

Meeting of IAWAI – Flowing Waters Board of Directors**Thursday 18 September 2025, 9.30am**

Item No	Item	Lead	Purpose	Format
Preliminary Business				
1	Welcome and Introductions	Chair	Note	Verbal
2	Apologies	Chair	Note	Verbal
3	Declarations of Interest	Chair	Note	Verbal
4	Confirmation of Minutes	Chair	Approve	Attached
Standing Items				
5	Public Forum	Chair	Note	Verbal
6	Chair's Report	Chair	Note	Attached
Establishment Programme				
7	Establishment Programme Report	Peter Winder	Note	Attached
IAWAI Projects				
8	Water Services Strategy	Vishal Ramduny	Note	Attached
IAWAI Policies				
9	IAWAI Financial Delegations Policy	Becca Brooke	Approve	Attached
10	Resolution to Exclude the Public	Chair	Approve	Attached

Public Excluded

Item No	Item	Lead	Purpose	Format
11	Confirmation of Public Excluded Minutes	Chair	Approve	Attached
12	Commercial Agreement Updates- Fast Track and Plan Changes	Andrew Parsons	Approve	Attached
13	Development Agreement Negotiations – Ohinewai	Andrew Parsons	Approve	Attached

IAWAI – Flowing Waters, Board Meeting

[UNCONFIRMED] OPEN MINUTES

28 August 2025, 9.30am

Minutes of a meeting of the IAWAI – Flowing Waters, Board held in Committee Room, Waikato District Council, Ngaaruwaahia on Thursday 28 August 2025 at 9.30am

PRESENT

Chairperson Kevin Lavery
Members Dave Chambers
 Tim Manukau

2. Apologies

None

3. Declarations of Interest

None

4. Minutes from previous meeting

Confirmed

5. Public Forum

John McDonald: shared his analysis of differences between the financials presented in the December 2024 joint HCC/WDC Local Water Done Well business case and June 2025 HCC/WDC Water Services Delivery Plan. He expressed concern about lack of financial transparency, public consultation on affordability measures, and was of the view that Hamiltonians were sold one thing and getting something different. He considered that an in-house business unit should be re-considered.

Raymond Mudford and Colin Jones: cited their views of lack of public consultation on the process to create a joint CCO. They noted the importance of engagement with new Councils following the local body election, to ensure they are fully informed of the risks and benefits of the proposals. They suggested that any implementation is delayed for 12 months. They considered HCC track record of projects running over cost and over time. They expressed concern around affordability, noting the importance of considering alternative solutions.

Stop the Stink – represented by Shelly Wilson: expressed opposition to the proposed location for the Southern Wastewater Treatment Plant. They considered the selection process is flawed and sought transparency, consultation, and relocation. They outlined their concerns regarding

environmental and cultural impacts of the plant at the site. They had an alternative site in mind that they propose be considered.

The Board noted they would respond to submitters in writing within 7 days.

6. Chairs report

Kevin Lavery presented his Chair's report and provided an update on the six areas of focus for the Board – and the importance of working together.

He noted the overriding objective of a successful, smooth transition to go live.

The Water Services Strategy – and associated financials was a priority. He asserted the importance of striking the right balance looking at full life cost, maintenance requirements of our plant and network, the opportunities for efficiencies, ensuring a tight, deliverable and affordable capital programme and ensuring that growth pays for growth.

He also mentioned the CEO recruitment process which was about to commence.

7. Establish IAWAI Programme Update

Peter Winder spoke to the work being undertaken on behalf of shareholder Councils to set up IAWAI. Overall, the programme was on track, although the workload was heavy. Risks were being monitored and mitigated.

The Board commented on the importance of a comprehensive briefing to incoming Councils following the local body elections.

Resolved

The Board received the report.

8. Water Services Strategy

Vishal Ramduny presented this report. He noted the Water Services Strategy as the primary strategic, financial, and infrastructure planning and accountability document for water service providers. Progress was underway across both Councils to develop the WSS. A draft was expected in November but was highly dependent on outcomes from others.

The Board would receive monthly reports on progress, risks, issues.

A comprehensive approach to engagement was being developed. This included with Waikato Tainui, mana whenua, shareholding Councils and communities. Formal consultation was expected in March / April.

The Board expressed key areas of interest including:

- A flexible financial model
- Are we appropriately funding growth
- Any shortfalls in renewals compliance that need to be addressed
- At what level are we going to deliver
- Any new regulatory requirements we need to take on board
- What levels of efficiencies can we expect
- Vision and what this means for investment
- Key performance measures to ensure we're on track

- Noted the financials will drive affordability.

Resolved

That the Board:

- a. Received the update on the development of the Water Services Strategy 2026-2036.
- b. Approved the high-level project plan set out in attachment 1.

9. Strategic Investment Portfolio

Jackie Colliar presented this report, which outlines the major transformational projects IAWAI has been contracted to manage. Projects are reliant on existing staff and finances to deliver. She noted a project by project introduction will take place through induction meetings. Monthly reporting on the status of the projects will be presented to future Board meetings.

The Board noted interest in reporting cover:

- Any major risks the Board should be aware of
- Whether the projects meet benefits intended at different gateway points.
- Staff bring solutions with mitigations, and what the Board needs to do to get well on projects.

Resolved

that the Board:

- a. Receives the report.
- b. Notes that an introduction to each programme/project in the portfolio will occur as part of the Board's induction.
- c. Endorses proposed Portfolio Programmes approach.

10. Water network (water metering and management service)

Lisa Inglis presented this paper. She outlined the requirement under legislation to transition away from charging for waters using capital value rating (Hamilton's current model) within 5 years.

She noted universal water metering as a key tool for managing water demand and method of charging based on usage. There is a strong expectation from Government that water meters be rolled out where they are not already.

The paper sought the Board's agreement to a pilot project. The pilot project would not change how or what customers are charged, it will simply allow IAWAI to trial and assess possible metering solutions.

Resolved

That the Board:

- a. Receives the report;
- b. Receives the first stage of the Investment Case (**public excluded**);
- c. Approves that staff progress to the second stage of procurement for the water network – a Request for Tender (RFT), with scope confined to a pilot of technology (software and meters), plus implementation services;

- d. Notes that, subject to the outcomes of (c), a third stage be undertaken with a larger pilot;
- e. Requests staff to update shareholders via the next IAWAI – Flowing Waters Forum, including on engagement with the community on the pilot;
- f. Notes the commencement of field surveys for Hamilton City Council, to inform programme costs;
- g. Requests staff to report back to IAWAI following the analysis of pilot outcomes and options.

11. Resolution to Exclude the Public

Resolved

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
Water network (water metering and management service) Investment Case	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Development Agreement Negotiations – Te Kowhai	To enable WDC and IAWAI to carry out commercial activities without disadvantage; to enable WDC and IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)

The meeting was declared closed at 11.00am

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Public session

Executive Chair's Report

Prepared and recommended by Kevin Lavery

"I can do things you cannot, you can do things I cannot; together we can do great things." Mother Teresa

The Board has been focused on due diligence over the past couple of months. This includes having a deeper look into key issues we need to grapple with.

Three topics have featured in recent weeks – major project delivery, funding and charging and growth management. On the latter we will be bringing forward proposals for IAWAI's approach to funding works for growth. This is a fast-changing area with well-established development contribution approaches by both councils, the emergence of Fast-track, legislation to introduce development levies and the increasing use of development agreements with developers. A report will be brought to a future Board to agree an interim approach on development contributions whilst developing a comprehensive way forward for implementation in 2027.

We have also been looking into both Councils historic underspend in water and wastewater. Underspends are also true of most councils across New Zealand. There is not enough supply in New Zealand to deliver all the aspirations of councils and water entities. As an early mover, IAWAI can attract top performing suppliers to work with us and commit to long term programmes of work. To do this, we will need to adopt an open for business approach with the consultants, maintenance providers and construction companies making IAWAI an easy organisation to work with. We are now exploring the possibility of procuring strategic partnerships for an enhanced renewals programme. The renewals team are high performing and are likely to exceed their budget. This directly addresses a key area of the infrastructure deficit in water.

Working together is a focus for the Board. We are working with Tauranga City Council and Western Bay of Plenty on the potential to develop jointly, a fit for purpose digital platform for a water entity. All four councils are tier 1 growth councils. Three of the four councils have Watercare's digital platform and Watercare has given notice that this support will be withdrawn in 2026 for Tauranga and Western Bay and in 2028 for Waikato District (now IAWAI). Hamilton's digital platform is not suitable for a water entity.

We have also established a regular catch-up with Waikato Waters. The priorities for cooperation with Waikato Waters are the digital platform, the Southern Wastewater plant proposal, the Lab Services provided through CoLab by Hamilton City staff.

We are lucky to have a talented workforce in Hamilton City, Waikato District and Waikato Watercare. Our workforce has low sickness, low turnover and is young compared to other water entities. This is a huge asset that we need to build on.

As we move into a period of change, it is important we focus on supporting and transitioning our staff safely, so we retain their skills and experience through this time. We are keen to accelerate the process of assigning staff to roles to give them certainty as soon as possible. I have really enjoyed meeting many of the team members at different meetings and events, and I look forward to continuing these conversations as we work through the changes together.

Internal communications is another key area. As acting CEO I already do an email to all staff fortnightly. I am also doing a round of visits to staff on the frontline. I met the Watercare staff at Te Rapa and the Waikato District client-side team. I also attended the Duke Street Depot breakfast BBQ. We held a morning tea with staff on the 5th floor at Anglesea Street and I have met the Design and Build leadership team. This week I will be meeting the extended leadership group at Hamilton City Council. I have to say I have been very impressed with positivity of staff from all three organisation.

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Public session

Establish IAWAI Progress Update

Prepared and recommended by Peter Winder.

Approved by IAWAI Chief Strategy and Planning – Andrew Parsons

Recommendation(s)

1. That the report is received.

Key points

2. As shareholding councils, Watercare and IAWAI work towards a fully operational waters company from 1 July 2026, there is a significant amount of work to prepare for the transfer, while also setting the company up with a long-term strategy.
3. The Establish IAWAI programme is responsible for ensuring the successful transfer of people, assets, liabilities and shared services arrangements from 1 July 2026. This is separate from the work IAWAI needs to do to set up its operations. This report relates to the Establish IAWAI work programme.
4. Overall, the programme is on track. Progress over the period includes:
 - a. Procurement of a recruiter for IAWAI executive roles.
 - b. Analysis of functionality and capability that both shareholding councils and their partner Waikato Tainui will need in order to exercise effective oversight of IAWAI and to support the sound relationships that will be necessary to ensure that IAWAI is successful, and expectations are met.
 - c. Reviewed the Local Government (Water Services) to identify changes to the work programme. Review of the Local Government (Water Services) (Repeals and Amendments) Acts 2025 is underway but this is less pressing.
 - d. The new workstream addressing changes required by the above Acts and establishment of IAWAI relating to bylaws, plans, delegations and compliance monitoring has had an initial focus, working with subject matter experts to refine the scope and priorities.
 - e. Workshops with subject matter experts across both Councils to refine the shared services required by IAWAI and the associated supporting systems and processes.
 - f. Developed principles and functional analysis to guide work related to transition of stormwater services to IAWAI.
 - g. A registered legal executive has joined the team to support the transfer of consents, contracts, agreements, assets including land etc. Commenced discussions on how to work with the legal teams in both Councils to complete this work.
 - h. The People, Health and Safety workstream is progressing the design of Day 1 organisational structures and the change process required to transfer staff.

- i. Prepared information to induct board members regarding key financial principles, assumptions, risks and issues that may be required to provide context for future decisions.
 - j. New payroll system is now live and ready to pay the first IAWAI employee.
5. Priorities for the next period include:
- a. Preparing material for inducting the new Councils.
 - b. Further work on the design of IAWAI and the future councils to support the change in service delivery and implementation of the legislative and regulatory environment and the associated plan for engaging with staff.
6. **Attachment 2** includes background on the Establish IAWAI programme. This has not been updated and is provided for members of the public unfamiliar with the programme.

Risks

- 7. Due to the scale and complexity of the programme of work being undertaken, a comprehensive approach to dealing with risks is being undertaken. Risks for the programme delivery, IAWAI and shareholders are being managed and treated collectively.
- 8. As we move closer to 1 July 2026, a process to identify enterprise risks for IAWAI will be undertaken.
- 9. A new risk has been identified relating to potential of change of individuals in key programme roles resulting in a negative impact on timeliness or quality.
- 10. **Attachment 1** outlines the top risks that the Programme Steering Group is tracking.

Finances

- 11. Programme costs (in line with council approved budgets of \$7.35 million for establishment) are on track.
- 12. The current Forecast Estimate at Completion (EAC) for 30/6/26 is:

Forecast EAC Cost at 30/6/26	Contingency	Forecast EAC + Contingency	Council approved Baseline	Forecast Saving/ (Overspend)
\$6,367,000	\$600,000	\$6,970,000	\$7,354,388	\$343,388

- 13. Notable adjustments / risks that are not included in the above figures are:
 - a. Impact of Better Off Funding to carry forward, resulting in less debt to pass to IAWAI and/or potential saving from WDC staff costs going to BOF
 - b. Extra work arising from the Local Government (Water Services) Act.
 - c. Uncertainty regarding cost of legal advice to transfer contracts, consents, assets etc.
 - d. Corrections for staff hourly rates following confirmation of appointments.
 - e. Other unanticipated costs and activities.

Attachment 1: Key Risks

Risk	Controls (Implemented)	Planned Treatment	Actions implemented this period
Change There is a risk due to the scale of changes and lack of resource and time to deliver, roles and operating procedures are not well defined or understood creating impacts on future IAWAI operations.	<ul style="list-style-type: none"> - Make minimum changes to existing functions - Extend and novate the Watercare contract to 30 June 28 	<ul style="list-style-type: none"> - Resource to review PDs for roles that are changing - Resource to review operating procedures, focusing on those that cut across boundary between Councils and CCO - Roll out training to reaffirm no change unless advised otherwise, train staff impacted by changes - Resource to implement changes to digital and operating technology and manage associated change for people 	<ul style="list-style-type: none"> - Mapping processes that cross organisations (ongoing).
Wellbeing Due to the speed and scale change there is an increased risk to health for impacted staff.	<ul style="list-style-type: none"> - CEs reinforce messages to Elected Members regarding minimising expectations from staff - CEs reinforce messages to staff regarding prioritising work and escalating health issues - Psychological Safety training - Identify roles requiring backfill - Detailed resource plan and plan for recruitment for project - Resist changes that are not essential - MVP approach especially re: digital, & Watercare" 	<ul style="list-style-type: none"> - Active management of workload and expectations 	<ul style="list-style-type: none"> -
Financial Sustainability The impact the bottom up financial modelling might have on the budget.	<ul style="list-style-type: none"> - Agreed to jointly value assets with independent review - Deferred Hamilton asset revaluation, enabling WSDP to be completed 	<ul style="list-style-type: none"> - Agree asset revaluation approach with both Councils - Time the valuation to inform the WSS - Address any impact through the WSS and any revenue pathway optimisation 	<ul style="list-style-type: none"> - Work continues on developing an agreed asset revaluation approach. - Potential asset 'value' scenarios being developed for inclusion in the first round of WSS financial modelling.
There is a risk that the stormwater reviews by the shareholders do not result in a financially sustainable solution by the 1 July 2028 deadline. This may result in a intervention by the Commerce Commission.		<ul style="list-style-type: none"> -WDC & HCC to complete stormwater reviews 	<ul style="list-style-type: none"> - Principles of stormwater services and functional analysis adopted by Programme Control Group.

Risk	Controls (Implemented)	Planned Treatment	Actions implemented this period
Poor Level of Service delivered by Shared Services There is a risk that due to complexity, competing priorities, poor scope definition, Councils are unable to provide the level of service that the CCO requires which may lead to significant operational challenges and or compromise financial and asset management and/or failure to realise benefits.	<ul style="list-style-type: none"> - Project plan and extensive work to develop scope and resourcing requirements with SMEs - Project management framework to ensure effective governance and oversight of progress - Reporting framework that will enable early intervention - CE reinforce priority to be given to the programme 	<ul style="list-style-type: none"> - Define levels of service and KPIs - Complete shared services agreement - Culture change plan to programme to support service delivery - Complete changes to authority & IPS to support financial and asset management 	<ul style="list-style-type: none"> - Planned workshops with subject matter experts to refine shared services and associated systems and processes. - Authority is now set up to enable separate financial reporting. - Options paper regarding asset management options drafted.
Revenue Risk Due to complexities associated with moving from rates to water charges and diminished powers relating to unpaid charges, the CCO is unable to collect the water revenue that it requires or expects or customers refuse to pay charges.	<ul style="list-style-type: none"> - Community consultation and engagement processes on proposals. Reiterated that costs will go up irrespective of the model for delivery. - Model for delivery selected on the basis of option which can minimise impact on ratepayers - Delivery of Value of Water and What's Next for Water campaigns - Resource in the project for community engagement on water services strategy and water charges 	<ul style="list-style-type: none"> - Resource for engagement with major customers - Resource for introducing the CCO and building awareness - Review development contributions policy and charges for major water users - Optimise capital works programme and the timing of investment - Identify and secure operational efficiencies and savings - Optimise revenue pathway - Agree approach to allocating part payment of rates/water charges 	<ul style="list-style-type: none"> - Continue work on development contributions and revenue pathways.
Programme Leadership Individuals in key programme roles may change resulting in negative impacts on quality or timeliness arising from lack of knowledge of historic decisions, identified interdependencies, change in strengths or loss in capacity during handover.	<ul style="list-style-type: none"> - None. Newly identified. 	<ul style="list-style-type: none"> - consider contracting external suppliers for the duration of the work. - accept the risk 	<ul style="list-style-type: none"> -

Attachment 2: Background

1. The following content has not been updated and is provided for members of the public unfamiliar with the programme.
2. Ahead of 1 July 2026, there is a significant amount of work to prepare for the transfer, while also setting IAWAI up with a long-term strategy. Within this, there are two, separate but connected, sets of work that need to be completed.
 - a. The work of IAWAI – the company and its long-term strategy; and
 - b. The Establish IAWAI work programme, working with Hamilton City Council, Waikato District Council and Watercare to enable the successful transfer of people, assets, liabilities and shared services arrangements from 1 July 2026.
3. The Establish IAWAI programme:
 - a. Is focused on the safe transition (not transformation) required by 1 July 2026,
 - b. relies on existing services as far as reasonably practical and,
 - c. is governed by a steering group comprising the Chief Executives of Waikato District, Hamilton City Council and IAWAI – Flowing Waters.
4. Eight workstreams are responsible for delivering on this programme, overseen by a Programme Director.
5. Workstreams within the programme will ensure the following activities are completed by 1 July 2026:
 - a. The valuation of all water and wastewater assets, including relevant land
 - b. The identification of all waters related debt
 - c. The transfer of relevant staff
 - d. Ensuring an effective management and operating structure for on-going council functions around assets and infrastructure
 - e. The novation or transfer of obligations associated with all relevant council contracts and undertakings, including obligations under development agreements
 - f. The transfer of relevant consents, easements and access rights
 - g. Ensuring that both councils are set up to be effective shareholders and exercise effective oversight of IAWAI through the IAWAI-Flowing Waters Forum
 - h. The novation of the Watercare contract to the IAWAI
 - i. The scope of stormwater services to be provided and the terms of a contract for service, and the review required to meet financial sustainability for councils
 - j. The establishment of shared services to support the IAWAI
 - k. The establishment of services that IAWAI will provide to both councils (including input to consent applications, district plans, etc.)

- l. The establishment of the framework for Councils to bill on behalf of IAWAI
- m. The continued safe and compliant operation of water services
- n. The safety of all staff
- o. All other matters needed to complete the establishment of IAWAI.
- p. Any changes following finalisation of Local Government (Water Services) Bill – and other connected legislation.
- q. Establishing systems to ensure the safe transfer of operations on 1 July 2026:
 - o Finance systems
 - o Digital and operational technology and systems
- r. Shared services arrangements and service level agreements between councils and CCO.

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Update on the Water Services Strategy

Prepared and recommended by: IAWAI Water Services Strategy Manager - Vishal Ramduny

Approved by: IAWAI Chief Strategy and Planning – Andrew Parsons

Recommendation(s)

1. That the Board:
 - a. Receives the update on the development of the Water Services Strategy 2026-2036.

Key points

2. Since the last Board update (28 August 2025), staff have progressed the following key inputs required to inform the Water Services Strategy (WSS):
 - A preliminary recast of both the Hamilton City Council (HCC) and the Waikato District Council (WDC) capital works programme to inform financial modelling.
 - Drafting of respective shareholding Council's activity management plans and levels of service with the identification of future work to inform the next iteration of the WSS.
 - A scope of work for price path modelling.
 - Development of a stakeholder management plan.
 - Drafting of significant forecasting assumptions.
3. A financial 'deep dive' workshop with the Board took place on 4 September 2025, covering revenue and cost structures, valuation approaches, insurance, debt, and elements of a financial strategy. This workshop has highlighted key decisions required to inform these financial matters, as well as a strategic shift needed to support an outcome-driven financial strategy for IAWAI.
4. A further workshop considered the pace of growth across the two councils and IAWAI's approach to a Development Contributions policy. This information will come formally to the Board at a future meeting.

Background

5. The WSS is a requirement of the Local Government (Water Services) Act and demonstrates how IAWAI will meet the Government's requirements for water services, including sufficient investment, sufficient revenue and sufficient debt to respond to the subregion's (Hamilton City and the Waikato District) growth and renewal needs, manage water quality and ensure resilient services for communities.
6. The Act establishes the enduring settings for the new water services system. Its objectives are to ensure water services are safe, reliable, environmentally resilient, customer responsive and delivered at the least cost to consumers and businesses.
7. The WSS is IAWAI's primary strategic, financial, and infrastructure planning and accountability document.

8. IAWAI must adopt a WSS before the start of the first fiscal year to which the strategy relates. A draft must be provided to the shareholding Councils for comment by 1 March 2026 (or a mutually agreed date), followed by formal consultation.
9. Staff are working toward having a first draft of the WSS ready by December 2025.
10. The Board provided input on IAWAI's proposed purpose statement, guiding principles and strategic outcomes at a deep dive session on 19 August 2025.
11. A high-level project plan for the WSS was approved by the Board on 28 August 2025.
12. The Board has also approved the water meters rollout pilot project.

Discussion

13. IAWAI is committed to becoming financially sustainable by June 2028. Achieving this will require key decisions on revenue and cost structures, valuation approaches, insurance, debt, and the overall financial strategy.
14. The financial strategy is the foundation of the WSS. While focused on achieving financial sustainability by June 2028, it will guide delivery of the capital works programme, levels of service and its performance measures.
15. Strategic transition from establishment, to stabilisation, and to transformation, must be articulated in the WSS and financial strategy. This transition must not only balance revenue and expenditure but must be realistic, deliverable and outcome-driven.
16. Regarding the capital works programme, this is IAWAI's first opportunity to optimise the inherited water and wastewater work programme from the shareholding Councils. To ensure a robust approach to optimisation, staff are taking a three-pronged approach focussed on:
 - Savings
 - Deliverability and affordability and
 - Implications of the introduction of water meters
17. A scope of work for the development of a charging model has been drafted. This model, based on the rates models of the two shareholding Councils, will inform the revenue pathway and IAWAI's financial model (being developed by the HCC Finance team).
18. Significant forecasting assumptions are being drafted and will include the following:

Macro assumptions:

- Legislative changes
- Treatment of areas 'greenlighted' around Hamilton for Fast Track consents.
- Growth forecasts and the settlement pattern to be serviced by IAWAI.
- Extreme weather events
- Revenue and expenditure projections
- Basis of project cost estimation (P50) or, provision to partner with developers

Activity specific assumptions relating to

- Drinking water standards
- Freshwater quality standards
- Mandatory performance measures
- Asset management interventions
- Emergency management
- Resource consents for water and wastewater
- Financial sensitivity analysis

Key risks

19. **Delays in financial modelling impacting WSS timing** - Several inputs for the financial model (e.g., asset valuation, price-path modelling, development contributions methodology) are still in progress. Robustness of these inputs is critical and may affect timelines.
20. **Delay in government economic regulation guidelines** - At the time of writing the Commerce Commission had not yet released its economic regulation framework for water service providers, which must be factored into IAWAI's financials.
21. **Limited iwi and mana whenua engagement** – This has been signalled as a priority for the Board. Resourcing for engagement on broader IAWAI matters and the WSS specifically is a current issue. A proposal is being prepared to address this.

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

22. Te Ture Whaimana o Te Awa o Waikato (Vision and Strategy for the Waikato River) is central to the WSS. IAWAI honours Te Tiriti o Waitangi and the Treaty Settlements within its area operation and is committed to Te Ture Whaimana o Te Awa o Waikato. IAWAI recognises the commitments made by both the shareholding Councils to iwi and hapuu, including the ongoing commitment to the health and wellbeing of significant waterbodies. Governance and oversight arrangements for IAWAI reflect these commitments.

Financial Implications

23. There are no financial implications resulting from this report.

Consultation

Shareholding Councils

24. Relevant staff at HCC, WDC and Watercare are contributing to the WSS. A draft will be provided to the shareholding Councils for feedback prior to formal consultation.

Partners and key stakeholders

25. Engagement on the draft WSS will occur with partners such as Waikato-Tainui and mana whenua, and stakeholders such the Future Proof partnership and developers. These groups will also be consulted during the formal consultation process.

Customers

26. Customers and the wider public will be consulted during the WSS consultation process.

Next steps

27. A Board deep dive workshop on development contributions is scheduled for 11 September. An agreed approach is a key input for the financial model and the WSS.

28. Further workshops will be held on growth, financial modelling (including a recast capital works programme) and levels of service. These workshops will inform the WSS.

29. Staff are working toward having a draft WSS for pre-engagement by December 2025.

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**IAWAI Financial Delegation to Officers Management Policy -
Amendment**

Prepared and recommended by Becca Brooke – Director Business Performance (IAWAI)

Approved by IAWAI Chief Strategy and Planning – Andrew Parsons

Recommendation(s)

1. It is recommended that the Board:
 - a) Approves the updated IAWAI Financial Delegations to Officers Management Policy taking effect between 1 July 2025 to 30 June 2026.

Key points

2. At its meeting on 26 June 2025, Hamilton City Council approved delegations relating to the transfer of projects associated with IAWAI Flowing Waters. Waikato District Council endorsed the same resolutions on 30 June 2025. The IAWAI Financial Delegations to Officer Management Policy (the policy) has been developed to incorporate these delegations, including the transfer of operational expenditure responsibilities from the IAWAI Board to designated IAWAI Officers.
3. The Policy is modelled on Hamilton City Council's Financial Delegations to Officers Management Policy and aligns with the delegations transferred to IAWAI at the aforementioned Council meetings.
4. The Policy outlines the financial authority delegated to key roles within the organisation for the period 1 July 2025 to 30 June 2026. A more comprehensive financial delegations' policy will be developed for IAWAI from 1 July 2026 in line with its structure.
5. Since the Policy's initial approval at the July 2025 IAWAI Board meeting, staff are recommending some amendments to ensure the Policy remains fit for purpose.
6. Key decision sought at this meeting is the approval of updated delegation limits and confirmation of the roles to which these limits apply.
7. This policy is intended to streamline decision-making processes, reinforce fiscal accountability across designated roles, and mitigate financial risks through clearly defined authority limits.

The Details

8. The table below outlines the recommended amendments to the policy.

Schedule of Amendments to Financial Delegations to Officers Management Policy			
<i>Management Policy Approved 25 July 2025</i>			
Date	Section	Amendment/Addition/Deletion	Authorisation
18/09/2025	Table 1	Amendment to table 1 to reflect level 2 and level 3 delegations in line with the HCC Policy	
	References	Addition of Schedule of Amendments table.	
	Transferred Projects	Deletion of reference to obsolete HCC General Managers Financial Delegation Policy	
	Operational Expenditure	Amendment to delegation references to reflect changes made in table 1	

Te Tiriti o Waitangi / Te Ture Whaimana o Te Awa o Waikato

9. The policy is designed to uphold the principles of Te Tiriti o Waitangi and Te Ture Whaimana o Te Awa o Waikato by including safeguards to ensure resources are allocated in ways that protect the interests and uphold treaty obligations. The policy is consistent with delivering outcomes consistent with Te Ture Whaimana.

Financial Implications

10. There are no costs involved in reviewing the policy other than staff time. This only impacts on the financial delegation limits that will apply. This decision will guide and enable financial management decisions to be made in line with clear parameters and guidelines.

Consultation

11. Relevant staff within Hamilton City Council and Waikato District Council have been consulted.

Next steps

12. Once the policy amendments are approved by the IAWAI Establishment Board. The policy limits will then be incorporated into the Authority financial system for IAWAI.

Attachment:

13. Updated DRAFT IAWAI Financial Delegations to Officers Management Policy.

IAWAI Financial Delegations to Officers Management Policy

APPROVED 25 JULY 2025

Ko te Puutaketanga Purpose

The purpose of this policy is to establish clear guidelines for the delegation of financial authority for IAWAI - Flowing Waters (IAWAI) between 1 July 2025 (Day 0) and 30 June 2026.

Ko ngaa Tikanga Whakahaere Kaupapahere Principles of Policy

This policy is specific to IAWAI, although should be read alongside [Hamilton City Council's "Management Policy – Financial Delegations from the Chief Executive to Officers Policy"](#) if clarification is required.

Ko te Whaanuitanga Scope

This policy applies to all employees of IAWAI, including employees that are seconded to IAWAI, carrying out work on behalf of IAWAI.

This policy includes financial delegations for IAWAI operating costs, and costs related to transferred projects (as approved through Hamilton City Council [26 June 2025](#), and Waikato District Council [30 June 2025](#) Council reports) from 1 July 2025 to 30 June 2026.

Other establishment costs and budgets remain joint decisions between Hamilton City Council, Waikato District Council and IAWAI made through the Establish IAWAI Programme Control Group/ Programme Steering Group.

Ko ngaa Tikanga Policy

Hamilton City Council and Waikato District Council have approved via council resolutions, the budget for IAWAI establishment costs, and operating costs for 2025/26 financial year.

Hamilton City Council will fund these costs, which will be transferred to IAWAI from 1 July 2026.

Councils have also approved IAWAI to exercise financial decision-making relating to expenditure on a series of transferred projects, including on to the purchase / sale of land (for decisions at Chief Executive level and below).

IAWAI must operate within this agreed budget, and within delegations approved, unless further council resolutions agree otherwise.

For avoidance of doubt, the Executive Chair is delegated the approvals of the Chief Executive, until a Chief Executive is appointed.

Operational expenditure

All operational expenditure, and recruitment of new employees needs to be approved by the IAWAI **Chief Executive (Level 1) or Chief Officers (Level 2) or Directors (Level 3)** within agreed budget, and in line with the limits set out in Table 1.

Transferred projects

The Chief Executive and Chief Strategy and Planning will exercise financial decision-making relating to transferred projects, as approved in shareholding council reports.

This includes all expenditure and the purchase/sale of land at the existing level of delegations provided to as set out in the HCC Financial Delegations from the Chief Executive to Officers Policy.

Table 1: The following delegation limits will apply (in line with the HCC Policy):

Category	Chief Executive (Level 1)	Chief Officers (Level 2)	Directors (Level 3)
Operating Expenditure (Budgeted)	Limited to approved budget	Limited to approved budget	Limited to approved budget
Operating Expenditure (Unbudgeted)	\$250,000	\$200,000	Non-delegable to this position
Capital Expenditure (bought forward)	\$500,000	\$300,000	Non-delegable to this position
Reprioritisation Budget – Renewals and Compliance Programme	\$1,000,000 (Within years 1-3 of any approved 10-Year Plan)	\$1,000,000 (Within years 1-3 of any approved 10-Year Plan)	Non-delegable to this position
Contracts	\$3,000,000	\$1,500,000	\$500,000 (5 years)
Contracts not procured through an open tender process	\$500,000 (\$3,000,000 where note 1 exclusions apply)	\$300,000 (\$1,500,000 where note 1 exclusions apply)	\$150,000 \$500,000 where the protocol in note 4 (HCC policy) exclusions apply
Legal Proceedings	\$250,000	\$100,000	\$50,000
Development Contributions (Developer Contributions Agreements)	\$1,500,000	\$1,000,000	Non-delegable to this position
Land Acquisition and sale	\$3,000,000	\$1,500,000	Non-delegable to this position
Debt write off	\$10,000	\$10,000	Non-delegable to this position
Financial Operations (Admin Disbursements)	Limited to the approved budget	Limited to the approved budget	Non-delegable to this position

Board decisions

The IAWAI Board will be responsible for establishing debt level, entering into loans, approving material transactions, appointing the Chief Executive and other key Officers, approving budgets, approving new revenue streams or changing to pricing structure and awarding tenders.

Financial Operation

The Chief Executive and Chief Financial Officer are each delegated the authority to operate (including opening and closing accounts) all of the IAWAI's bank accounts, investment accounts, loan accounts, tax related matters, and other financial matters including exercising signing authority where appropriate.

Contracts

The delegated financial authority limit for contracts applies on a 'per contract' basis. A contract is any agreement in writing which purports to be legally binding upon the IAWAI, including memoranda of understanding, letters of agreement, purchase orders, guarantees, leases (as lessor or lessee), licences (as licensor or licensee) and deeds. A contract includes any subsequent extensions, renewals or variations to the agreement. For clarity, the delegated financial authority limits apply to contracts involving revenues receivable by IAWAI, including contracts and agreements with promoters and organisers of events.

Approved Contract Sum

The value of the contract for the purposes of this Policy is referred to as the "Approved Contract Sum". The Approved Contract Sum is, as at the date of approval, the aggregate of all amounts most likely to be paid to the other party (including retentions made, or to be made in respect of a contract) or amounts received from the other party (as applicable), for that contract, over the life of the relevant contract. Disaggregation of supplies or contractual arrangements in order to comply with this requirement is expressly prohibited.

For the purposes of determining whether a specified officer has the necessary delegated financial authority in relation to a contract that involves both;

- (a) expenditure (payable by IAWAI) and
- (b) revenue (receivable by IAWAI), the Approved Contract Sum for that contract is the greater of either the expenditure or revenue in that contract. That is, there must be no offset of expenditure and revenue.

Variations

An officer may approve variations that result in an increase to the total value of the contract that exceeds the Approved Contract Sum, provided that the total value approved (inclusive of the original Approved Contract Sum) does not exceed their delegated financial authority limit for contracts.

Contracts approved by Board Resolution

If a contract has been approved by Board resolution, the Chief Executive, or officer (as appropriate), has delegated authority to:

- a. execute the contract (other than those contracts required to be signed under the Council's seal);
- b. authorise payments up to the Approved Contract Sum or delegate the authorisation of payments to a nominated position; or

- c. (if applicable) correct and re-issue invoices, issue credit notes or refunds up to the Approved Contract Sum, in relation to revenue receivable by IAWAI under an approved contract;
- d. approve a variation that results in the Approved Contract Sum being exceeded by no more than 5%, up to a maximum of \$250,000, provided the new Approved Contract Sum remains within budget. Any exercise of this delegation will be reported to the Board.

Note 1 - Contracts not procured through an open competitive process

The delegated financial limit for contracts not being procured through an open competitive process shall not apply and the officer's general delegated authority limit for contracts shall apply in the following situations:

- a. For Private Developer Agreements, where the IAWAI is contributing additional costs to upsize or deliver infrastructure on behalf of IAWAI in a new subdivision or development that will eventually vest in the IAWAI. This excludes infrastructure that will not be owned by the IAWAI. E.g. transport assets etc;
- b. For appointment of utility service providers to relocate, connect or alter utility services for the purpose of budgeted capital works, where a provider is the only possible supplier by virtue of being the owner of, or otherwise being legally responsible for, the relevant utility infrastructure. Examples of such utility service providers include, but is not limited to, Transpower, WEL Networks and Kiwirail. The officer must ensure that appropriate mechanisms are in place and implemented to ensure, as far as is reasonably possible, the IAWAI obtains Best Value from any appointed utility service provider.
- c. For secondary procurement, where IAWAI is purchasing under a collaborative contract such as an All-of-Government contract or a syndicated contract where the original arrangement was established through an open competitive process. This includes panel arrangements where the terms of the panel allow for direct appointment as a secondary procurement process. is purchasing under a collaborative contract such as an All-of-Government contract or a syndicated contract where the original arrangement was established through an open competitive process. This includes panel arrangements where the terms of the panel allow for direct appointment as a secondary procurement process.

Ko te Aroturukitanga me te Whakatinanatanga Monitoring and Implementation

All approvals must be documented and retained for audit purposes.

The policy will be reviewed annually to ensure it remains effective and relevant.

The Executive Chair is responsible for ensuring compliance with this policy (until the Chief Executive or Chief Financial Officer are appointed) and is required to report instances of non-compliance to the Establishment Board.

Breaches of this policy may result in disciplinary action.

Ko ngaa Tohutoro References

Hamilton City Council policies

Management Policy – Financial Delegations from the Chief Executive to Officers

Council Policy: Delegations to officers specific to the Resource Management Act 1991 ('RMA')

Treasury Management Policy
 Procurement Policy and Procedures Manual
 Public Works Act delegations to officers Policy

Schedule of Amendments to Financial Delegations to Officers Management Policy			
<i>Management Policy Approved 25 July 2025</i>			
Date	Section	Amendment/Addition/Deletion	Authorisation
18/09/2025	Table 1	Amendment to table 1 to reflect level 2 and level 3 delegation levels in line with the HCC Policy.	
	References	Addition of Schedule of Amendments table.	
	Transferred Projects	Deletion of reference to obsolete HCC General Managers Financial Delegation Policy	
	Operational Expenditure	Amendment to delegation references to reflect changes made in table 1	

Resolution to Exclude the Public**Section 48, Local Government Official Information and Meetings Act 1987**

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
Confirmation of Public Excluded Minutes	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Commercial Agreement Updates- Fast Track and Plan Changes	To enable IAWAI to carry out commercial activities without disadvantage; to enable IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)
Development Agreement Negotiations – Ohinewai	To enable WDC and IAWAI to carry out commercial activities without disadvantage; to enable WDC and IAWAI to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7 (2) (h) Section 7 (2) (i) Section 7 (2) (j)