g. roading, where the project is interdependent on waters. Also includes projects that can provide substantial savings in capital or operational costs.	2
Capacity constraints	Infrastructure upgrade projects addressing capacity constraints not related to growth.	3
Renewals	Renewal projects that are non-critical and address performance, condition and/or maintenance, and end-of-life issues in above and below ground assets.	3
Growth (planned)	Projects aligned with council growth strategies, identified in the LTP and WSS and factored into development contribution charging. Likely to have development agreements or contracts in place; timing is likely to be driven by development. Can also include upgrades addressing capacity constraints directly or indirectly related to growth.	3
Improvement to Levels of Service	Projects that increase the agreed level of service, are aligned with SAMP objectives but are not included in the WSS.	4
Climate change and Resilience	Projects that have been prioritised and align with policy on climate change adaptation, environmental outcomes or enhancing the resilience of infrastructure.	5
Unplanned development	Projects not identified in the LTP or WSS, with no development agreements or contracts in place.	6
Contractually committed	Project(s) with a signed contract in place.	C1
Externally funded*	Project(s) passing through Southern Waters' books that are funded by external sources (e.g. developer-led projects, IAF projects).	C1

Note: P1–P3 projects inherently include provision to meet the agreed level of service, and factor in measures to respond to partnership arrangements with iwi, climate change, resilience and emergency plans that councils have approved and included in their LTPs and Water Services Delivery Plans. Externally funded projects that don't pass through Southern Waters' books (vested infrastructure) sit outside the framework; any ongoing operating costs from known vested infrastructure are captured separately.

When workshopping the framework there was general agreement on the categories, with clear consensus that health and safety and legislative and regulatory compliance should be the highest priorities. The area of most discussion was how growth-related projects should be treated. Growth (planned) sits at priority level 3, alongside Capacity Constraints and Renewals. Externally funded growth projects sit in C1 instead, and where growth creates a compliance issue – for example, extra pressure on a treatment plant – the resulting project falls under Legislative/Regulatory Compliance. Unplanned development sits at priority level 6 and covers any project (not only growth) that is not in the LTP or WSS and has no development agreement or contract in place.

Fast-track proposals will fall into one of three categories depending on the outcome reached with the developer: Growth (planned) where a development agreement is in place; Unplanned Development where there is no agreement but Southern Waters still needs to fund part of the project; or Externally Funded (C1) where the developer's

timeframes don't align with the prioritised programme and the developer funds the work. Some growth will use existing spare capacity without needing new works. These developments don't pass through the framework, and development contributions will recover the cost of using that capacity.

2.3 Worked example – a water metering project

Some projects don't fall neatly into one category, and water metering is a good example. Metering doesn't renew an asset or add pipe, storage or treatment capacity, but it shows how much water customers use, helps find leaks and reduces demand.

In these cases, we place the project by its primary driver – the same test the framework applies to Climate Change and Resilience (see section 2.5). For most metering projects, the driver is managing demand where a supply is at or near its limit, such as a treatment plant's capacity or a water take consent. Lowering demand frees up existing capacity, so these projects would usually sit under Capacity Constraints (priority level 3), which is driven by Levels of Service. A metering project could sit under Critical Renewals/Upgrades (priority level 2) where it can be shown to deliver substantial capital or operational savings – for example, by deferring a major treatment plant upgrade – or under Legislative/Regulatory Compliance (priority level 1) where metering is needed to meet a consent condition or other regulatory requirement.

2.4 Framework design approach

The framework is deliberately straightforward. It allocates projects into a small number of priority categories rather than applying a weighted scoring model that ranks projects against many criteria. We considered a more sophisticated scoring model but chose not to adopt one at this stage because we are combining four councils' programmes for the first time; existing asset data has known gaps and inconsistencies; Southern Waters has not yet finalised its strategic asset management objectives; and time to prepare for Day 1 is limited. A simpler framework can be applied consistently and transparently across all four programmes now.

This approach is consistent with practice across the New Zealand water sector. Some water services organisations – generally those with more mature asset management systems and a single legacy council – are using more sophisticated scoring models, while many are taking a similar approach to Southern Waters. We expect the framework to become more sophisticated as our asset management approach matures and our understanding of the combined asset base grows.

2.5 Alignment with the Statement of Expectations

The framework has been reviewed against the final Statement of Expectations (SoE) and is consistent with it. The SoE expects Southern Waters to develop a prioritisation framework and to make trade-offs where needed, provided public health, safety, and legal and regulatory minimums are not compromised – which is why these sit at priority level 1. Critical renewals and upgrades sit at priority level 2, reflecting the SoE's focus on very highly and highly critical assets, and the treatment of Growth (planned) reflects the SoE's expectation that investment aligns with the shareholding councils' growth strategies.

Climate Change and Resilience (priority level 5) applies only where climate change and resilience is the primary driver. Consistent with the SoE, resilience, climate change and natural hazards over a minimum 30-year horizon will be considered for all projects.

2.6 Next steps

We have used the framework to develop an optimised and prioritised capital programme. This programme is now informing the financial modelling for Southern Waters' establishment and is being incorporated into the WSS. We expect to share the draft WSS with the SRG in mid-December 2026 and to seek the SRG's feedback by mid-January 2027.

3 Assessment of Options

Not applicable. This report is for information.

4 Consultation

Council representatives from all four shareholding councils helped develop the framework through a series of workshops facilitated by Beca. The prioritisation framework has been reviewed by Southern Waters Establishment Chair and the Project Steering Group (PSG).

As noted under Table 1, P1–P3 projects already factor in measures responding to partnership arrangements with iwi that councils have approved through their LTPs.

5 Legal Considerations

There are no direct legal implications from receiving this report. Under section 226 of the Local Government (Water Services) Act 2025, a water organisation must give effect to the statement of expectations its shareholders provide. Checking the framework against the SoE (section 2.5) helps ensure the capital programme it produces supports this.

Sections 230 and 231 of the Act require Southern Waters, as a new water organisation, to prepare a WSS. Section 234 and Schedule 3 set out what the WSS must contain, including Southern Waters' strategic priorities, the outcomes its shareholders expect as set out in the SoE, and the significant water infrastructure issues expected over at least 30 years. Section 236 sets out the process Southern Waters must follow to make its WSS. The capital programme developed using the framework is a key input to meeting these requirements.

6 Financial Impact

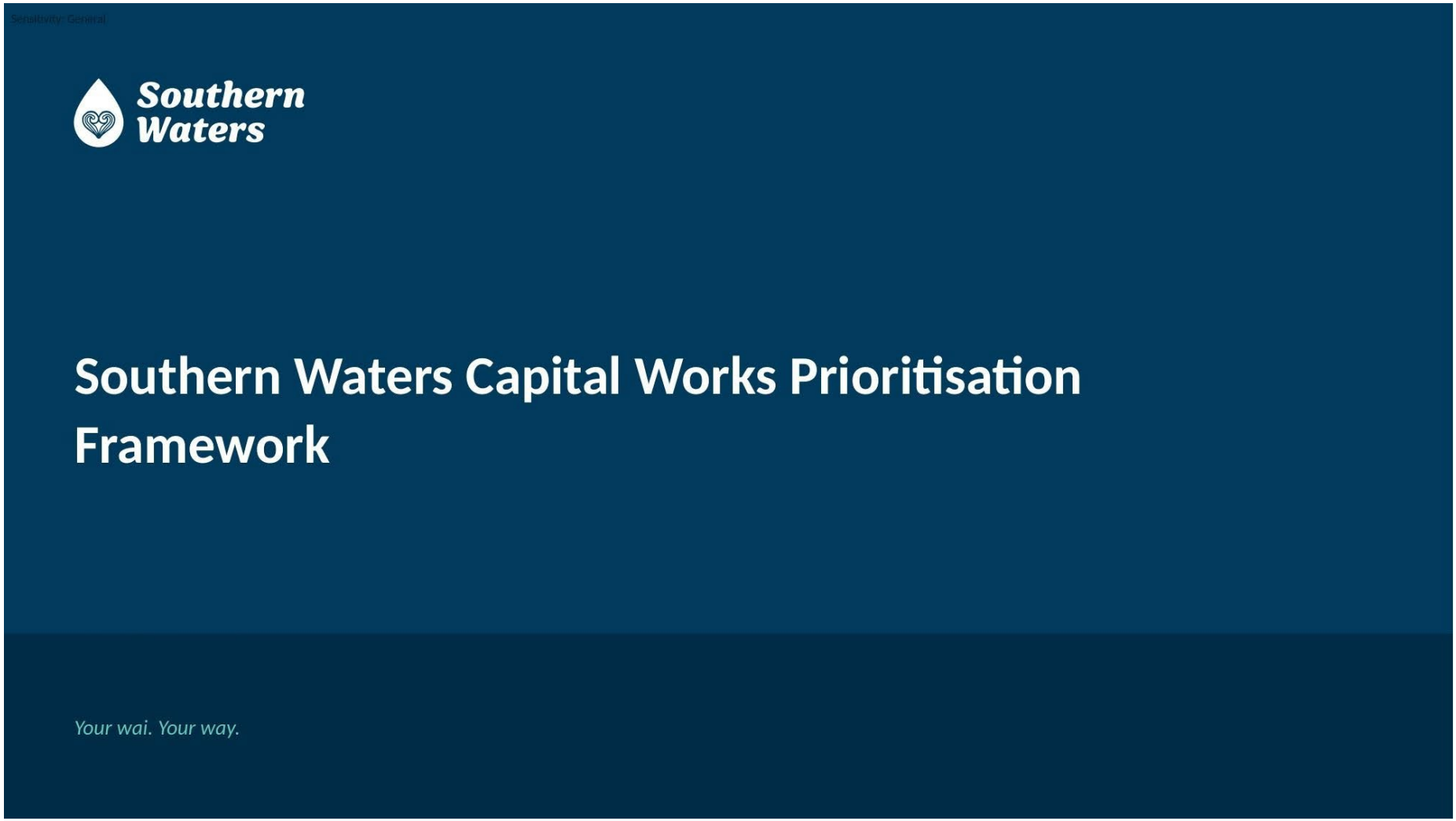
There is no direct financial impact from this report. The framework doesn't commit funding; it guides when projects are funded. The financial implications of the prioritised capital programme will be set out in the draft WSS, which we expect to share with the SRG in mid-December 2026 (see section 2.6).

7 References – Tabled/Agenda Attachments

Attachment A – Southern Waters Programme Optimisation

ATTACHMENT A – SOUTHERN WATERS PROGRAMME OPTIMISATION: SLIDES 1 TO 6

Slide 1 – Title



Slide 2 – Purpose

Sensitivity: General

Purpose

- A prioritisation framework will be a critical component for developing the Water Services Strategy (WSS) and the Investment Delivery plan (IDP).
- A prioritisation framework enables decision makers to make informed choices and supports the planning process contained within the (WSS).
- The WSS and IDP is justification for a 30-year programme of investment, and shows how the needs of the water services identified in the Strategic Asset Management Plan (SAMP) and the 3 Waters AMP are translated into a planned investment and delivery.
- The IDP will be required by the Commerce commission as part of Foundational Information disclosure for water services.

SAMP	AMP	IDP	WSS
Aligns with WSS priorities and objectives. WO needs to consider SOE ID requirement	Operational detail for 30-year asset lifecycle. Level of Service assessment ID requirement	Converts AMP and SAMP strategies into funded programmes. Prioritisation process identified ID requirement	Planning and Reporting document Required by LGWS Act

Southern Waters Programme Optimisation

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Slide 3 – Why is the framework required?

Sensitivity: General

Why is the framework required?

To support the investment planning for the development of the WSS	Assist evidence best for the deliverability of the Programme	To support the stable setup and transition to ringfencing water services.
Supports the requirements for Information disclosure, justifying capital and operating spend.	Approach to renewals and addressing the renewals backlog.	Assist evidence base for funding applications, if required.
Supports procurement strategies and collaboration with other WO and councils via shared services.	Assist with the Annual Planning budget process to address variances and respond to unplanned matters.	The framework would be used in conjunction with funding and pricing information to reprioritise and shift project timing, based risk profile and business needs, to inform the SAMP, AMP, IDP and WSS.

Southern Waters Programme Optimisation

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Slide 4 – Prioritisation Aims

Sensitivity: General

Prioritisation Aims

1. Confirm a forward work programme that is deliverable, sustainable and balanced that can be reflected in AMP, IDP and WSS.
2. To guide processes to challenge when projects are funded not if they are funded (unless projects do not meet strategic objectives).
3. Assist in an overall quantitative approach supported by conversations with Council staff to understand drivers and risk.
4. Allows for the factoring in of known interdependencies as well as recognising the interdependencies with other council projects (i.e. roads, growth, etc.) and allowing for these to be reprioritised/adjusted based on external factors.
5. **Support a capital programme that must have the ability to enable consistent delivery such as processes to:**
   - Prioritises projects to meet financial sustainability by 30 June 2028
   - Prioritises projects to meet Health and Safety obligations
   - Challenge projects which may not be deliverable in the immediate term
   - Accelerate projects with high certainty to provide certainty to supply partners; while realising that the easy projects may not be the best projects
   - Allow for projects that are being completely funded and contractually (or otherwise committed, regardless of the partner) to be prioritised as a high priority item and challenged for deliverability (but not deprioritised for other reasons)
6. Prioritise within SAMP objectives (if available).
7. Prioritise within the 3 categories of renewals, growth, and level of service; while the challenge step will allow for prioritisation to be refined (including between the 3 categories) after initial prioritisation.
8. The annual planning/budget process will continue to address any break-in items and are managed outside of this framework.

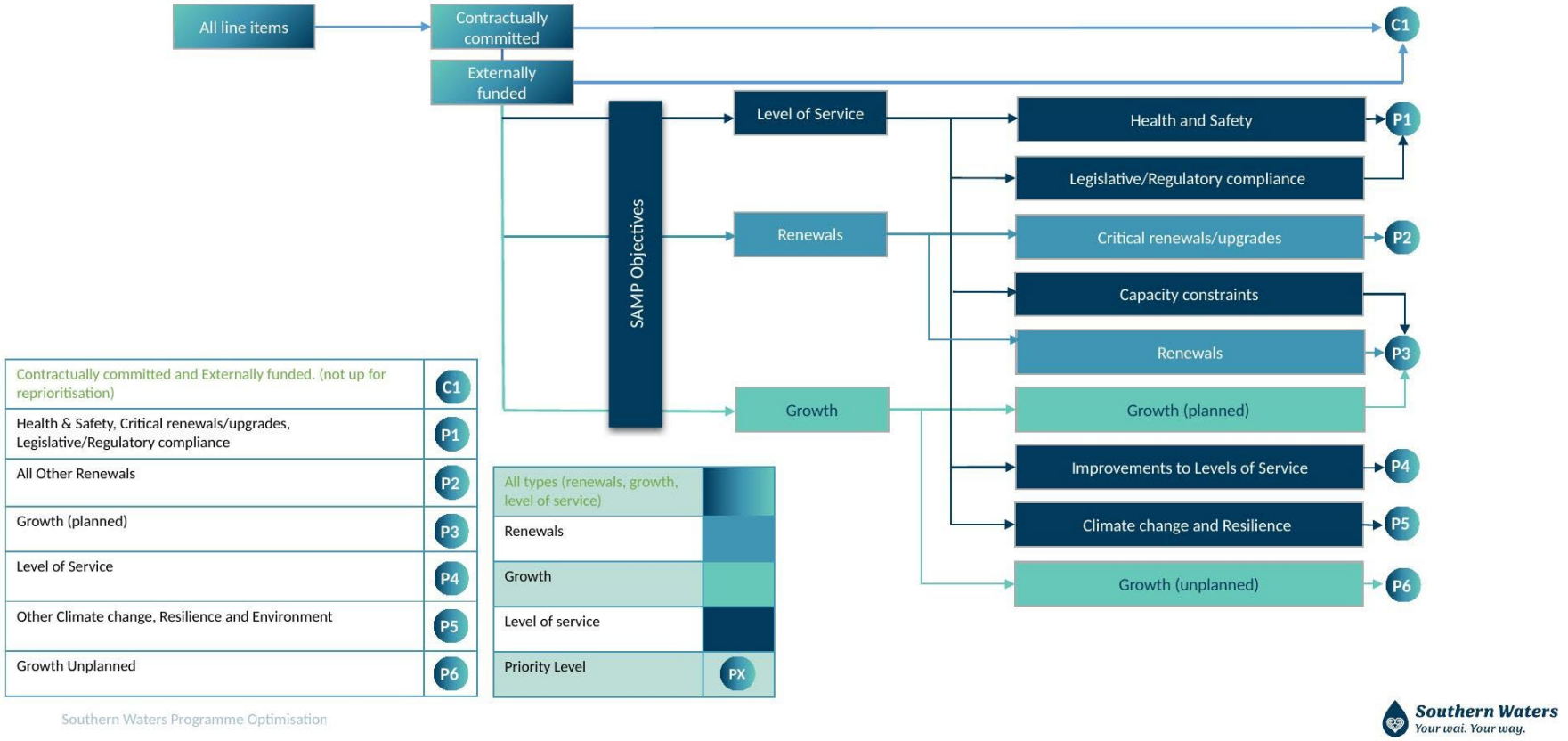
Southern Waters Programme Optimisation

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Slide 5 – Prioritisation Framework

Sensitivity: General

Prioristisation Framework



Slide 6 – Project categories and Priority Levels

Sensitivity: General

Project Categories and Priority Levels

Project Priority Categories		Priority Level
Health & Safety	project(s) that mitigate high or extreme health and safety matters	**1**
Critical renewals/upgrades	project(s) that are targeting at renewing and/or upgrading critical infrastructure (refer to asset management plan for criteria (high/med/low)). Includes critical projects for other activities e.g. roading, where the project is interdependent on waters. Also includes projects that can provide substantial savings in capital or operational costs.	**2**
Legislative/Regulatory compliance	project(s) that are targeting new, renewals and/or upgrading infrastructure specifically to meet compliance (e.g. drinking water standards, wastewater standards, resource consents, stormwater, WEPS).	**1**
Capacity constraints	infrastructure upgrade projects that are addressing capacity constraints not related to growth.	**3**
Renewals	renewal projects that are non-critical and are addressing performance, condition and/or maintenance, end of life issues in above and below ground assets.	**3**
Improvement to Levels of Service	Projects that increase the agreed Level of service that are aligned with SAMP objectives but not included in the WSS.	**4**
Growth (planned)	projects that are aligned with Councils growth strategy and are identified in the LTP and WSS and are factored into the DC charging. Likely to have development/contracts agreements in place. Note: timing of project likely to be driven by development timing. Can also include upgrade projects that are addressing capacity constraints directly or indirectly related to development/growth.	**3**
Climate change and Resilience	Projects that have been prioritised and align with policy on climate change adaptation, environmental outcomes or enhancing resilience of the infrastructure.	**5**
Unplanned development	projects that are not identified in the LTP or WSS, no development agreements/contracts in place.	**6**
Contractually committed	project(s) has a signed contract in place.	**C1**
Externally funded*	project(s) passing through Southern Waters books that are funded by external sources (e.g., developer lead projects, IAF projects).	**C1**

Note: P1 – P3 projects inherently include provisions to meet the agreed Level of Service and have factored in measures to respond to partnership arrangements with Iwi, climate change, resilience and emergency plans that have been approved by councils and included in the LTP's and WSDP.
**Externally funded projects that don't pass through Southern Waters books (i.e. vested infrastructure) are not included as part of the prioritisation framework however any consequential opex requirements from known vested infrastructure needs to be captured separately.*

Southern Waters Programme Optimisation

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Southern Waters Stakeholders' Representative Group

Item for Information

Report	Updates from Members
Meeting Date	6 November 2026
Item Number	4
Prepared By	Southern Waters
File Reference	1069294

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	6 November 2026
Item Number	5
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1069329

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
Rural Water Representative Update	The report contains personal details regarding the appointee.	A2(a) Protect the privacy of natural persons, including that of deceased natural persons.
Public Excluded SWSRG Minutes – 2 October 2026 Matters dealt with in these minutes: • Appointment of the Rural Water Representative to the Stakeholders'	The report contains personal details regarding the preferred appointee.	The specific provisions of the Act that relate to these minutes can be found in the open minutes of the SWSRG meeting held on 2 October 2026.

Representative Group • Southern Waters Director Remuneration	The report contains remuneration details relating to the Southern Waters Directors.	

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.