

Meeting of IAWAI – Flowing Waters Board of Directors**Friday 25 July 2025 at 1.00pm – 4.00pm**

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
Standing Items				
4	Public Forum	Chair	Note	Verbal
5	Chair's Report	Chair	Note	Attached
Governing documents and Board organisation				
6	Code of Conduct	Chair	Approve	Attached
7	Board Meeting Schedule	Natasha Yarrall	Approve	Attached
8	Shareholders' Agreement, Constitution and Statement of Expectations	Peter Winder	Approve	Attached
Developing the Water Services Strategy				
9	Submission of Water Services Delivery Plan	Peter Winder	Note	Attached
10	Relationship Agreement	Peter Winder	Approve	Attached
IAWAI Policies and Procedures				
11	Financial Delegations, and Decision Making Delegations	Andrew Parsons	Approve	Attached
12	Media Policy	Nicole Nooyen	Approve	Attached

Board meeting 25 07 2025

Public session

Executive Chair's Report

Prepared and recommended by Kevin Lavery

"Well done is better than well said" George Washington

It is week three for me as Executive Chair of IAWAI – Flowing Waters Ltd (IAWAI). I would like to thank the two Councils and Waikato Tainui for the warm welcome. I have already met the bulk of the workforce at 260 Angelsea Street and Te Rapa. I will be visiting front line staff in the coming weeks. We also have tours lined up of each Council area so the Board can understand fully the current growth plans and pressures. The Board have already held two informal workshops to get up to speed on the issues. We now have an agreed work programme for the coming months including a series of deep dives on key topics.

I have been very impressed with what I have seen so far. We have a wealth of talent in the three organisations, including the Waikato Watercare Team. Solid foundations have been laid to help IAWAI hit the ground running. The two councils are well aligned. There is widespread support for the partnership amongst elected members. We are lucky to have such a strong iwi partner in Waikato Tainui with a proud tradition of working in partnership with councils to help bring to life the vision and strategy of Te Ture Whaimana o Te Awa o Waikato. And there is a common goal – helping Hamilton and Waikato grow faster, better and smarter.

We are expecting to hear soon from the Minister of Local Government and Department of Internal Affairs following the submission of our Water Services Delivery Plan. If supported, IAWAI would become the first multi council CCO with an approved plan.

Go live in July 2026 is not far away. There is a huge amount of work still to do. We need to sign off a water services strategy. Top priority will be agreeing a pricing path that strikes the right balance between making inroads into the infrastructure deficit at an affordable level for water users. We will need to sign off plans to move to a user pays system across the whole geography with the roll out of water meters. This is a huge task and will require a multi-year roll out programme. It will have major environmental benefits, as metering has led to significant reductions in water consumption in other jurisdictions. From 2026 onwards the cost of water services will be identified separately for all ratepayers. We will need to manage an enhanced capital programme to help support growth across Waikato District and Hamilton.

Our information systems for water are far from best in class. We also need to move to a single system for the whole area. We will not be changing information systems

in the run up to go live. That would add a layer of risk that would be unwise. It is however, something that needs attention now so that procurement and implementation can begin once IAWAI is up and running. Action is needed now to prepare for such a major change. We will explore partnership opportunities with other water entities in New Zealand.

Mother Theresa famously said, “I can do things you cannot, you can do things I cannot; together we can do great things.” That is the power of collaboration. We need to become a cohesive organisation with our own identity and culture. But we remain a key part of the broader Waikato family. We need to be joined up with our two parent councils and with Waikato Tainui. We also need to work well with our neighbouring water CCOs.

IAWAI will succeed with good leadership and a talented team. It is therefore vital that we retain our talent in the coming years and become an organisation “where talent wants to be”. The Board will therefore take a strong interest in the people plan for the new entity – how do we retain our talent, become a high performing team, with a lean and effective structure and a positive, customer centric culture with health and safety at its heart. We are developing a single communications system for the new entity that go live in the coming weeks. This will include weekly email update from me, monthly team briefings, regular workshops for leaders and a whole workforce launch of the organisation in the new year.

The next three years will be exciting, daunting and challenging. Our overriding priority must be a safe transition to the new entity, followed by a measured transformation of how we deliver water services to the people of Hamilton and Waikato District. We can and will succeed if we work together, keep things simple and focus on our customers.

Board meeting 25 07 2025

Public session

Code of Conduct

Prepared and recommended by Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Adopts the draft Code of Conduct.
 - b) Notes that further changes are expected following work on IAWAI's culture and values.

Key points

2. This paper presents a draft Code of Conduct for approval by the Board of Directors.
3. The Code of Conduct is a foundational document that articulates the standards and expectations for IAWAI's Board of Directors.
4. It sets out the expectations for how Board members should behave and carry out their duties.
5. It reflects the Board's commitment to integrity, transparency, and respect in all that they do, in line with the values of our communities and the principles of Te Tiriti o Waitangi.
6. Once adopted, all Board Members are required to comply with the Code of Conduct.
7. The Board of Directors may amend or replace its code of conduct but may not revoke it without replacement.
8. It is expected that the Code will be updated and strengthened as IAWAI establishes its own culture and values.
9. Staff seconded to IAWAI from Hamilton City Council and Waikato District Council will continue to be expected to adhere to their parent company codes of conduct, attached to their existing employment agreements.
10. Further work will be done ahead of IAWAI employing staff directly on a code that applies to IAWAI staff.

Legal/ compliance

11. The Code of Conduct has been drafted in line with values articulated in the Shareholders' Agreement and Constitution.

IAWAI - Flowing Waters Ltd: Board of Directors – Code of Conduct

Purpose

This Code of Conduct sets out the expectations for how Board members behave and carry out their duties.

It reflects the Board's commitment to integrity, transparency, and respect in all that we do, in line with the values of our communities and the principles of Te Tiriti o Waitangi.

Scope

This Code applies to all directors of IAWAI - Flowing Waters Ltd.

We, the Board, commit to:

1. Acting with Integrity

This includes acting honestly, fairly, and in good faith. Decisions should be made in the best interests of IAWAI - Flowing Waters Ltd, the communities served, and in line with shareholders expectations.

2. Respecting Te Tiriti o Waitangi

We acknowledge the importance of Te Tiriti o Waitangi and commit to working in partnership with Waikato Tainui iwi and hapu, honouring their role in water governance and stewardship.

3. Managing Conflicts of Interest

We will declare any personal or financial interests that could influence our decision-making. Any conflicts will be managed transparently and in accordance with our policies.

4. Confidentiality

We will respect the confidentiality of information shared in meetings and through our role. Sensitive information will not be disclosed unless authorised.

5. Accountability

We are accountable for our actions and decisions. We will comply with all relevant laws, council expectations, and internal policies.

6. Professionalism and Respect

We will treat each other, staff, and stakeholders with respect. We value diverse views and encourage open, constructive dialogue.

7. Responsible Use of Resources

We will use company resources responsibly and only for official purposes. This includes digital tools, financial resources, and intellectual property.

8. Gifts and hospitality

We will be bound by Hamilton City Council's Gifts and Hospitalities policy, including guidelines around accepting or declining gifts and outlining what to do when gifts are accepted, until a specific IAWAI policy has been adopted.

8. Reporting Concerns

Any concerns about misconduct or breaches of this Code will be raised through appropriate channels. IAWAI – Flowing Waters Ltd supports a safe environment for speaking up.

9. Continuous Improvement

We commit to reviewing and improving this Code regularly to reflect best practice and the evolving needs of our communities.

Approved by the Board of IAWAI - Flowing Waters Ltd

Date: [Insert Date]

DRAFT

Board meeting 25 05 2025

Public session

Schedule of Board Meetings

Prepared and recommended by Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Approves the proposed schedule of Board meetings for the 2025/26 financial year.
 - b) Notes that dates may be adjusted as required to accommodate emerging priorities or availability.

Key points

1. A draft schedule of meetings for the 2025/26 financial year has been prepared in discussion with Board members.
2. Proposed meetings will be held from 9.30am – 3.00pm on:
 - 28 August 2025
 - 18 September 2025
 - 15 October 2025
 - 20 November 2025
 - 18 December 2025
 - 19 February 2026
 - 19 March 2026
 - 16 April 2026
 - 21 May 2026
 - 18 June 2026
3. The schedule, with meetings held (in general) on the third Thursday of each month, aligns with key reporting and compliance timelines, including availability of financial reporting.
4. Dates may be adjusted as required to accommodate emerging priorities or availability.
5. Meetings will be open to the public, unless there is reason to consider items in public exclusion, in line with the Local Government Official Information and Meetings Act 1987 (LGOIMA).
6. The schedule of meetings will be made available on Hamilton City Council and Waikato District Council's website. Meetings will also be notified monthly in the local newspaper(s).
7. As set out in the IAWAI – Flowing Waters Constitution (First Schedule - Board proceedings), meetings may be held either in person or virtually. The quorum is three, until the Board comprises more than three people.

8. Directors may also convene additional meetings of the Board by giving notice in accordance with the Constitution and the Shareholders' Agreement.

Legal / compliance

9. Meetings will be notified, and information made available in accordance with section 46 of the Local Government Official Information and Meetings Act 1987.
10. Meetings will be held in line with the IAWAI – Flowing Waters Constitution.

Board meeting 25 07 2025

Public session

Shareholders' Agreement, Constitution, and Statement of Expectations

Prepared and recommended by Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Notes that Hamilton City Council and Waikato District Council have adopted a Shareholders' Agreement, Statement of Expectations and Constitution as key governing documents for IAWAI – Flowing Waters.
 - b) Delegates the Executive Chair authority to sign the Shareholders' Agreement on behalf of IAWAI – Flowing Waters.

Key points

2. As part of the legislative requirements to establish a water services CCO, and to set out expectations on how they wish to work, Hamilton City Council and Waikato District Council have adopted a Shareholders' Agreement, Statement of Expectations and Constitution as key governing documents for IAWAI.
3. The Constitution and Shareholders' Agreement set out the values and objectives of the company, shareholders obligations, decisions that require Board oversight in the establishment phase, and decisions that are reserved for shareholding councils, among other things.
4. The Statement of Expectations outlines shareholders expectations on how IAWAI will work with shareholders, Waikato Tainui, and deliver in line with their strategic plans and expectations.
5. The Statement of Expectations draws heavily on councils existing strategies, and the strong expectation expressed to keep up with growth. It includes a requirement for regular review of expectations in line with both Hamilton City Council and Waikato District Council's respective Annual Plans to ensure the Councils are regularly influencing IAWAI's direction. It also sets out expectations that IAWAI will charge customers in a way that is fair and equitable, and pass on efficiency gains.
6. IAWAI is required to report regularly to shareholders on its work through the IAWAI – Flowing Waters Forum, and as agreed directly to Councils.

Background

7. Hamilton City Council approved the Shareholders' Agreement and Constitution on [26 June 2025](#), and Waikato District Council approved the same documents on [30 June 2025](#).

The detail

Statement of Expectations

8. The Statement of Expectations sets out the deep partnership relationship sought between both shareholding councils and between the shareholding councils and IAWAI, and Waikato-Tainui. It recognises that success of IAWAI depends on the joint commitment and contribution to outcomes, the alignment in planning for and responding to growth and development, and alignment of investment across both shareholding Councils and IAWAI.
9. With responding to rapid growth a priority for both councils, and sufficient investment a requirement of Government, it makes clear that scheduling and sequencing of capital works and investment should support the timing of urban development set out in council and Future Proof Growth Strategies and to align with other council infrastructure investments.
10. An annual review of expectations is required before commencement of Annual Plan, Long-Term Plan or Water Services Strategy processes – to ensure continued alignment with shareholding councils agreed priorities – and priorities for the sub-region.
11. The Statement of Expectations formalises the importance of working towards the outcomes sought when the councils agreed to establish IAWAI. This includes commitments to our communities, and te Awa. It expects IAWAI to provide water services in a cost-effective and financially sustainable manner – with fairness of charging, innovation in how it responds to challenges and opportunities, and maintenance of strong focus and commitment to customers.
12. Finally, a korowai cloaks the Statement of Expectations, “me te wai e rere ana – like flowing water”. This tongikura reminds us that our collective stewardship is essential, not only to maintain the integrity of the water infrastructure but also to ensure that our waters company continues to serve our communities and our Tupuna Awa in a way that reflects our shared values and obligations as partnership councils.

Constitution and Shareholders' Agreement

13. The Shareholders' Agreement and Constitution are foundational documents and are expected to (largely) be enduring. They required the approval of both Shareholders via resolution of council.
14. The Shareholders' Agreement sets out reserved matters (section 5) - decisions that require the unanimous agreement of the Shareholders. This includes decisions ranging from an increase in level of financial support to the company, acquisition, construction or disposal of assets over a certain value, approval of major transactions, the proposed surrender of a designation or of an allocation of water within a consented water take or of a consent to take water, the setting of debt levels; the entry or exit of shareholders, and so on.
15. It also set out the Shareholders obligations during the establishment period to obtain the Board's agreement on certain decisions and commitments (section 6). This includes, among other things, any changes to relevant contracts, entry into private development agreements over a certain threshold, the sale or purchase of significant water related assets, changes to consent conditions, or new cross boundary contracts, for example.
16. It set out the how the share structure will be arrived both in the establishment phase, and after the transfer of assets from 1 July 2026.
17. It covers processes and delegations to the IAWAI – Flowing Waters Forum (made up of the two shareholding Councils plus Waikato Tainui); and the Board of Directors.

18. It covers how disputes are dealt with.
19. The Constitution includes the expectation that the Councils may require IAWAI to consult with communities on part of its Water Services Strategy.

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

20. Changes to the way water services are delivered have implications for the way Hamilton City Council and Waikato-Tainui work together and for the avenues to give effect to the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.
21. Through this process, staff have considered arrangements under the Joint Management Arrangement including how to give effect to existing community representation, governance, and partnership agreements which relate to how water services are delivered. Waikato Tainui have been a partner in the Establishment Board Appointment Panel, and will continue to do so through the IAWAI - Flowing Waters Forum.
22. For Waikato-Tainui, the Waikato River is a tupuna which has mana and in turn represents the mana and mauri of Waikato-Tainui. The Waikato River is a single indivisible being that flows from Waikato Iti on the central plateau into lake Taupō and then through Te Taheke Hukahuka toward Te Puuaha o Waikato. The relationship of Waikato-Tainui with the Waikato River and their respect for it lies at the heart of their spiritual and physical wellbeing, and their tribal identity and culture. This is captured in Schedule One of the Kiingitanga Accord which is a feature of the Waikato River settlement. Te Mana o Te Awa identifies spiritual authority, protective power and prestige of the river as key elements while in customary terms mana whakahaere is the exercise of control, access to, and management by Waikato-Tainui in all areas that relate to and impact on the Waikato River.
23. Further consideration is underway by IAWAI to ensure ongoing meaningful engagement at the iwi and hapu level.

Legal/ compliance

24. The Constitution and Shareholders' Agreement were prepared by Chapman Tripp lawyers on behalf of both Councils and comply with relevant legislation. Updates may be required as a result of the Local Government (Water Services) Bill.

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Water Services Delivery Plan

Prepared and recommended by Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Notes that a Water Services Delivery Plan has been submitted to the Department of Internal Affairs for approval.

Key points

2. As part of the decisions to establish IAWAI – Flowing Waters (IAWAI), a joint Water Services Delivery Plan (the Plan) was developed and approved by Hamilton City Council and Waikato District Council. The Plan has been submitted to the Department of Internal Affairs, with the Secretary for Local Government responsible for approving the Plan.
3. The Plan demonstrates how IAWAI can meet the Government's requirements, including sufficient investment, sufficient revenue and sufficient debt to respond to the region's growth and renewal needs, manage water quality in line with legislative requirements and ensure resilient services for communities.
4. The magnitude of what is set to be delivered is immense. The Plan includes a combined water and wastewater capital investment programme of \$3.66 billion to 2033/34 of which 67% (\$2.44 billion) is responding to growth.
5. The Plan sets out the significant increase in operating and capital expenditure required over the period to meet government requirements, but within the same revenue envelope as the councils have set through their respective Long-Term Plans, using new borrowing thresholds provided for by Government.
6. Through its development, staff adopted a conservative approach to identifying efficiencies and savings through the creation of IAWAI but demonstrated that within already forecast rates revenue we are able to deliver a considerably larger capital works programme. The increases in waters revenue in the WSDP reflects the requirement to achieve financial sustainability by 30 June 2028.
7. The WSDP does not present an optimised capital works programme, neither does it present a fully optimised revenue pathway. IAWAI will have the opportunity to do this through its Water Service Strategy(s).
8. Approval of the Plan will give the Establishment Board certainty, and will enable the Board to commence work on the Water Services Strategy.

Background

9. Councils are required to submit Water Services Delivery Plans to the Secretary of Local Government by 3 September 2025. Water Services Delivery Plans are a way for Councils to demonstrate how the chosen water services delivery model meets regulatory requirements, supports growth and urban development, and are financially sustainable.

10. Water Services Delivery Plans are a one-off, transitional requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024.
11. Through the development of Water Services Delivery Plans, the Councils must provide an assessment of their water infrastructure, how much they need to invest, and how they plan to finance and deliver it through their preferred water service delivery model.
12. Hamilton City Council approved the Plan on [26 June 2025](#), and Waikato District Council approved the Plan on [30 June 2025](#).

The detail

13. Hamilton City Council and Waikato District Council's Water Services Delivery Plan sets out a joint delivery model for Hamilton City Council and Waikato District Council through the establishment of IAWAI.
14. Following approval by Hamilton City Council and Waikato District Council, the Plan was submitted to the Secretary for Local Government for approval. Following approval, the Councils are required to publish and give effect to the plan.
15. Early approval of the Plan will give the Establishment Board certainty, and to enable the Board to commence work on the Water Services Strategy.
16. Key information requirements of the Plan include: outlining the three waters service delivery; transition pathway and demonstrating financial sustainability. The Plan included technical detail outlining the Councils investment responses to Growth, Levels of Service, Renewal and Compliance.

Delivery model

17. The Plan outlines the service delivery model and implementation plan, including the actions and timeframes, required to transition to councils chosen water services delivery model.
18. The delivery model is to transition to a Water Services CCO. The CCO (IAWAI) will own the water assets ,wastewater infrastructure and provide stormwater services to Councils under contract.
19. The implementation plan outlines a phased approach to establishment of the IAWAI.

Financial sustainability

20. The Plan is required to demonstrate that financial sustainability will be achieved by 30 June 2028. Financial sustainability of three waters includes balancing sufficiency of investment, sufficient revenue and sufficient debt.
21. The analysis shows that actions will be required by both Councils with respect to stormwater revenue to achieve financial sustainability within the legislated timeframe.
22. The Plan assumes that until superseded by the Water Service Strategy, the Councils current levels of service with regards to three waters will continue to be delivered to the community.
23. Financial information within the Plan is predicated on the Councils existing Long-Term Plan's and in Hamilton's case reflecting the "enhanced capital programme" approved at Hamilton City Council's 29 May 2025 meeting.

24. The financial information is for the purpose of assessing financial sustainability. Financial positions will be superseded by the new strategic planning frameworks under which three waters are to be managed, including the development of a Water Services Strategy.

Investment sufficiency

25. The plan outlines significant investments in response to strategic growth, compliance, renewal and resilience challenges over the next 10 years.
26. The plan acknowledges the significant growth pressures across Hamilton and Waikato. Capital investment programmes are based on the capital works programme in each Council's Long-Term Plan's, plus in Hamilton's case, the enhanced capital programme and for Waikato District, noting its Long-Term Plan budget was adjusted – with some changes to Huntly and Ngaaruawaahia wastewater treatment plants capital works.
27. As the combined Waikato District and Hamilton City area grows, it addresses infrastructure needs in key growth nodes along State Highway 1 between Auckland and Hamilton (including Pokeno, Tuakau, and Te Kauwhata), as well as Hamilton's development areas in Peacocke, Rotokauri, Ruakura, and planned city centre intensification.
28. The magnitude of what councils expect IAWAI (and the Councils for stormwater) to deliver over the 10-year plan is significant:
- a) the Plan forecasts a 22% increase in serviced population to 2033/34 – (from 222,685 to 271,964), which the CCO and the Council's will need to respond to;
 - b) it sets out how IAWAI will maintain current levels of service;
 - c) it sets out investment required to maintain asset condition. Overall assets are good / very good with a large proportion with very long useful lives. For Hamilton City Council around 15% of water supply assets and 11% of wastewater assets will reach end of life in the next decade - the plan provides for their replacement;
 - d) it sets out the investment required to complying with regulations. Overall, we are in a very good space and the investment programme will address issues with Waikato wastewater and stormwater non-compliance; and
 - e) the combined water and wastewater capital investment programme is \$3.66 billion to 2033/34 of which 67% (\$2.44 billion) is responding to growth.

Revenue Sufficiency

29. Although IAWAI is delivering a larger capital programme, revenue is based on existing rates increases agreed through respective Long-Term Plans.
30. IAWAI will be required under legislation to transition charging based on combination of volumetric and/or fixed charges over a five-year period. This transition aims to create a fairer, more transparent and financially sustainable pricing structure for water services while ensuring cost recovery and investment. Universal water metering will be required to achieve this requirement.
31. The Plan uses existing forecast rates revenue to achieve a surplus budget from 2027-28 onwards for both IAWAI, and each respective Council, meeting revenue sufficiency

targets. It notes IAWAI's Board will be responsible for setting charges from the 2026/27 financial year, which will be agreed through the Water Services Strategy.

32. The method of revenue collection is outlined and provided for a 5-year transitional approach whereby councils will collect water and wastewater revenue on behalf of the CCO, until substantive billing systems and processes have been established. The method for stormwater charging is assumed to remain unchanged.
33. The Plan outlines overtime the intent to harmonise pricing.
34. The Plan is required to assess the affordability of water services, with the required metric being the projected charge, as a percentage of average income. The affordability metric demonstrated that the projected cost of three waters is anticipated to be 2.6% of household income by 2033/34.
35. It is important to note that ultimately the development of the Water Services Strategy (from 26/27) and IAWAI Development Contributions Policy will outline and determine the revenue pathway and charging for wastewater and drinking water services.
36. Shareholders have set expectations around fairness of charging, innovation in how it responds to challenges and opportunities, and maintenance of strong focus and commitment to customers.

Funding sufficiency

37. The Plan demonstrates that financing of water and wastewater investments can be maintained within a Funds from Operations to Net Debt ratio above an 8% minimum borrowing threshold throughout the 10 years modelled, assuming access to financing through the Local Government Funding Agency.
38. The Councils can manage respective stormwater networks within their council-wide debt to revenue limit for every year modelled.
39. The collective debt headroom available to both Councils and IAWAI, when considered on an aggregated basis (for all three waters), is projected to be \$1.36billion in 2033-34 – based on the existing financials and associated assumptions. Further work will be done through the Water Services Strategy to refine these numbers in line with the integrated capital works programme.

Financial implications

40. The Water Services Delivery Plan presented is based on the Council's Long-Term Plan – with the addition of the enhanced capital work programme which Hamilton City Council confirmed at its 29 May 2025 meeting.
41. As part of the development of the Water Services Strategy, there will be a number of strategic decisions the Board will wish to consider related to its financial strategy, price pathway, the phasing of the combined capital programme, procurement approach, and its focus on efficiency.

Legal/ compliance

42. The Plan aligns with content requirements in the Local Government (Water Services Preliminary Arrangements) Act 2024 and has been prepared in line with the template plan and guidance provided by the Department of Internal Affairs.

43. Independent legal advice has been sought to ensure the plan complies with the legislative requirements.

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Relationship Agreement

Prepared and recommended by Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Delegates the Executive Chair authority to sign the **Relationship Agreement: YEAR 0 - Memorandum of Intent**, outlining the delivery of shared services between IAWAI, Hamilton City Council and Waikato District Council from 1 July 2025 – 1 July 2026.
 - b) Notes that dates may be adjusted as required to accommodate emerging priorities or availability.

Key points

2. As part of the establishment phase of IAWAI (1 July 2025 – 1 July 2026), Hamilton City Council and Waikato District Council have agreed to provide shared services to IAWAI.
3. Shared services are back-office functions (for example finance, policy, human resources, digital, governance and communications) that support IAWAI operations. Delivering these functions via shared services ensures continuity, avoids large establishment costs, and reduces future stranded overheads.
4. The **Relationship Agreement: YEAR 0 - Memorandum of Intent** (attachment 1) has been drafted and endorsed by the Chief Executives of Hamilton City Council and Waikato District Council to reflect what is intended over the establishment period. Chief Executives have been delegated authority to approve the agreement with IAWAI.
5. The agreement sets out that establishment of the IAWAI is the highest priority for both councils. It explains that every effort should be invested in ensuring that the required work is delivered to meet these expectations. Costs will be debt funded by Hamilton City Council and transferred to IAWAI from 1 July 2026.
6. This report seeks delegation to the Executive Chair, who is acting as the Chief Executive until one is appointed, to sign this agreement on behalf of IAWAI.
7. There may be teething issues as councils adjust to a new way of working. Frequent conversations between Chief Executives and the Executive Chair will resolve any roadblocks and ensure that the level of service being delivered meets IAWAI's needs.
8. A formal agreement to deliver shared services from 1 July 2026 is being developed. Further discussions with the Board will be held in due course.

The detail

9. To ensure readiness to operate as a water services CCO on 1 July 2026, councils and IAWAI must work together. The task is complex and fast-moving. The Shareholders require IAWAI to be established on a minimum viable product (MVP) basis. Their 2025-26 budget recognises this constraint and assumes very high levels of collaboration between Shareholders and CCO's staff and contractors to be operational on DAY 1.

10. Success also depends on ensuring that Watercare Waikato is fully engaged and involved in supporting the establishment, and that Watercare Waikato staff are not disadvantaged by transitioning to the CCO later than other staff.
11. A relationship agreement has been developed to document the expectation for how the resources of the parties are used in the 2025-26 financial year to ensure the successful transition to IAWAI delivering water services for Hamilton City and Waikato District and a post-waters future state for Hamilton City and Waikato District councils.
12. Year 0 (1 July 2025 – 30 June 2026) is expected to be challenging. While IAWAI and Councils have autonomy in decision-making, we will be successful if we accept change and work together to achieve our goals. The general managers of the three parties will oversee and ensure that each organisation learns and respects the culture of the other organisations.
13. A range of shared services are proposed for this period – as set out in **Attachment 1**.
14. The overall performance of the shared services framework will be overseen by the CEs of the relevant organisations who will meet from time to time to do this.

Financial implications

15. The Shareholders and IAWAI are expected to agree on an annual budget for the YEAR 0 Services. As was previously agreed by shareholder councils, Hamilton City Council will debt fund establishment costs, which will be transferred to IAWAI from 1 July 2026.
16. Costs will include:
 - a) Services delivered by HCC or WDC personnel that require backfilling and are budgeted in the Annual Plan for 2025-26.
 - b) Costs for purchases and use of Shareholders' resources and facilities are charged at direct cost.
17. Services that do not require funding are:
 - a) Services delivered by HCC or WDC Personnel that have been identified and agreed as not being backfilled.
 - b) Services delivered by HCC or WDC Personnel that are waters staff continuing to do Services that would otherwise be part of business as usual.

Legal/ compliance

18. As this is an informal relationship agreement, no legal review has been sought. The agreement relies on the good will of councils, and the escalation and resolution of any issues via managers and ultimately the Chief Executives.

Consultation

19. The relationship agreement has been developed collaboratively between Hamilton City Council and Waikato District Council. The Executive Chair has been briefed on the draft agreement.

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IAWAI Financial Delegation Policy

Prepared and recommended by Nikita Hanright and Natasha Yarrall

Recommendation(s)

1. It is recommended that the Board:
 - a) Approves the IAWAI Financial Delegation Policy for 1 July 2025 to 30 June 2026.
 - b) Approves the IAWAI Delegation of Authority to Position Policy for 1 July 2025 to 30 June 2026.

Key points

2. The IAWAI Financial Delegation Policy and Delegation of Authority to Position Policy are based on Hamilton City Council Financial Delegation Policy and decision making delegated within councils.
3. Policies outline the financial authority delegated to key roles within the organisation for 1 July 2025 to 30 June 2026, and decision making for key roles.
4. Key decisions sought include the approval of the delegation limits and the roles to which these limits apply.
5. Policies aim to enhance operational efficiency, accountability, and risk management.

The details

6. The financial delegations policy was prepared using Hamilton City Council existing financial delegation policy as a guide. The delegation limits are based on Hamilton City Council's existing delegation limits for the Chief Executive and Chief Officers and Directors.
7. The policy was presented to the joint Hamilton City Council – Waikato District Council Local Water Done Well project steering group for initial review on 5 June 2025. An updated version was presented on 12 June 2025 incorporating all the feedback.
8. At the 26 June 2025 Council meeting, Hamilton City Council approved delegations in relation to transferred projects relating to IAWAI Flowing Waters. Waikato District Council approved the same set of resolutions on 30 June 2025. The policy has been updated to incorporate this transfer of delegations, and a corresponding policy has been developed outlining decision making for IAWAI below Board level.
9. The policies are interim for the first year of operation. More comprehensive policies will be developed for IAWAI for 1 July 2026.

Financial Implications

10. There are no costs involved in preparing the policy. This only impacts on the financial delegation limits that will apply.

Consultation

11. Hamilton City Council and Waikato District Council have been consulted.

Next steps

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

IAWAI Financial Delegation Policy

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 can 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 and 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](#) reports) from 1 July 2025 to 30 June 2026.

Other establishment costs 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 they are 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 or Directors (Level 2) 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 agreed 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 Council Financial Delegations to Positions Policy and Council Financial Delegations to General Managers Policy.

Table 1: The following delegation limits will apply:

Category	Chief Executive (Level 1)	Chief Officers or Director (Level 2)
Operating Expenditure (Budgeted)	Limited to approved budget	Limited to approved budget
Operating Expenditure (Unbudgeted)	\$250,000	\$200,000
Capital Expenditure (bought forward)	\$500,000	\$300,000
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)
Contracts	\$3,000,000	\$1,500,000
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)
Legal Proceedings	\$250,000	\$100,000
Development Contributions (Developer Contributions Agreements)	\$3,000,000	\$1,500,000
Future operating or capital commitments	\$3,000,000	\$1,500,000
Debt write off	\$10,000	\$5,000

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

IAWAI Delegation of Authority Policy

Ko te Puutaketanga Purpose

To establish a clear framework for the delegation of decision-making authority from the Board of Directors to the Chief Executive, and from the Chief Executive to IAWAI senior managers, ensuring effective governance, operational efficiency, and accountability.

Ko te Whaanuitanga Scope

This policy applies to all members of the Board of Directors, the Chief Executive (or Executive Chair of the Board in the Chief Executive's absence), and IAWAI senior managers.

It should be read in conjunction with the Shareholders' Agreement, which sets out the delegation of decisions in the establishment phase – including reserved matters (section 5) - decisions that require the unanimous agreement of the Shareholders; and the Shareholders obligations during the establishment period to obtain the Board's agreement on certain decisions and commitments (section 6).

It should also be read in conjunction with shareholder council papers which transfer the delegation of decision making (below council level) on some major projects. This policy confirms decision making within IAWAI, in relation to those projects.

Ko ngaa Tikanga Whakahaere Kaupapahere Principles of Policy

- **Accountability** remains with the delegating authority.
- **Transparency** in decision-making processes.
- **Alignment** with strategic objectives and legal obligations.
- **Competence** of the delegate to make informed decisions.

Ko ngaa Tikanga Policy

Delegation from Board to Chief Executive

The Board delegates authority to the Chief Executive (or Executive Chair of the Board in the Chief Executive's absence) to:

- Implement strategic plans and policies approved by the Board.
- Manage day-to-day operations and organisational resources.
- Make decisions on staffing, budgeting, and procurement within approved limits.
- Represent the organisation in external matters, subject to Board oversight.
- Approve operational policies and procedures.
- Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the Council Chief Executive;

- Make decisions relating to the Council as a resource consent applicant that are currently delegated the Chief Executive as set out on pages 41-51 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;
- Make decisions relating to the Council as a requiring authority that are currently delegated to the Chief Executive as set out on pages 62-69 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;

Limitations:

- Strategic decisions, mergers, acquisitions, and capital expenditures above \$3,000,000, as set out in the financial delegation's policy, require Board and, where applicable, shareholding councils, approval.
- The CE must report regularly to the Board on performance, risks, and compliance.

Delegation from Chief Executive to IAWAI Chief Officer

The Chief Executive delegates authority to Chief Strategy and Planning to:

- Make decisions relating to project scope, design, consenting, reconsenting, designations, land acquisition, procurement of physical works, and procurement of all related professional services that would normally be made by the responsible General Manager;
- Make decisions relating to the Council as a resource consent applicant that are currently delegated the responsible General Manager as set out on pages 41-51 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;
- Make decisions relating to the Council as a requiring authority that are currently delegated to the responsible General Manager as set out on pages 62-69 of the Council Policy: Delegations to Officers Specific to the Resource Management Act 1991;

Delegation from Chief Executive to IAWAI Chief Officer and Director (Tier 2 Managers)

The Chief Executive delegates authority to Tier 2 Managers to:

- Execute operational plans within their respective workstreams.
- Manage staff, budgets, and resources within approved limits.
- Make decisions on service delivery, customer engagement, and internal processes.
- Recommend improvements and innovations to the CE.

Limitations:

- IAWAI Tier 2 Managers may not make decisions that alter strategic direction, exceed delegated financial authority, or involve legal commitments without CE approval.
- IAWAI Tier 2 Managers must report to the CE on performance metrics, risks, and compliance issues.

Documentation and Review

- Delegations are subject to annual review or as required due to organisational changes.
- Any changes to delegated authority must be approved by the delegating authority.

Compliance and Breach

- Non-compliance with this policy may result in disciplinary action.
- Breaches must be reported to the next level of authority and addressed promptly.

Effective Date and Review

- This policy is effective from the date of Board approval and will be reviewed before 1 July 2026 – being IAWAI Day 1 Operations.

DRAFT

Board meeting 25 07 2025

Public session

IAWAI Media Policy

Prepared and recommended by Nicole Nooyen

Recommendation(s)

1. It is recommended that the Board:
 - a) Approves the draft Media Policy for IAWAI – Flowing Waters.

Key points

2. With news media playing a critical role in informing our communities of our work and services, a Media Policy has been developed to ensure staff, contractors/consultants and Board Members understand agreed processes around working with the news media.
3. One of the key principles of the policy is to be transparent and as much as possible, to communicate openly and proactively about IAWAI's services, decisions, and initiatives.
4. The policy sets out that, given significance of the relationships with Shareholder Mayors, Waikato-Tainui, and staff, relevant people should be notified in advance where possible on a no-surprises basis.
5. It set out the process for engaging with the media via the Communicaton Manager and/or authorised spokespeople.

Financial Implications

6. There are no costs involved in preparing the policy.

Next steps

7. The policy will be effective following Board approval.

IAWAI - Flowing Waters Media Policy

Ko te Puutaketanga Purpose

The purpose of this policy is to ensure staff, contractors/consultants and Board Members understand agreed processes around working with the news media.

Ko ngaa Tikanga Whakahaere Kaupapahere Principles of Policy

- We acknowledge the key role news media plays in informing our communities of our work and services.
- We aim to be transparent and as much as possible, will communicate openly and proactively about our services, decisions, and initiatives.
- We will use simple language and be consistent in our messaging.
- We will respect the reputations and roles of shareholder councils in any public statements and as much as possible, will operate a 'no surprises' policy.
- We will specifically consider the public role of shareholder Mayors, and liaise directly with Mayoral offices in a timely way, when appropriate.
- We acknowledge our partner, Waikato-Tainui, will consider Waikato-Tainui in any public statements and, as much as possible, operate a 'no surprises' policy.
- As much as possible, we will ensure staff hear about our initiatives first, rather than from the news media.
- We will be mindful that IAWAI – Flowing Waters is a Council Controlled Organisation and is subject to LGOIMA. Anything that is written or becomes a record of the company is discoverable unless there is a valid reason to withhold it.

Ko te Whaanuitanga Scope

This policy applies to:

- all staff – permanent, fixed-term, seconded and casual
- contractors and consultants working for, or on behalf of, IAWAI - Flowing Waters
- Board members (with the exception of the Executive Chair/Chair)

This Policy relates to:

- all media including national and local newspapers, magazines, radio, television, websites and any other form of published content
- social media (e.g. Facebook, Instagram, LinkedIn etc) in a personal capacity.

This Policy does not apply to:

- The Executive Chair/Chief Executive and those whom he/she delegates to liaise with the media on their behalf
- IAWAI - Flowing Waters internal communication activities

Ko ngaa Tikanga Policy

Media spokespeople

All communication with the media must be through the Communication Manager and/or authorised spokespeople. Only designated spokespeople may directly communicate with the news media on behalf of IAWAI - Flowing Waters. These are:

- the Chief Executive
- the Chair of the Board (for governance matters only)
- Communications Manager
- other staff members as directly authorised by the Chief Executive, after liaison with the Communications Manager

Proactive media

Employees must not contact the media directly on behalf of IAWAI - Flowing Waters. If employees, consultants or contractors wish to propose a potential media story, or suspect a media issue, they should see the Communication Manager.

Proactive media opportunities will be actively developed and coordinated by the Communication Manager, with approval from the Chief Executive or their delegate.

The Communications Manager will consider the needs of internal audiences and partners before responding to, or generating media stories.

Media enquiries

All media enquiries must be directed to the Communication Manager in the first instance. All media enquiries will be prioritised for response in a timely manner, noting our commitments to our shareholder councils and partners, and noting principles around transparency and simplicity.

Media and social media in a personal capacity

Employees may engage with media and social media in a personal capacity, but must be cognisant of the organisation's Code of Conduct. Specifically, employees, contractors/consultants or Board Members:

- Must not speak to the news media on behalf of IAWAI - Flowing Waters or imply they represent the organisation.
- Must not share confidential or commercially sensitive information with the news media or on social media
- Must not use any IAWAI - Flowing Waters-owned images or logo (except when sharing company posts or stories).
- Must not include any photos or videos of worksites not accessible to the public, or any imagery that could bring IAWAI - Flowing Waters into disrepute.

Employees may represent the company at locations or events. Employees taking photos in this capacity must be mindful of the community's expectation of privacy, ensure correct permissions are obtained and talk to the Communication Manager before posting on social media. If in doubt, staff should seek guidance from the Communications Manager before making public comments.

Crisis

In a crisis or when handling sensitive matters, media responses must:

- Be coordinated centrally through the Chief Executive and Communication Manager
- Align with emergency or incident response protocols.
- Be developed in consultation with partner councils as appropriate.

Shareholder council collaboration

As a jointly owned entity, IAWAI - Flowing Waters will:

- Keep both councils informed of significant media engagement related to their communities.
- Inform shareholding councils before releasing media statements
- Advise Mayoral offices of any potential media issues that may impact directly on them
- Respect each Council's own media and communications policies.

Breaches

Breaches of this Policy may result in disciplinary action, including dismissal for serious misconduct, in accordance with IAWAI - Flowing Waters disciplinary procedures.

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