MEETING OF THE

Southern Waters Stakeholders' Representative Group

27 November 2026

Commencing at 8.30am

Hosted Online by Gore 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 Gore District Council on Friday 27 November 2026, commencing at 8.30am.

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 27 November 2026

APOLOGIES

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 6 November 2026.
2	**10**	**Southern Waters Status Update – November 2026** *(For SWSRG Information)* Report provides an update on the programme status.
3	**15**	**Updates from Members** *(For SWSRG Information)* Report provides an opportunity for updates from Member Councils.
4	**16**	**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	27 November 2026
Item Number	1
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1074329

REPORT SUMMARY

Attached for confirmation are the minutes of the meeting of the Southern Waters Stakeholders' Representative Group (SWSRG) held on 6 November 2026.

RECOMMENDATION

1. **That the minutes of the meeting of the SWSRG held on 6 November 2026 be approved as a true and correct record.**

Southern Waters Stakeholders' Representative Group

Minutes of the meeting of Southern Waters Stakeholders' Representative Group hosted online by Waitaki District Council on Friday 6 November 2026 commencing at 9.00am.

Present	Mayor Jock Martin (Chair), Mayor Tamah Alley, Mayor Ben Bell, Mayor Mel Tavendale, Councillor Neville Phillips, Councillor Frans Schlack
In Attendance	Bruce Gemmell (Establishment Chair), Peter Kelly (CE CODC), Steve Hill (CE CDC), Alex Parmley (CE Waitaki DC), Arlene Goss (Governance Services Lead), Matt Bayliss (Southern Waters), Fiona Smith (Southern Waters Programme Director)
Apologies	Councillor Roger Cotton, Councillor Cheryl Laws, Debbie Lascelles (CE Gore DC) ***Moved Councillor Neville Phillips / Mayor Mel Tavendale and Resolved:*** ***"That the apologies be sustained."***

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 2 October 2026 were submitted for confirmation.

Moved Mayor Mel Tavendale / Mayor Ben Bell and Resolved:

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

2 SOUTHERN WATERS PROGRAMME STATUS UPDATE - OCTOBER 2026

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

Members considered the Programme Status Update report and received updates on entity establishment, governance arrangements, financial reporting, asset valuation work, staffing transition activities and forward programme milestones.

Discussion focused extensively on governance reporting and transparency. Members sought clarification on whether board agendas and minutes would be available to the SRG. It was explained that Southern Waters operates as a council-controlled organisation and that most matters currently considered by the board are commercially sensitive. Public portions of board meeting agendas and decisions would be available, and public meetings are advertised through the Southern Waters website.

Members discussed the evolving role of the SRG and the distinction between shareholder governance responsibilities and project steering functions. Concerns were raised that elected members required sufficient information to respond to community questions regarding Southern Waters activities, establishment costs and overall progress.

Significant discussion was held regarding financial reporting. Members expressed concern that the financial information currently provided consisted only of a single expenditure figure and did not adequately support accountability and communication with communities. A number of members requested a higher-level dashboard showing expenditure, budget position and remaining funding, without requiring operational-level detail.

Bruce Gemmell confirmed expenditure remained within the original $8.8 million establishment allocation and advised that a revised establishment budget would be presented to the board at its next meeting. He advised that Southern Waters was awaiting final funding documentation from the Local Government Funding Agency (LGFA) and that some cost estimates remained subject to confirmation.

Members noted that councils were entering Long-Term Plan (LTP) discussions and public engagement processes and required sufficient information to respond to public questions regarding Southern Waters establishment costs and future pricing. Bruce Gemmell advised that pricing schedules remain on track for release in time to support councils' consultation processes and that establishment costs would be communicated following board consideration.

The meeting also discussed staff transition planning. Fiona Smith advised that work had progressed significantly with chief executives and council ‘people and culture’ teams. Additional communication was being issued to staff and further engagement sessions across councils were planned. Information would continue to be shared as it became available.

Asset valuation work was discussed. Fiona Smith advised that work was underway to establish a consistent valuation methodology across all participating councils. Draft valuations were emerging and would support transfer agreement development. Members noted that valuation outcomes could become a significant issue for councils and elected members once final figures became available.

Discussion also covered GIS and information systems planning. It was noted that GIS systems were expected to remain within existing council environments initially, with transition arrangements to occur over time.

UNCONFIRMED

The meeting considered future meeting frequency and agreed that further discussion would occur at a subsequent meeting once more information regarding staffing, establishment and governance arrangements was available.

Meetings have been organised to go around the different districts next year. The next meeting of this group will be on 27 November 2026 at 8.30am.

Moved Mayor Tamah Alley / Mayor Mel Tavendale and Resolved:

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

Moved Mayor Tamah Alley / Mayor Jock Martin and Resolved:

"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."

3 SOUTHERN WATERS CAPITAL WORKS PRIORITISATION FRAMEWORK

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.

Councillor Schlack will email members regarding a situation happening in his ward that is related to this item. He would like to see this framework become an evolving document.

Southern Waters was asked if this framework has been tested against the priorities of the four councils to see if there are any major changes. This work is currently underway.

There was further discussion on priority levels and the timing of funding. It was noted that council staff had provided valuable input into this work.

Moved Councillor Frans Schlack / Councillor Neville Phillips and Resolved:

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

4 UPDATES FROM MEMBERS

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

Updates were provided regarding upcoming staff engagement activities associated with Southern Waters transition planning. Members noted that scheduled visits and engagement sessions with council staff were timely and would assist in reducing uncertainty regarding future staffing arrangements.

Members also discussed recent attendance at sector meetings and governance forums involving water reform entities. Participants found the sessions informative and beneficial in understanding the challenges and expectations facing the emerging water services organisations. No significant additional matters were raised.

UNCONFIRMED

Moved Mayor Mel Tavendale / Mayor Ben Bell and Resolved:

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

5 REASONS TO MOVE TO PUBLIC EXCLUDED SESSION

Moved Mayor Mel Tavendale / 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
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' Representative Group • Southern Waters Director Remuneration	The report contains personal details regarding the preferred appointee. The report contains remuneration details relating to the Southern Waters Directors.	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.

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.

UNCONFIRMED

The meeting moved into public excluded session at 10.06am.

The meeting moved out of public excluded session and closed at 10.25am.

The next meeting of this group will be on 27 November 2026 at 8.30am.

Read and Confirmed

J K Martin
MAYOR

UNCONFIRMED

Southern Waters Stakeholders' Representative Group

Item for INFORMATION

Report	Southern Waters Programme Status Update to Stakeholders' Representative Group – November 2026
Meeting Date	27 November 2026
Item Number	2
Prepared By	Erica Hodgkinson – Programme Manager Southern Waters Fiona Smith – Programme Director Southern Waters
File Reference	1077610

REPORT SUMMARY

This item presents the Southern Waters Programme Status Update for November 2026 (Attachment A). The update covers overall programme status, key milestones, achievements to date and focus areas ahead.

RECOMMENDATIONS

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

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 November 2026 are:

- The appointment of the SRG rural water representative has been confirmed.
- The Board has approved the target operating model, and detailed organisational design is underway. Transition pathways and the timeline for engagement were shared with council three waters staff in early November 2026.
- Councils have now all approved the LGFA accession lending documents. Accession is expected in late November 2026.
- As at 30 September 2026, $3.33 million of the $8.815 million loan facility had been drawn down. A separate paper explains the establishment budget in more detail.

- Southern Waters expects to bring the draft Water Services Strategy 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 - November 2026.

Southern Waters
Programme Status Update
November 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 appointment of the rural water representative to the SRG has been confirmed. The Board has approved the target operating model, and detailed organisational design is underway that will set out the operating model in place for Day 1. Completion of the Local Government Funding Agency (LGFA) accession is progressing. LGFA lending documents have been approved by all councils and accession is expected in late November 2026. Work is underway on the Water Services Strategy, financial modelling and financial strategy. Work has commenced on the transfer agreements, with draft agreements to go to the Board in December 2026. Planning for the transition of council staff to Southern Waters is progressing, and transition pathways were shared with council three waters staff early in November 2026.

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	**Complete**
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 and Governance

- 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 rural water representative appointed.
- The Statement of Expectations has been adopted.
- Three new directors have been appointed to the Board of Southern Waters and took up their roles on 1 October 2026. The Board have now programmed regular meetings with locations rotating across the four shareholding council locations. The November meeting was held in Gore and included Board members visiting a number of assets relevant to Southern Waters.

Programme implementation

- As at 30 September 2026, $3.33 million of the approved $8.815 million loan facility to Southern Waters has been drawn down, with $37,770 of interest accrued to date.
- LGFA lending documents have been approved by all councils. Accession is expected in late November 2026, at which time we can show the milestone as complete.
- A financial model has been developed to quantify the revenue required to fund operating and capital costs and meet LGFA covenants and is now being independently verified.
- A financial strategy is being developed which will inform the Water Services Strategy currently under development. Early outputs of this have been reviewed by the Board.
- Revenue assurance work is due to be completed in November.
- Draft transfer agreements are being prepared and legal advisors have been appointed.
- Asset valuation work continues across all councils. Development of the Water Services Strategy and Strategic Asset Management Plan is progressing, along with a property portfolio review and asset condition and system risk assessments.
- Board has approved the target (future state) operating model. Detailed organisational design is underway, including impact assessments.
- Transition pathways and the timeline for engagement with council staff have been agreed. The Programme Director and People Workstream Lead met with all council three waters staff in early November 2026. A consultation plan is being developed.

Focus Areas Ahead

The programme's current priorities include:

- Progressing additional mana whenua 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 independent verification of the financial model to support the financial strategy, including modelling pricing outcomes.
- Progressing the Water Services Strategy to guide future investment priorities, for Board and SRG consideration.
- Further 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 with discussions planned for November.

Southern Waters Stakeholders' Representative Group

Item for Information

Report	Updates from Members
Meeting Date	27 November 2026
Item Number	3
Prepared By	Southern Waters
File Reference	1074565

REPORT SUMMARY

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

2027 Meeting Dates

- Need to set the first meeting date, possibly Friday, February 5, 2027 at 9.00am?
- Then decide on meeting frequency – monthly, bi-monthly?

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	27 November 2026
Item Number	4
Prepared By	Julie Gardner – Executive Assistant/Governance Advisor
File Reference	1076112

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
Southern Waters Programme Delivery Report – October 2026	The information contained in the report is commercially sensitive.	A2(h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities. A2(i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Southern Waters Establishment Budget	The information contained in the report is commercially sensitive.	A2(h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities. A2(i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Public Excluded SWSRG Minutes – 6 November 2026 Matters dealt with in these minutes: • Rural Water Representative Update	The report contains personal details regarding the 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 6 November 2026.

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.