

Mā tō tātou takiwā
For our District

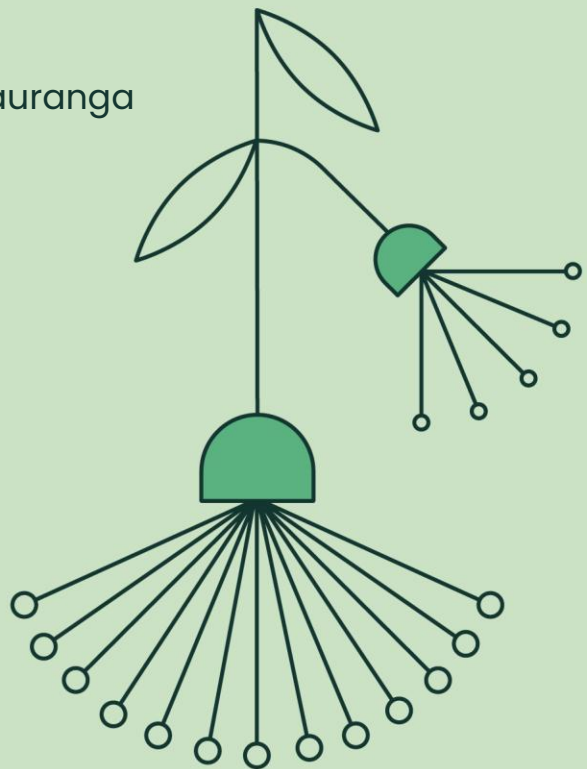
Council

Te Kaunihera

CO25-1

Friday, 14 November 2025, 2.30pm

Council Chambers, 1484 Cameron Road, Tauranga



Council

Membership:

Chairperson	Mayor James Denyer
Members	Cr Shane Beech Cr Tracey Coxhead Cr Grant Dally Cr Darlene Dinsdale Cr Graeme Elvin Cr Rodney Joyce Cr Margaret Murray-Benge Cr Laura Rae Cr Allan Sole
Quorum	Five (5)
Frequency	Six weekly

Role:

The Council is responsible for:

- Ensuring the effective and efficient governance and leadership of the District.
- Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Power to Act:

To exercise all non-delegable functions and powers of the Council including, but not limited to:

- The power to make a rate;
- The power to make a bylaw;
- The power to borrow money, purchase, or dispose of assets, other than in accordance with the Long Term Plan;
- The power to adopt a Long Term Plan, a Long Term Plan Amendment, Annual Plan or Annual Report and to receive any related audit report;
- The power to appoint a chief executive;
- The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Local Governance Statement;
- The power to adopt a remuneration and employment policy;

- The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991;
- The power to approve or amend the Council's Standing Orders;
- The power to approve or amend the Code of Conduct for Elected Members;
- The power to appoint and discharge members of committees;
- The power to establish a joint committee with another local authority or other public body;
- The power to make a final decision on a recommendation from the Parliamentary Ombudsman where it is proposed that Council not accept the recommendation.
- To exercise all functions, powers and duties of the Council that have not been delegated, including the power to compulsorily acquire land under the Public Works Act 1981.
- To make decisions which are required by legislation to be made by resolution of the local authority.
- To authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council, or included in Council's Long Term Plan or Annual Plan.
- To make appointments of members to Council Controlled Organisation Boards of Directors/ Trustees and representatives of Council to external organisations.
- To monitor the performance of and make decisions on any matters relating to Council Controlled Organisations (CCO), including recommendations for
- modifications to CCO or other entities' accountability documents (i.e. Letter of Expectation, Statement of Intent), including as recommended by the Strategy and Policy Committee.
- To approve joint agreements and contractual arrangements between Western Bay of Plenty District Council and Tauranga City Council and/or any other local authority including the requirement to review the terms of any such agreements or contractual arrangements.
- To approve the triennial agreement.
- To approve the local governance statement required under the Local Government Act 2002.
- To approve a proposal to the Remuneration Authority for the remuneration of Elected Members.
- To approve any changes to the nature and delegations of Committees.

Procedural matters:

Approval of elected member training/conference attendance.

Mayor's Delegation:

Should there be insufficient time for Council to consider approval of elected member training/conference attendance, the Mayor (or Deputy Mayor in the Mayor's absence) is delegated authority to grant approval and report the decision back to the next scheduled meeting of Council.

Power to sub-delegate:

Council may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body, subject to the restrictions on its delegations and any limitation imposed by Council.

Notice is hereby given that a Meeting of Council will be held in the
Council Chambers, 1484 Cameron Road, Tauranga on:
Friday, 14 November 2025 at 2.30pm

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1 KARAKIA

Whakatau mai te wairua
Whakawātea mai te hinengaro
Whakarite mai te tinana
Kia ea ai ngā mahi

Āe

Settle the spirit
Clear the mind
Prepare the body
To achieve what needs to be
achieved.
Yes

2 PRESENT – NGĀ MEMA KEI KONEI**3 IN ATTENDANCE – I TAE AKE****4 APOLOGIES – NGĀ WHAKAPAHĀ****5 CONSIDERATION OF LATE ITEMS – NGĀ TAKE TŌMURI****6 DECLARATIONS OF INTEREST – NGĀ TUKITUKINGA****7 PUBLIC EXCLUDED ITEMS – NGĀ TAKE TAPU****8 PUBLIC FORUM – WĀHANGA TŪMATANUI**

9 **REPORTS – NGĀ PŪRONGO**

9.1 **DECLARATION BY COUNCILLOR**

File Number: A7022409

Author: Robyn Garrett, Governance Manager

Authoriser: Miriam Taris, Interim Chief Executive Officer

EXECUTIVE SUMMARY

The Making and Attesting of the Declaration of Councillor Margaret Murray-Benge (to be witnessed by the Mayor).

Kaimai General Ward

Cr Margaret Murray-Benge

ATTACHMENTS

1. **Declaration – Margaret Murray-Benge – Councillor – 14 November 2025**  



Declaration by Member

I, **Margaret Murray-Benge**, declare that I will faithfully and impartially, and according to the best of my skill and judgement, execute and perform, in the best interests of Western Bay of Plenty District, the powers, authorities and duties vested in, or imposed upon, me as a

Member of the Western Bay of Plenty District Council

by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act.

Dated at Tauranga this **14th day of November 2025**.

Margaret Murray-Benge

Signed in the presence of:

James Denyer
Mayor
Western Bay of Plenty District Council



Declaration by Member

Ko ahau, ko **Margaret Murray-Benge**, e oati ana ka whai ahau i te pono me te tōkeke, i runga hoki i te mutunga kē mai nei o āku pūkenga, o āku whakatau hoki kia whakatutuki, kia mahi anō hoki i te mana whakahaere, te mana whakatau me ngā momo mahi kua uhia ki runga i a au kia whiwhi painga mō te takiwā mai i Ngā Kuri a Whārei ki Otamarakau ki te Uru

Hei kaikaunihera o te Kaunihera a rohe mai i Ngā Kuri a Whārei ki Otamarakau ki te Uru

e ai hoki ki te Ture Kāwanatanga-ā-Taiao 2002 ki te Ture Kāwanatanga-ā-Taiao Whakapae me te Hui 1987, me ētahi Ture anō rānei.

He mea whakaū tēnei ki Tauranga i tēnei rā **tekau mā whā o Whiringa-ā-Rangi i te tau rua mano rua tekau mā rima.**

Margaret Murray-Benge

Waitohu mai ki mua i a:

James Denyer
Koromatua
Te Kaunihera a rohe mai i Ngā Kuri
a Whārei ki Otamarakau ki te Uru

9.2 LOCAL WATERS DONE WELL - ENDORSEMENT OF SUMMARY PLAN AND APPOINTMENT OF MEMBERS FOR THE ELECTED MEMBERS GOVERNANCE GROUP

File Number: A6997372

Author: Ariell King, Programme Manager – Water Organisation Establishment

Authoriser: Adele Henderson, Programme Director – Water Organisation Establishment

EXECUTIVE SUMMARY

1. This report outlines the next steps in establishing a Multi-Council Water Organisation (WO) for the Western Bay of Plenty District Council (WBOPDC) and Tauranga City Council (TCC), in response to the Government's Local Water Done Well (LWDW) reform programme. The WO is scheduled to become operational on 1 July 2027.
2. The report details the governance structure, project phases, and workstreams required for WO establishment, including due diligence, legal and governance arrangements, workforce planning, digital transformation, compliance, asset management, and financial strategy.
3. The due diligence phase, unique to WBOPDC and TCC, will be completed by March 2026 and will inform the final decision to proceed. The establishment planning phase will ensure readiness for WO setup, including legal incorporation, strategic document finalisation, recruitment, and stakeholder engagement.
4. Funding for these activities is included in the Water Services Establishment Budget with funding allocated for the new digital platform. Next steps involve joint hui with Tangata Whenua, council reports on digital and stormwater workstreams, and meetings of the joint Elected Members Governance Group (EMG) and the Western Bay of Plenty District Council Elected Member Working Group (WBEMWG).

RECOMMENDATION

1. That the Programme Manager – Water Organisation Establishment's report dated 14 November 2025 titled "Local Waters Done Well – Endorsement of summary plan and appointment of members for the Elected Members Governance Group" be received.
2. That Council endorses the "Multi-Council Water Organisation Summary Plan (including Due Diligence)" (**Attachment 1** of this report).
3. That Council appoints the following elected members to the joint Elected Member Governance Group:
 - Mayor James Denyer

- Councillor Grant Dally
 - Councillor Rodney Joyce
 - Councillor Graeme Elvin
 - Councillor Darlene Dinsdale
4. That Council agrees to the appointment of Lyall Thurston as the independent facilitator for the Joint Elected Member Governance Group.
 5. That Council agrees that the elected members on the Elected Member Governance Group are also the members on the Western Bay of Plenty District Council Elected Members Working Group (WBEMWG).
 6. That Council approves the “Western Bay of Plenty District Council Elected Members Working Group – Terms of Reference” (**Attachment 2** of this report).
 7. That Council endorses partnering with IAWAI for the replacement of the Watercare IT system that is no longer being supported from August 2026, noting that a business case and supplier recommendations will come to Council for a decision in December 2025.
 8. Council supports paying meeting fees and negotiated additional resourcing to enable Tangata Whenua participation in establishment planning for the proposed Multi-Council Water Organisation, as anticipated in the “Multi-Council Water Organisation Summary Plan (including Due Diligence)” (**Attachment 1** of this report).
 9. Notes that the Tangata Whenua meeting fee will be in line with other agreed meeting fees, and delegates to the Chief Executive to approve the meeting fees and additional resourcing costs (funded from the Water Organisation Establishment Budget).

BACKGROUND

5. Western Bay of Plenty District Council (WBOPDC), in partnership with Tauranga City Council (TCC), is progressing the establishment of a Multi-Council Water Organisation (WO) in response to the Government’s Local Water Done Well (LWDW) reform programme. The WO has a ‘go live’ date of 1 July 2027.
6. An executed Commitment Agreement between WBOPDC and TCC provides the framework for how the two councils will work together to establish the WO, ahead of it becoming operational on 1 July 2027. The Commitment Agreement was signed in September by both Council’s following the adoption of the Water Services Plan.
7. As outlined in the Water Service Delivery Plan (WSDP), Council included a Due Diligence phase. It is intended to complete this phase the end of March 2026. The Commitment Agreement sets out a process to facilitate due diligence, allowing for

information sharing, and cost sharing between the councils. It also contains provisions allowing for exit from the Commitment Agreement if required.

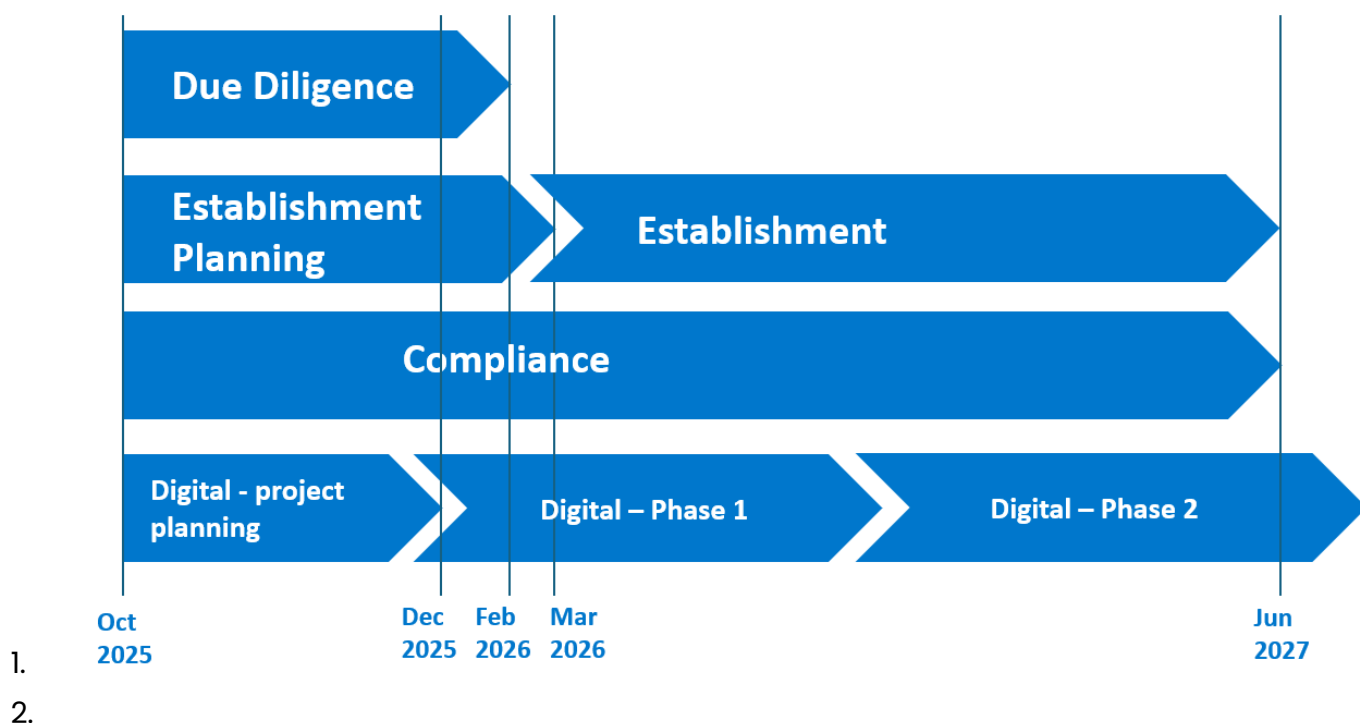
8. As noted in the WBOPDC WSDP due diligence is a process to gain further information; identify issues that need to be addressed in the formation documents, put in place mitigations to manage risks or address concerns, seek clarity and agreement among the parties and enable the Council to make a final decision on whether to establish WO.
9. The Commitment Agreement also set out the governance structure to complete the due diligence phase and establish the WO. Part of this structure is an Elected Members Governance Group (EMG).

DISCUSSION

Multi- Council Water Organisation Summary Plan (including Due Diligence)

10. The Multi-Council Water Organisation Summary Plan (Including Due Diligence) (the **Summary Plan**) sets out the major project phases and workstreams required to establish the WO. It is guided by the Commitment Agreement and based on the following principles:
 - Affordability – cost effective, equitable and sustainable.
 - Transparency – the WO will operate transparently and be accountable to its shareholding Councils and communities.
 - Safe and resilient – protect public health and adapt to changing needs over time.
 - Environmental Wellbeing – preserve the health and wellbeing of water for future generations (kaitiaki role).
 - WO set up to succeed – governance, capabilities and clear objectives.
 - Iwi and Hapū – uphold Treaty of Waitangi and work with Iwi and Hapū.
11. The Summary Plan has been developed by WBOPDC and TCC staff. The high-level workstreams and project phases are shown in the figure below. The full Summary Plan is provided as **Attachment 1**, with this report providing an overview of the plan.

Workstreams / Phases



12. The **Summary Plan** also includes an **Establishment Planning phase** to ensure readiness for WO setup post-March 2026. Establishment Planning includes:
- Tangata Whenua partnership: aligning existing policies and agreements.
 - Legal and governance: developing foundational documents (e.g. Constitution, Statement of Expectations) and voting structures.
 - People and relationships: workforce planning (e.g. high-level functional design) and staff communication and change management processes.
 - Digital: to consider options and opportunities to explore scale with other water service providers.
 - Compliance: Overview of legislative requirements for operations (for Council and the WO)
 - Asset Management Operations and Stormwater (AMOS)
 - Finance: refining understanding of the allocated overhead model
 - Detailed workstream planning: preparing for the Establishment phase.
13. If Council decides in March 2026 to continue with its plan to establish a WO, it will move into the **Establishment phase** of the project. The Establishment phase involves legal incorporation, finalising strategic documents (e.g. Water Services Strategy, Transfer Agreement), recruitment of a skilled board and executives, and stakeholder engagement. Tangata Whenua continue to have a key role throughout this phase.

14. The Summary Plan also addresses the digital work required by WBOPDC and TCC to ensure the continuation of water service delivery. Digital transformation is critical regardless of whether WBOPDC establishes a WO or not.
15. Tangata Whenua engagement is a priority. The Summary Plan responds with work packages for joint engagement planning, partnership alignment, governance input, and cultural branding. WBOPDC and TCC propose reimbursing Tangata Whenua for their meeting costs and additional specialist work so that they are enabled to provide input into the project.

Due Diligence Phase

16. This project phase is unique to WBOPDC and TCC, where most councils forming a WO have moved to directly to Establishment Planning and Establishment (delivering the tasks in these phases in parallel) without further due diligence. However, WBOPDC and TCC will not begin the Establishment phase until both councils endorse progressing with a WO (March 2026).
17. The Due Diligence work is broken down into two elements. Enabler workstreams allow the work in both the Due Diligence and Establishment Planning phases to progress. The enabler workstreams are:
 - Elected Members arrangements: considering how Elected Members will make decisions and progress work at both intra and inter-council levels. As noted above, the Commitment Agreement provided a governance structure including the establishment of an Elected Members Governance Group (EMG). It is also proposed to form a WBOPDC Elected Member Working Group (WBEMWG) discussed below.
 - Tangata Whenua engagement: WBOPDC and TCC are committed to working together with Iwi and Hapū across the sub-region, whilst also maintaining individual council to Iwi/Hapū relationships. This process is discussed in more detail later in this report.
 - Transition budget: a high-level budget is provided in the Summary Plan, and further work is underway to develop detailed budgets for each workstream in the Due Diligence and Establishment Planning phases.
18. **Due Diligence workstreams** are specific to the due diligence process and are focused on informing each council, ahead of the March 2026 decision on whether to proceed with establishing a WO. The following matters are included:
 - **Significant issues:** identifying and understanding significant issues (if any) and developing mitigation plans for any concerns identified. As ring-fencing arrangements will lessen risks, this workstream is focussed on identifying big issues which may be significant at a whole of WO scale or need to be addressed in the Statement of Expectations or Water Services Strategy or will be relevant to the set up and/or operation of the future WO Board.

- **Financial arrangements and strategy:** determining the approaches to the transfer of debt and depreciation reserves, and to growth funding via development and financial contributions. TCC are also required to complete a comparative financial analysis.
- **Stormwater:** the plan includes a package of work that is required to address the requirement for TCC to make a decision on the preferred option for delivering stormwater, including future charging options (as they relate to the Local Government Water Services Act 2025), and implications for asset ownership and transfer. WBOPDC has already made a decision on the preferred option for stormwater (set out below for reference). Relevant information and advice that TCC receive on this matter will be provided at the Council meeting on 16 December as well as a response to the matters identified for further work in the WBOPDC resolution regarding stormwater on 5 August 2025 (Resolution CL25-10.2 – CL25-10.7):
 - *Agreed that developed stormwater infrastructure (manholes, pipes, networked infrastructure) predominantly in urban environments should be considered for transfer to the joint water service organisation as part of the due diligence process and that non-urban stormwater infrastructure will be retained by Western Bay of Plenty District Council (WBOPDC) and be managed in conjunction with the primary interface of transport infrastructure.*
 - *Agreed that assets (including land) where a significant purpose is recreation, and open space, should remain with the Council and should not be planned to transfer to the joint Water Service organisation.*
 - *Direct that the Water Services Delivery Plan (WSDP) financial analysis be based on the above stormwater assets transferring although further work needs to be undertaken to determine the treatment of specific stormwater assets and services consistent with principles set out in the Water Services Delivery Plan (WSDP).*
 - *Agree that specific advice around the treatment of these assets be reported back prior to the receipt of the report from due diligence.*
- **Stranded costs for Council and overhead costs for the WO:** this workstream results in the development and agreement of principles to guide which functions and services are provided directly by the WO versus WBOPDC and/or TCC, and (where functions and services stay with councils) which council provides what (WBOPDC or TCC). It is focussed on fairness, minimisation of stranded costs and overhead costs for both the councils and the WO and setting up the WO to succeed.

19. Ensuring the WO is ready to meet regulatory and compliance requirements is an ongoing workstream that links and overlaps with other project workstreams. The

Local Government (Water Services) Act 2025 introduces a stronger compliance regime for WOs commencing on 1 July 2026. This new approach includes three layers of regulatory oversight:

- Commerce Commission: new role as economic regulator.
- Taumata Arowai: primary drinking water regulator.
- Regional Councils: continue to regulate environmental effects.

20. The Due Diligence and Establishment Planning phases will seek to establish the extent that these changes will have on current work practices, followed by further work to prepare the WO for these changes.

Establishment Planning Phase

21. The purpose of the Establishment Planning phase is to place WBOPDC and TCC in a position where the councils can seamlessly move to the Establishment Phase following March 2026. Splitting Establishment Planning and Establishment into two separate phases minimises expenditure ahead of the councils making their final decisions, whilst still ensuring that TCC and WBOPDC can meet a 'go live' date of 1 July 2027.
22. The following matters are included in this phase:
- (a) **Tangata Whenua partnership:** considering existing policies, arrangements and agreements with Iwi and Hapū, and how these might transfer across to a WO (recognising that there may be work required to align arrangements, where TCC and WBOPDC have different approaches). Note: Tangata Whenua will also participate in other work, such as much of the legal and governance workstream.
 - (b) **Legal and governance:** this will include developing a name and brand for the WO, along with foundational documents (e.g. Constitution, draft Statement of Expectations) and structural arrangements, such as considering options for voting rights and whether TCC and WBOPDC form a Shareholders' Forum.
 - (c) **People and relationships:** early workforce planning, considering factors such as transition and staging arrangements, the organisational design of the WO and communication and engagement with existing staff at both councils.
 - (d) **Understanding costs:** building on, and complementing, the work in the Due Diligence phase regarding stranded costs, overhead costs, and service delivery arrangements, as well as interfacing with the Digital project phase to assess and understand digital costs.
 - (e) **Developing a detailed plan for the Establishment Phase.**

Digital Platform Replacement

23. WBOPDC and TCC already share digital and contractual arrangements in the water delivery area. Both councils currently purchase services through Watercare and in turn, receive work order management, GIS and Asset Management services.
24. Watercare have given notice that their service will expire at the end of the contract, 30 September 2026. The geospatial system (GIS) will be out of support from August 2026, representing risk for both councils.
25. It is prudent to move forward on the replacement in advance of the establishment of the WO to ensure that services can continue. In addition, as other councils are working towards their WO, there is an opportunity to engage with other multi-council entities about the opportunity to have scale in a new IT system.
26. To enable efficiencies, discussions have commenced with IAWAI – Flowing Waters Limited (the WO formed by Hamilton City Council and Waikato District Council) exploring opportunities for shared investment in technical services to support establishment and long-term operations of the two new WOs (IAWAI and the proposed TCC and WBOPDC WO). Potential benefits of shared services with IAWAI include shared cost of investment, ongoing cost savings, value for money, workforce resilience, opportunities for future partnership and/or revenue.
27. A report to Council in December 2025 will present a business case and seek approval to:
 - Enter into a MoU with IAWAI
 - Proceed with Phase 1 of the digital project, which is the exit from Watercare (supported by a Business Case).
28. Budget is allocated for Phase 1. If Council approves Phase 1, it will run from January to October 2026 and enable exit from Watercare platform. TCC and WBOPDC share a joint contract for operational work which is managed via the Watercare system and exit costs from Watercare will be shared between the councils. A shared model with IAWAI provides efficiencies and sharing of set up costs.
29. Phase 2 will address the need to establish a potential new billing systems for water delivery. More information on Phase 2 will be available in the December 2025 Council report. A decision on Phase 2 is not required until April 2026.

Elected Member Governance Group and Working Group

30. The Commitment Agreement sets out the governance structure to complete the due diligence phase and establish the WO. Part of this structure is an Elected Members Governance Group (EMG).
31. The proposed membership of the EMG is:
 - (a) EMG Chair: James Denyer

- (b) Grant Dally
 - (c) Rodney Joyce
 - (d) Graeme Elvin
 - (e) Darlene Dinsdale
32. An independent facilitator, Lyall Thurston, has been engaged for the Elected Member Governance Group to assist in navigating key matters through the due diligence phase.
33. The report also recommends establishing a Western Bay of Plenty District Council Elected Members Working Group (WBEMWG) and adopting a Terms of Reference (ToR) (**Attachment 2**). It is recommended that the members of the EMG are also the members of the WBEMWG.
34. The proposed responsibilities for the WBEMWG are to:
- Keep informed on the Project via meeting attendance and reading of information as supplied by staff.
 - Keep information which is not in the public forum confidential between the WBEMWG and both Councils where appropriate.
 - Provide direction to staff to enable the Project to progress promptly.
 - Provide regular updates on the Project to their fellow Elected Members who are not part of the WBEMWG.
 - Determine whether topics require Issues and Options papers.
 - Determine whether decisions or issues require whole of Council direction (versus WBEMWG only direction) and decide whether this occurs via:
 - (a) A Council workshop followed by Council resolution; or
 - (b) Council resolution.
 - Provide guidance to staff on the preparation of Council reports.
 - Assist with engagement with key stakeholders, including Iwi/Hapū, community groups, IAWAI (and/or other water organisations) and central government agencies, in line with the Project's establishment principles.

Engagement with Tangata Whenua

35. The Commitment Agreement requires the development of a Tangata Whenua Partnership Plan. This plan will be completed in partnership with Tangata Whenua.
36. A joint hui with Elected Members, Iwi and hapu from WBOPDC and TCC is being arranged to discuss Tangata Whenua involvement in the establishment of a Water Organisation as well as agreeing a subgroup to work alongside Council staff through the Due Diligence and Establishment Planning Phase.

37. This report recommends paying meeting fees and negotiated additional resourcing to enable Tangata Whenua participation with delegation given to the Chief Executive to approve the meeting fees and additional negotiated resourcing. The SmartGrowth schedule of fees is proposed as the basis for this remuneration.

Establishment Phase

38. The Establishment Phase is when work commences to actively stand-up the WO ahead of the 'go live' date of 1 July 2027. This requires incorporation of the WO as a legal entity and employment of crucial governance and staff positions. This includes appointing a skilled board and critical executive roles. Tangata Whenua continue to contribute to some of the outputs under this phase of the project. The Establishment Phase also includes (but is not limited to):
- Finalising the Statement of Expectations.
 - Finalising and executing the Transfer Agreement (based on principles agreed to in earlier project phases).
 - Transfer of employment arrangements.
 - Communicating and engaging with stakeholders and customers, as part change management plan.
 - Setting up financing and debt arrangements and developing financial policies.
 - Finalising and adopting the Water Services Strategy.

SIGNIFICANCE AND ENGAGEMENT

39. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
40. In terms of the Significance and Engagement Policy this decision is considered to be of **low** significance with no further public consultation required due to prior engagement completed. The recommended decisions flow from previous decisions and are in accordance with the Commitment Agreement. It is recognised that the decision to establish a Water Organisation is noted as high significance.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

41. Taking into consideration the above assessment, that the decisions are of low significance, staff are of the opinion that no further engagement is required prior to making a decision and not required under legislation.

STATUTORY ASSESSMENT

42. Council's decision to progress establishment of a WO is in response to the coalition government's LWDW reform programme:
- The Water Services Acts Repeal Act 2024 (enacted in February 2024) dealt with the repeal of previous legislation relating to water services entities.
 - The Local Government (Water Services Preliminary Arrangements) Act 2024 (enacted in September 2024) introduced the Local Water Done Well framework, the requirements for Water Services Delivery Plans, and the preliminary arrangements for the new water services.
 - The Local Government (Water Services) (Repeals and Amendments) Act 2025 and the Local Government (Water Services) Act 2025 (enacted August 2025) work together to establish the enduring regulatory framework for water services delivery, including new governance arrangements, economic regulation, and consumer protection measures.

FUNDING/BUDGET IMPLICATIONS

43. Costs of Due Diligence and the requirements in the Summary Plan are included in the Water Services Establishment Budget of \$3.8m (loan funded and transferred to the Water Organisation). This includes \$1.8m provided in relation to the new IT platform.
44. Workstreams are currently finalising their due diligence and establishment budgets. Any funding shortfall, including for the Phase 2 Digital Platform would be requested through the Annual Plan process.

NEXT STEPS

45. Next steps include:
- A combined hui with TCC, WBOPDC and Tangata Whenua from the TCC/WBOPDC rohe.
 - A report to the Council meeting on 16 December on the digital workstream. This report will present a business case and seek approval to:
 - (a) Enter an MoU with IAWAI.
 - (b) Proceed with Phase 1 of the digital project, which is the exit from Watercare.
 - A report to the Council regarding stormwater and addressing the matters required from the earlier Council resolution.
 - WB Elected Member Working Group meetings as required to progress Due Diligence with Council staff.
 - Joint Elected Members Governance Group meetings with TCC.

ATTACHMENTS

1. **Summary Plan – Multi-Council Water Organisation**  
2. **Terms of Reference – WBOPDC Elected Member Working Group**  

Multi-Council Water Organisation Summary Plan

A. Purpose and Scope

The Multi-Council Water Organisation Summary Plan outlines the plan to give effect to the decisions of Tauranga City Council and Western Bay of Plenty District Council to:

- Undertake a Due Diligence process to inform decision making by the Councils
- Agree the shareholding, governance and transfer arrangements for a multi-council Water Organisation
- Establish the Water Organisation in accordance with the approved Water Service Delivery Plans with effect from 1 July 2027

Both Councils have also provided clear direction on working proactively with Tangata Whenua in respect to considering and designing future waters arrangements.

B. Commitment Agreement

The Councils entered into a Commitment Agreement on 1 September 2025 that defined the following key objectives:

- a) for the Councils to continue to work closely, collaboratively and successfully to develop and plan their separate WSDPs that meet each Council's needs and objectives for their respective communities and that are aligned with each other Council's WSDPs;
- b) to provide each Council with sufficient information as to each other Council's water assets and obligations, through the carrying out of due diligence in accordance with the Due Diligence Plan, to facilitate each Council's decision-making processes;
- c) to facilitate the Councils making decisions in a timely manner to ensure the joint operating model can progress in a timely way to meet the requirements for submissions of each Council's WSDP and other requirements under the LG(WSPA) Act and the LG(WS) Bill (once enacted);
- d) to enable the Councils to consider how they would operate together in a way that facilitates an effective and efficient use of the Councils' resources, providing optimum benefit to the parties' ratepayers;

- e) to determine how the Water Organisation will uphold Treaty of Waitangi obligations and commitments, existing formal relationships, and maintain open engagement through support of established Iwi and Hapu collectives; and
- f) to agree the process (including timetable, key terms, allocation of responsibilities and budget) for the establishment of the Water Organisation for the joint operating model in accordance with the accepted WSDP.

C. Principles

The following principles have been agreed and apply to all activities within the purpose and scope.

Principle	Description
Affordability	The WO is operated in a way that ensures water services are affordability focused and equitable for all communities, balancing cost-effectiveness with long-term service quality and sustainability
Transparency	The WO will operate with transparency and accountability to its shareholder councils and communities, ensuring clear, timely, and accessible information to build trust and support informed participation
Safe and resilient	The WO will deliver water services that are safe, reliable, and resilient—protecting public health and adapting to changing environmental, infrastructure, and community needs over time
Environmental Wellbeing	The WO has a kaitiaki role caring for the health and wellbeing of water for the benefit of the environment, communities, and future generations
WSO is set up to be successful	The shareholder councils are committed to establishing the joint waters WO with the right governance, capabilities, and direction to enable long-term operational success and public value from day one
Iwi Hapū	The WO will uphold Treaty of Waitangi obligations and commitments, existing formal relationships, and maintain open engagement through support of established Iwi and Hapū collectives.

D. Project Structure

The signed Statement of Commitment put in place the following Project Structure:

- Elected Members Governance Group
- CEO Oversight Group

- Project Steering Group
- Project Team

This project structure is envisaged to be in place until the completion of the Due Diligence and Establishment Planning phases (end of March 2026). At that time, it is expected that the structure will be reviewed and may be refined / amended, particularly to reflect the appointment of a WO Board (full or partial), and appointment of the WO Executive (key roles).

E. Planning Streams and Approach

The planning is arranged into five separate streams of work as outlined below:

Stream	Description	Timing
Due Diligence Phase	To provide each Council with sufficient information as to the other Council's water assets and obligations, and through the carrying out of due diligence, to facilitate each Council's decision-making process.	Complete end Feb 2026
Establishment Planning Phase	To undertake the planning to enable the Councils to jointly move directly into establishment phase post the due diligence being completed.	Complete end of March 2026
Establishment Phase	To undertake the actions required to establish a Water Organisation ready to successfully undertake its role from 1 July 2027	April 2026 to June 2027
Compliance	To ensure that with respect to the new mandatory compliance requirements (information disclosure) under the Local Government (Water Services) Act 2025 with respect to the water activities: • The Councils can meet the requirements, commencing 01 July 2026 through to 30 June 2027. • The WO is in a position to comply with the new mandatory requirements from the commencement date of 1 July 2027	Oct 2025 to June 2027
Digital	To consider options, make decisions and implement digital solutions required to enable the WO to function effectively. This includes exploring opportunities of scale by working with other WO's and/or Councils.	Business Case by end of 2025, decisions and implementation 2026.

It is useful to note that most other Councils have not built in a Due Diligence phase and are moving directly to Establishment Planning and Establishment in parallel. Based on the resolutions passed by WBOPDC and TCC, the Establishment phase has been planned to progress once the Councils endorse proceeding with a WO (end of March 2026).

For the Due Diligence and Establishment Planning steam, four approaches will be used (individually or in combination), depending on the nature and complexity of the topic.

Approach	Purpose	Description
Fact Sheets	Provide information for elected members, (and Tangata Whenua where relevant), so that there is a common understanding	Fact sheet which addresses context, legislative and/or best practice guidance relevant to each topic.
Issues & Options Paper	Enable informed decision making.	Issues & Options papers together with advantages/ disadvantages and implications of each key option
Self-Assessment Questionnaire	Identify and understand matters which <u>could</u> have a significant financial, reputational, strategic or operational impact on the Councils or the WO.	Develop Self-Assessment questionnaires for topics with the Self-Assessment questionnaire to be completed by the respective Councils and certified as to accuracy and completeness.
Independent Assessment / Peer Review	Obtain independent advice on matters which <u>could</u> have a significant financial, reputational, strategic or operational impact on the Councils or the WO.	Identify issues which would benefit from independent assessment / peer review. Agree clearly scoped briefs of works with defined reporting requirements.

F. Due Diligence Plan Overview

The Due Diligence (DD) process is designed to be proportionate, thorough, but without unnecessary complexity and cost - put simply **“Don’t Overcook and Don’t Overlook”**.

Due diligence is focused on identifying any key issues that might be of concern to either of the shareholder councils, and to determine how those concerns might be mitigated.

The objective is to focus on the right areas with sufficient transparency on the processes undertaken, providing confidence that would enable the Councils to move forward to the Establishment stage.

On the completion of DD, a recommendation will be made to both Councils whether to proceed, proceed with conditions / mitigations, or if further processes or information is required. The evaluation should also identify any residual matters that the Council(s) need to consider prior to transition of services into a WO.

The DD plan is designed so that it can be applied if another Council sought to join the WO at a later date.

The DD is split into 2 phases:

- Phase 1 – Enablers
- Phase 2 – DD Workstreams

The table below summarises the ‘Enablers’. These ‘Enablers’ need to be addressed as they impact across both DD and Establishment Planning.

Enabler Workstream	Scope / Description
Elected Member Arrangements	EMs to determine the arrangements for considering and deciding matters: • Within each EM group – how will the members work (e.g. EM Working Group vs everything to full Council)? • How will the EMs from the 2 Councils work in terms of discussing matters, sharing respective views, and moving towards agreement? • Decision on appointment of an independent advisor / facilitator to assist in the EM:EM discussion?
Tangata Whenua Engagement	EMs consideration of: • Scope of TW engagement • Working with TW collectively on a sub-regional basis balanced with maintaining relationship and working at a Council to Hapu/Iwi level. <i>[Staff preliminary assessment of scope areas for TW involvement are shaded in blue through this and the following tables.]</i> Councils and Tangata Whenua to jointly consider and agree: • Joint process arrangements including: ○ Engagement Plan ○ Information flows • Resourcing / funding TW participation in WO DD and Establishment Planning processes
Transition Budget	• Individual workstream plans to feed into overall budget

- Resources include a mix of staff from both Councils (back filled) and external advisors

The Due Diligence Workstreams are outlined below. For each workstream a lead General Manager has been appointed (from either WBOPDC or TCC), and a workstream owner has also been appointed (from either WBOPDC or TCC). These staff have responsibility for preparing a detailed workstream plan, owning the delivery of the workstream, and managing that part of the budget which is allocated to the respective workstream.

The workstream GM and owners are supported by a team consisting of staff from both organisations with subject expertise and knowledge relevant to the workstream topic. Where appropriate external expertise will be brought in to assist.

The Due Diligence Workstreams are:

Workstream	Description
Significant Issues identification: - Financial (including capital programme, debt & revenues) - Legal - Resource consents - Asset Condition & valuation - Risk Registers	- Identify and understand significant issues - Develop mitigation plan for any concerns identified. - Note – ring fencing approach limits risks, so this workstream is focused on matters that: - Could be significant at a WO organisation scale - Would be appropriate to specifically address in the Statement of Expectations or Water Services Strategy - Are relevant when defining the skill set requirements of the Board, or should be shared with prospective Board directors.
<i>Note : It is anticipated that self-assessments will be an appropriate method to perform this DD, supplemented with some external advice.</i>	- Specific tasks will include: - Ensuring known financial / revenue liabilities are captured - Ensure ring fenced Council revenue strategies reflect prudent financial management including reasonable price pathways and debt levels (taking in account the requirements of Commerce Commission and LGFA). - Ensuring known legal, resource consent, and asset and contract related liabilities are captured - Obtain organisation level risk registers and identifying any matters to be explored in further depth

Workstream	Description
	○ Identifying any RMA and other regulatory compliance issues for waters infrastructure and discharges. This includes any non-compliant resource consents, consents expiring or under appeal, and any abatement notices issued. ○ Obtaining information on any significant independent reviews or audits conducted and assessing significance of any identified issues or recommendations. ○ Obtaining Asset Management Plan Improvement Plans and reviewing to identify any significant issues.
Financial Arrangements & Strategy	● Determine the approach to debt and depreciation reserves transfer to ensure both remaining Councils treasury strategy and debt costs are fair and reasonable as well as those of the WO. ● Determine the approach to growth funding through development and financial contributions including treatment of existing reserve balances (both deficits and surpluses). This will need to be done in the context of potential legislative changes being progressed as part of the Going for Housing Growth government agenda. ● Perform comparative analysis of the in-house and WO options (<i>TCC only action as per Council resolution</i>).
Stormwater¹²	● Understand legislative requirements related to stormwater land which also provides a reserve function where Council current intention is to retain ownership of that land ● Understand charging options for stormwater costs and what direction Councils legally can and cannot provide through the Statement of Expectations.

² Note TCC has a separate stormwater workstream to give effect to a resolution TCC Elected Members passed requiring further work to be completed on stormwater. This is not a joint workstream.

Workstream	Description
	- Understand the interface between flood management and stormwater management – and what would likely remain with Council versus transfer to the WO. - Consider other aspects of stormwater management including assets and ownership. <i>(TCC only action as per TCC Council resolution, but likely to also be of interest to WBOPDC)</i>
Stranded Costs in Council and Overhead costs of WO	- Develop and agree principles which will guide the Councils in determining: - Which functions and services should be in the WO and which are to be provided by Council/s - Which Council provides service where it has been agreed that it will not be in the WO - Whether Council arrangements are intended to be long term or transitional. - How stranded and overheads costs are to be minimised (e.g. transfer of staff to benefit from knowledge and expertise and minimise redundancies)

G. Establishment Planning Overview

The purpose of the Establish Planning Phase is to place the Council in a position to jointly move directly into the establishment phase post the DD being completed. If post DD the Council both support moving forward with the WO, then work will need to progress in earnest to ensure that the new entity is able to be fully operational on 1 July 2027.

The Establishment Planning Phase Workstreams are:

Work Package	Description
Tangata Whenua Partnership	
Arrangements, policies and agreements impacting Tangata Whenua (iwi / Hapu, marae & Māori Land Trusts)	- Prepare a stock take, relevant to the waters business, of all existing arrangements, policies and agreements with and impacting Tangata Whenua - Determine, through discussion between the partner Councils and Tangata Whenua, whether there can be alignment of the arrangements of the Councils where they currently differ, so that there is a consistent approach in the WO.

Work Package	Description
	- Identify the mechanisms which will be utilised to ensure that arrangements, policies etc. are continued once the WO is established (e.g. inclusion in the SOE). - Discuss and agree timeframes by which it would be appropriate for the WO to review arrangement and policies in partnership with Tangata Whenua, to be used by the WO post an agreed transition period.
Legal and Governance	
WO name	Develop a WO name, brand and identity which is culturally grounded, legally and practically sound, and community resonant.
WO Foundation Documents <i>Includes Constitution and Shareholding Agreement</i>	- Key content of Foundation documents (utilising available templates and guidance where relevant) - Roles & responsibilities of shareholders - Ensure compliance with legislative requirements.
Structural Arrangements <i>To be reflected in Foundation Documents where appropriate</i>	- Governance structures and arrangements options (includes Shareholder Council, appointment of directors, director requirements/skill) etc. - Voting right options - Determining equitable share allocation approach which is proportional and fair, both at the commencement of WO and overtime as scale and membership changes. - Determine Board skill sets, recruitment and appointment processes.
Draft Statement of Expectations (SOE)	- Develop and agree structure of SOE (utilising available templates where relevant) to ensure it complies with the relevant legislative requirements. - Identify and agree key content for inclusion in the SOE.
Water Services Strategy (WSS) development process	- Establish the process for the WO to develop its first WSS, based on the water services activities that it intends to carry out and legislative requirements for the WSS. - Ensure the process for developing the WSS covers any requirement for public consultation (i.e. significance and engagement policy).

Work Package	Description
	• Agree prioritisation framework for investment. • Establish a process to ensure any relevant linkages between council(s) LTP and WSS are identified.
People and Relationships	
Workforce Planning <i>(Note – this integrates with Understanding Costs workstream, incl Service Level Agreement)</i>	• Review NTU functional / organisational design • Determine the functional / organisational design of WO • Develop workforce plan to establish requirements for the WO including transition and staging arrangements. • Develop recruitment and appointment approach. • Plan induction for incoming Executive Team and/or Programme Director. • Review of current employment conditions / obligations (giving effect to the requirements of LG Waters Services Act 2025, schedule 1. • Communication and consultation with existing staff and union engagement.
Understanding Costs	
Stranded Costs in Council and Overhead costs of WO	• Determine the functions and services that will transition to the WO, and which will be managed by a Service Level Agreement (SLA) with the Council/s (applying principles agreed in DD stage) • Determine which Council will provide which services. • Determine the WO overhead cost components that will be shared (as opposed to ring fenced) within the WO, and the methodology for that cost sharing. • Update the assessment of costs that are likely to be left within Council in the event of a WO being established or require duplication with the establishment of a WO to enable a comparison of these costs with the costs of remaining in-house. • Consider the impact on costs and stranded overheads from various digital system options

Work Package	Description
Service Level Agreements (SLA)	- Identify and agree the specifics of services to be 'purchased' from where, including resources and costs. - Review NTU SLA templates - Commence development of SLAs
Data and Digital arrangements and investment options	Interface with the Digital Phase (refer below, and Stranded Costs (above) to assess and understand digital costs impacts.
Progressing to Establishment Phase	
Detailed Establishment Plan	Further develop and refine the Establishment Plan (refer below)

H. Establishment Phase Overview

Early work has commenced on understanding what is required from April 2026 through to June 2027 to establish the organisation. The table below provides some examples of the type of work that will be required to be completed. A full Establishment Plan will be developed in early 2026.

Work Package	Description
Legal and Governance	
Board and key executive recruitment	- Recruit and appoint a skilled Board - Recruit and appoint key executive who will take on responsibility for the establishment, and then subsequently transfer to ongoing executive roles in the WO.
Statement of Expectations	Building on the processes developed during the establishment planning phase, the shareholding Councils to agree, finalise and issue the Statement of Expectations to the Water Organisation as soon as practicable, but no later than 6 months after the Water Organisation is incorporated.
Water Services Strategy	Building on the processes developed during the establishment planning phase, the Water Organisation

Work Package	Description
	will prepare, finalise, consult (where relevant), and adopt the WSS.
Legal & contractual	- Transfer Agreement, which shall be the mechanism to lift and shift all relevant assets, liabilities, property arrangements, contracts and staff from each shareholding Council to the Water Organisation. For clarity, TCC and WBOPDC shall each enter into a separate transfer agreement with the Water Organisation. - Establish the WO legal entity - Bylaws status and application in WO.
Compliance	- Readiness to meet requirements of the Economic Regulator and expanding requirements of Taumata Arowai and Regional Council. - All other mandatory requirements placed on WSPs and WO's under LGWSA, such as SW Network Risk Management Plans, new Bylaws, Trade Waste Plans etc.
People and Relationships	
Workforce	- Arrangements for staff accommodation - Staff policies - Transfer of employment arrangements - Health & Safety policies - Change Management Plan (subsection of one overarching plan)
Communication	
Stakeholder and customers	- Communications and engagement strategy - Change Management Plan (sub-section of one overarching plan)
Finance	
Financing / Debt	Negotiate debt transfer which loans to novate or if agree transfer debt over time agree amount of debt day one and interest rates to be charged on non-transferred debt etc

Work Package	Description
	• Ensure the Water Organisation once incorporated, has access to funds to enable it to finance: ○ Its ongoing capital expenditure and operating expenditure requirements; and, Complete the acquisition of water assets and the associated transfer of debts from shareholder Councils. ○ To achieve the above, the Water Organisation shall establish a “common terms” financing platform, which is a financing structure. In the first instance borrowing would be supported through LGFA and there will be a standardised approach to setting up waters CCO with LGFA, council guarantees etc • Set up banking arrangements
Financial Policies, Financial records, etc	• Develop financial policies including Treasury Policy, accounting policies etc • Develop chart of accounts and cost centre structure • Determine reporting requirements external and internal and to support consolidated financial accounts for councils • Interface with digital workstream to ensure the finance systems have appropriate internal controls and can meet reporting requirements.

I. Regulation and Compliance Overview

The Local Government (Water Services) Act 2025 introduces a stronger compliance regime for water organisations commencing 01 July 2026. (See Section E – Council Compliance). The due diligence and establishment phases will seek to establish the extent that these changes will have on current work practices and to build on that to ensure enduring processes. This has direct connectivity to the functions and organisational structure of the WO. Three layers of regulatory oversight will be assessed, being:

- **Commerce Commission:** new role as economic regulator for water services. It sets and monitors rules around pricing, efficiency, and service quality, will require information disclosure, and investigate whether water organisations are operating in the long-term interests of consumers. It can impose penalties for non-compliance.
- **Taumata Arowai:** remains the primary drinking water regulator, setting mandatory water quality standards, and holding enforcement powers where

public health is at risk. It can issue compliance orders, require corrective actions, and prosecute for breaches.

- **Regional Councils:** continue to regulate environmental effects under the RMA, including consents, monitoring, and enforcement of wastewater and stormwater discharges.

Together these agencies create an integrated approach to regulation requiring a stronger external oversight of WO performance.

Under the new legislation, several mandatory plans and processes will also need to be developed (e.g. Stormwater Network Risk Management Plans, Trade Waste Plans, revised / new bylaws, connection approvals process etc. and many more).

The functional and organisational designs, along with the business systems, data processes will all need to take into account this new environment.

J. Digital Plan Overview

Both TCC and WBOPDC need to respond to matters which impact on the digital arrangements which support the waters activities. These include:

- Watercare currently provides both Councils, through a service contract, services which support and enable the waters activities to operate. The Watercare contract, which is due to expire in October 2026, has an optional costed extension available to 1 July 2027. It will not be extended beyond that. The extension has a substantial risk associated with the lack of support for the GIS platform. These capabilities must be replaced with an alternative solution.
- Both TCC & WBOPDC have an end-of-life water billing platform (Ozone) that must be replaced by 1 July 2027.
- Digital systems which meet the total needs of the WO are not currently identified or determined.

Discussions have commenced with IAWAI (the Hamilton City and Waikato District WO) to explore opportunities to deliver shared technical services which will support the establishment and long-term operations of the two new WO's. Key benefits of the share model include:

- Cost savings
- Value for money
- Workforce resilience
- Future partnership and/or revenue opportunities.

The parties have agreed to develop a joint business case which assesses the options of a shared digital arrangement. This is scheduled to be completed by the end of December

2025. On completion of the business case and the associated decisions a detailed digital project plan will be developed.

K. Budget

Individual project plans are being developed for each of the workstreams. These will identify all the tasks to be completed, the resources required (both internal and external) and the associated costs. The budgets from each of the project plans will be brought together to form the overall budget. This bottom-up approach will refine the budget which has previously been prepared.

Workstream	Total Cost	TCC Share (70%)	WBOPDC share (30%)
Operations	\$870,000	\$609,000	\$261,000
Legal and Governance	\$1,200,000	\$840,000	\$360,000
People and Relationships	\$850,000	\$595,000	\$255,000
Finance	\$1,300,000	\$810,000	\$490,000
Project Management, Support Functions and Transitional Leadership	\$1,903,250	\$1,260,275	\$642,975
TOTAL	\$6,123,250	\$4,114,257	\$2,008,975

Note: the table above does not include the budgets or costs associated with the Digital workstream. Those costs are accounted for as part of the work that is currently underway assessing a shared service arrangement with IAWAI – Flowing Waters Ltd. That work, and associated costs, will be captured as part of the joint TCC/WBOPDC / IAWAI Digital Business case. Digital budgets will be further developed and reported once the business case has been completed

L. Reporting Arrangements

There will be regular reporting through the project structure (refer section D above), and formally to the respective Councils.

TERMS OF REFERENCE – WBOPDC ELECTED MEMBERS WORKING GROUP**Local Water Done Well****1. Purpose and Background**

- 1.1. Western Bay of Plenty District Council (**WBOPDC**) and Tauranga City Council (**TCC**) are working together towards the establishment of a joint Water Organisation (**WO**) under the Local Government (Water Services) Act 2025 (**Project**).
- 1.2. As part of ensuring WBOPDC staff are supported to work at pace, WBOPDC Elected Members have formed a working group to provide guidance to staff and act as the first point of liaison between WBOPDC staff and WBOPDC Elected Members. This group is called the WBOPDC Elected Members Working Group (WBEMWG).
- 1.3. This terms of reference document (**TOR**) establishes the framework for the operation of the WBEMWG.
- 1.4. For clarity:
 - a. WBOPDC and TCC have entered a Commitment Agreement to facilitate the establishment of the WO.
 - b. The Commitment Agreement allows for an Elected Members Governance Group (**EMG**) to be established (at WBOPDC and TCC's discretion) comprising representatives from the two Councils.
 - c. The WBEMWG is a WBOPDC only group, whilst the EMG would be a joint group, consisting of both WB and TCC members.

2. Membership and Structure

- 2.1. The members of the WBEMWG will be the following persons (or such other persons as are nominated by the Mayor from time to time):
 - a. Mayor James Denyer
 - b. Councillor Grant Dally
 - c. Councillor Rodney Joyce
 - d. Councillor Graeme Elvin
 - e. Councillor Darlene Dinsdale

- 2.2. Substitution: The Chair will nominate an alternate Chair if absent from a WBEMWG meeting.

3. Roles and Responsibilities

- 3.1. The WBEMWG's responsibilities are to:
- a. Keep informed on the Project via meeting attendance and reading of information as supplied by staff.
 - b. Keep information which is not in the public forum confidential between the WBEMWG, EMG and both Councils (noting additional complexities such as inter-regnum periods).
 - c. Provide direction to staff to enable the Project to progress promptly.
 - d. Provide regular updates on the Project to their fellow Elected Members who are not part of the WBEMWG.
 - e. Determine whether topics require Issues and Options papers.
 - f. Determine whether decisions or issues require whole of Council direction (versus WBEMWG only direction) and decide whether this occurs via:
 - i. A Council workshop followed by Council resolution; or
 - ii. Council resolution.
 - g. Provide guidance to staff on the preparation of Council reports.
 - h. Assist with engagement with key stakeholders, including Iwi/Hapū, community groups, IAWAI (and/or other water organisations) and central government agencies, in line with the Project's establishment principles.

4. Meetings and Procedures

- 4.1. Frequency: The WBEMWG will meet fortnightly or at such other times as determined by the members.
- 4.2. Format: Meetings may be held in person, virtually, or in hybrid format.
- 4.3. Quorum: a minimum of two.
- 4.4. Chairing: The Chair will facilitate meetings.
- 4.5. Agenda: Agendas and supporting documentation will be circulated at least two working days in advance of each monthly meeting when possible. WBOPDC's Project Steering Group lead (Programme Director: Water

Organisation Establishment) will distribute agendas and load documents to Stellar as needed.

- 4.6. Meeting outcomes and decisions: Action points will be recorded and maintained.

5. Decision making

- 5.1. The WBEMWG will endeavour to make all decisions on a consensus basis where possible.
- 5.2. If consensus cannot be reached, the WBEMWG may make decisions by majority.
- 5.3. It should be noted that the WBEMWG is unable to make decisions which are decisions of the respective full Councils.

6. Reporting and Accountability

- 6.1. The WBEMWG will report to Council on key decisions, progress, and issues requiring Council approval.
- 6.2. Regular briefings will be provided by the WBEMWG to Council to ensure transparency and accountability. This will be the responsibility of the WBEMWG Chair.

7. Review and Amendment

- 7.1. These Terms of Reference will be reviewed every six months or as required following significant changes in project scope (e.g. at the completion of due diligence), Council arrangements, or after Council elections.
- 7.2. Amendments to the Terms of Reference require consensus of all members of the WBEMWG.

8. Duration

- 8.1. The WBEMWG will operate for the duration of the Project (i.e. either until the water organisation is operational and/or successfully transitioned, or the until a WO Shareholders' Representative Forum is established) or until the WBEMWG is disestablished by agreement of Council.

9. Supporting Principles and Criteria

- 9.1. The WBEMWG will respect the establishment principles and criteria approved by WBOPDC and TCC, and contained in the Commitment Agreement, including:

- a. Affordability and Equity: Ensuring water services are affordable and equitable for all communities.
- b. Transparency: Operating with transparency and accountability.
- c. Safe and Resilient Services: Delivering reliable and resilient water services.
- d. Environmental Stewardship: Acting as kaitiaki for water resources.
- e. WO is set up for success: the right governance, capabilities and direction are provided to enable long-term operational success and public value.
- f. Iwi/Hapū Engagement: Upholding Treaty obligations and maintaining open engagement with Iwi and Hapū.
- g. Financial and Asset Management: Overseeing fair and equitable asset and debt transfer, pricing, and capital programme prioritisation.

10 INFORMATION FOR RECEIPT – KŌRERO TE WHIWHIA