



Council | Kaunihera

Minutes

Record of a meeting of Upper Hutt City Council held in Council Chambers, Level 2 Civic Building, 838 – 842 Fergusson Drive on Monday 30 June 2025 commencing at 3.00 pm.

Present: Mayor W N Guppy (Chair), Deputy Mayor H Swales (Deputy Chair), Councillor D M Bentley, Councillor M G Carey, Councillor C B G Carson, Councillor J B Griffiths, Councillor A W Hammond, Councillor E Holderness, Councillor H Newell, Councillor T M Ultra and Councillor D Wheeler.

MOVED: Mayor Guppy / Councillor Newell

“That the public excluded report titled Recommendation of Debts to be written off for the year ended 30 June 2025 be dealt with under public exclusion following this meeting.”

MOTION CARRIED: C 250401 (2)

4. Decision on Local Water Done Well Water Services Delivery Model and next steps

The Chief Advisor provided an overview of the report's purpose and the decisions required from the Council regarding the water services delivery model and the water services delivery plan. The Chief Advisor tabled a high-level decision-making process and timeline diagram, which is appended as **Attachment 1**.

The Chief Advisor answered questions from members regarding the financial considerations and modelling for the water services delivery model, as well as the timeframe for the decisions required by Council.

The Chief Advisor answered member's questions about the updated Terms of Reference for the Advisory Oversight Group, clarifying that the 'Wellington Region' now refers to a smaller collection of five Councils, as well as the references to stakeholders and shareholders and the structure of the Advisory Oversight Group. The Chief Advisor noted that the specific Iwi partners would be specified in the Terms of Reference, and that the timeframes would be reviewed and updated accordingly.

The Group Manager of Corporate Services answered questions from members about financial considerations and modelling, the timeframe for the application of water charges,

Members discussed their desire to communicate more about the Local Water Done Well Services Delivery Model and outline the next steps for the community and concerns about the make-up and structure of the Advisory Oversight Group.

In accordance with Standing Order 23.3 Motioned expressed in parts, the Chair took the motion in parts as follows:

MOVED: Councillor Bentley / Councillor Ultra

“That Council:

- A. receives the report, titled Decision on Local Water Done Well Water Services Delivery Model and next steps;*
- B. notes the consultation feedback considered at the 11 June 2025 deliberations meeting, with a majority (84%) support for the preferred option (as is summarised in Attachment 2 of the report);*
- C. confirm its water service delivery model as the preferred consultation option of a new Wellington multi-council owned Water Services Council Controlled Organisation (WSCCO), which will deliver the Council's Water Supply, Wastewater and Stormwater services;*

- D. requests officers develop a joint Water Services Delivery Plan for Council adoption in August 2025, prior to the Water Services Delivery Plan being submitted to the Secretary of Local Government (via Department of Internal Affairs) by 3 September 2025;
- E. agrees to jointly establish and co-own a new Water Services Council Controlled Organisation (water organisation) for Water Supply, Wastewater and Stormwater services, together with Porirua City Council, Hutt City Council, Wellington City Council, and Greater Wellington Regional Council;
- F. notes the intention to transfer its assets, debt, liabilities and services in relation to Water Supply, Wastewater and Stormwater to the new jointly owned water organisation on or by 1 July 2026, and
- G. requests officers develop new water organisation draft foundation documents for Council's endorsement in August 2025"

MOTION CARRIED: C 250402 (2)

MOVED: Mayor Guppy / Councillor Bentley

"That Council notes the following Upper Hutt City Council priorities as enduring principles for the establishment of the new water organisation and its future direction to be reflected in foundation documents:

- i. *keeping water services and assets as publicly owned;*
- ii. *ensuring Te Tiriti is upheld, along with reflecting and promoting mana whenua priorities and outcomes for water;*
- iii. *ensuring water services are delivered on the basis of fair, equitable pricing and charging, reflecting the 'cost to serve' and a priority focus on value for money for the community, and*
- iv. *ensuring there is full transparency and accountability of the new water organisation to both the public and governance, including shareholding Councils."*

MOTION CARRIED: C 250403 (2)

The Chief Advisor provided some clarity about the governance arrangements for the proposed new water organisation, which will be addressed in the foundation document.

MOVED: Councillor Bentley / Councillor Hammond

"That Council notes the outline steps for preparation of the new water organisation foundation documents, comprising the Constitution, Stakeholders Agreement, Statement of Expectations principles, Consumer Charter principles and Transfer Agreement principles, through to December 2025 (as outlined in paragraph 21 of the report)."

MOTION CARRIED: C 250404 (2)

Deputy Mayor Swales, with the support of Mayor Guppy noted their request to include the names of the Iwi partners in the Terms of Reference.

MOVED: Deputy Mayor Swales / Mayor Guppy

"That Council agrees to amend the terms of reference for the Advisory Oversight Group, to allow the AOG to undertake specific establishment activities to give effect to the Council's agreed water services delivery model, **with a change to include the names of the Iwi partners.**"*

MOTION CARRIED: C 250405 (2)

Governance note: The motion was moved with an amendment, marked above in red.

*Governance note: The final version of the Terms of Reference for the Advisory Oversight Group is appended as **Attachment 2** to these minutes.

Members agreed that an amendment be made to the recommendation to ensure that Council is consulted as part of the process, as well as the Council's representative on the Advisory Oversight Group.

MOVED: Councillor Holderness / Councillor Griffiths

*"That Council delegates to the Mayor and any alternate, as the Council's representative on the Advisory Oversight Group, **with input from full Council**, the power to make decisions on the following establishment activities only:*

- i. the appointment, removal, and remuneration of interim directors of the new water organisation, and*
- ii. the approval of the new water organisation's draft Constitution and draft Stakeholders Agreement."*

MOTION CARRIED: C 250406 (2)

Governance note: The motion was moved with an amendment, marked above in red.

6. Adoption of the Revenue and Financing Policy, Alcohol Fees Bylaw and Class 4 Gambling Venues Policy

Councillor Carson declared a conflict of interest in relation to the Alcohol Fees Bylaw 2025; he moved back from the table.

MOVED: Mayor Guppy / Councillor Wheeler

"That Council:

- A. receives the adoption of the Revenue and Financing Policy, Alcohol Fees Bylaw and Class 4 Gambling Venues Policy report,*
- B. adopts the following policies and bylaws:*
 - i. Revenue and Financing Policy 2025,*
 - ii. Alcohol Fees Bylaw 2025, and*
 - iii. Gambling Venues Policy 2025,*
- C. notes that council was required to consult with the public under the special consultative procedure of the Local Government Act, and*
- D. authorises officers to make any consequential amendments to this document based on direction provided at this meeting / to correct any minor editorial, typographical, arithmetical, or formatting errors that are identified."*

MOTION CARRIED: C 250407 (2)

Having declared a conflict of interest, Councillor Carson abstained from the above vote.

5. Adoption of Schedule of Fees and Charges 2025 - 2026

The Strategy, Planning, and Policy Manager noted the following fees to be applied to the Schedule of Fees and Charges: Line 243, the Public Notice cost is \$145; Line 284, the Late Submission cost is \$100; and Line 285, the Licensing Inspector's hourly rate cost is \$275.

MOVED: Councillor Bentley / Councillor Ultra

"That Council,

- A. receives the report titled Adoption of Schedule of Fees and Charges 2025 – 2026,*
- B. adopts the Schedule of Fees and Charges 2025 – 2026,*
- C. publicly notifies the Schedule of Fees and Charges 2025 – 2026 in accordance with legislative requirements,*

- D. *agrees that the officer's report be released as public information following Council's approval,*
- E. *authorises officers to make any consequential amendments to this document based on direction provided at this meeting to correct any minor editorial, typographical, arithmetical, or formatting errors that are identified.*

MOTION CARRIED: C 250408 (2)

7. Adoption of the Annual Plan 2025-26

The Group Manager of Corporate Services responded to a member's question about government-imposed water charges, the transparency of costs for contractors and consultants and the Local Government New Zealand Membership, which she confirmed is paid up until March 2026.

Members agreed to amend the recommendation to note that the Commerce Commission Levy and Taumata Arowai Levy for water regulation will be funded by the existing water budget.

MOVED: Mayor Guppy / Deputy Mayor Swales

"That Council,

- A. *receives the report titled Adoption of the Annual Plan 2025-26,*
- B. *adopts the Annual Plan 2025-26 in accordance with section 95 of the Local Government Act 2002.*
- C. *authorises staff to make any consequential amendments to the Annual Plan 2025-26 document based on direction provided at this meeting and/or to correct any minor editorial, typographical, arithmetical, or formatting errors that are identified before publication, and*
- D. *notes that the Commerce Commission Levy and Taumata Arowai Levy for water regulation will be funded by existing water budgets."*

MOTION CARRIED: C 250409 (2)

Governance note: The motion was moved with an amendment, marked above in red.

8. Setting of Annual Rates and Uniform Charges 2025-26

MOVED: Councillor Bentley / Councillor Wheeler

"That Council,

- A. *receives and notes the report titled Setting of Annual Rates and Uniform Annual Charges 2025-26; and*
- B. *pursuant to sections 23, 24 and 57 of the Local Government (Rating) Act 2002, resolves to set the rates, due dates, and penalties for unpaid rates for rating units in the city of Upper Hutt for the rating year 1 July 2025 to 30 June 2026:*
- C. *A GENERAL RATE set under section 13(2)(b) of the LGRA, on the capital value of rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply):*
 - (i) *A rate of 0.19211 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;*
 - (ii) *A rate of 0.14408 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;*
 - (iii) *A rate of 0.14408 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;*
 - (iv) *A rate of 0.55711 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;*
 - (v) *A rate of 0.57632 cents in the dollar of capital value on every rating unit in the utilities (and three waters utilities) category as defined in the Funding Impact Statement;*

- (vi) A rate of 0.67237 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.
- (vii) A rate of 0.96053 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

D. A TARGETED RATE FOR WATER SUPPLY, set under sections 16(3)(b) and 14(4)(b) of the LGRA, assessed on a differential basis as follows:

- (i) \$701.22984 (inclusive of GST at the prevailing rate at the time of supply) on each separately used or inhabited part of a rating unit to which water is supplied ("a serviced property"); or
- (ii) \$350.61492 (inclusive of GST at the prevailing rate at the time of supply) on every rating unit that can be but is not supplied with water ("a serviceable property").

E. A TARGETED RATE FOR WATER SUPPLY FOR FIRE PROTECTION PURPOSES, set under sections 16(3)(b) and 16(4)(b) of the LGRA, on capital value, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply):

- (i) 0.02230 cents in the dollar of capital value on each rating unit which is connected to the water supply ("serviced property"); and
- (ii) 0.01115 cents in the dollar of capital value on every rating unit that can be but is not supplied with water and is situated within 100 metres of any part of the waterworks ("serviceable property").

F. A TARGETED RATE FOR STORMWATER PURPOSES, set under sections 16(3)(b) and 16(4)(b) of the LGRA, on the capital value of rating units in those parts of the City located within the Upper Hutt Urban Drainage District, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply):

- (i) 0.03999 cents in the dollar of capital value on every rating unit in the business category as defined in the Funding Impact Statement;
- (ii) 0.02856 cents in the dollar of capital value on every other rating unit subject to this targeted rate.

G. A TARGETED RATE FOR WASTEWATER DISPOSAL, set under sections 16 (3)(b) and 16(4)(a) of the LGRA, based on the number of water closets (pans) or urinals connected to a public sewage drain, as follows:

- (i) \$656.56061 (inclusive of GST at the prevailing rate at the time of supply) for the first pan or urinal and for every second pan or urinal thereafter. If there is an odd number of pans the assessment is rounded down.
- (ii) for schools in the City, wastewater rates will be calculated as the lesser of:
 - a. the number of pans and urinals assessed as if the school was a non-residential rating unit; or
 - b. the amount calculated using the following formula: Volume of water used per annum ÷ 228 (228 being the number of cubic metres assessed as being a standard residential unit annual usage)

Note 4 to Schedule 3 of the Local Government (Rating) Act 2002 applies so that a rating unit used primarily as a residence for one household is deemed to have not more than one pan or urinal.

H. A TARGETED RATE FOR LAND TRANSPORT, set under sections 16(3)(a) and 16(4)(b) of the LGRA, on the capital value of all rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply):

- (i) A rate of 0.05338 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;
- (ii) A rate of 0.04004 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;
- (iii) A rate of 0.04004 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;
- (iv) A rate of 0.15481 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;
- (v) A rate of 0.16015 cents in the dollar of capital value on every rating unit in the utilities (and three waters) category as defined in the Funding Impact Statement;

- (vi) A rate of 0.18684 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.
- (vii) A rate of 0.26692 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

I. A TARGETED RATE FOR CENTRAL GOVERNMENT COMPLIANCE COSTS, set under sections 16(3)(a) and 16(4)(b) of the LGRA, on the capital value of all rating units in the City, assessed on a differential basis as follows (all rates inclusive of GST at the prevailing rate at the time of supply);

- (i) A rate of 0.01053 cents in the dollar of capital value on every rating unit in the standard rating category as defined in the Funding Impact Statement;
- (ii) A rate of 0.00790 cents in the dollar of capital value on every rating unit in the rural rating category as defined in the Funding Impact Statement;
- (iii) A rate of 0.00790 cents in the dollar of capital value on every rating unit in the forestry rating category as defined in the Funding Impact Statement;
- (iv) A rate of 0.03054 cents in the dollar of capital value on every rating unit in the business rating category as defined in the Funding Impact Statement;
- (v) A rate of 0.03159 cents in the dollar of capital value on every rating unit in the utilities (and three waters) category as defined in the Funding Impact Statement;
- (vi) A rate of 0.03686 cents in the dollar of capital value on every rating unit in the corrections facility category as defined in the Funding Impact Statement.
- (vii) A rate of 0.05265 cents in the dollar of capital value on every rating unit in the Vacant land category as defined in the Funding Impact Statement.

J. RATES OF DEFENCE LAND: The rates described in this report comply with section 22 of the LGRA, which requires that rates set under s13(2) (general rates) or s16 (targeted rates) of the LGRA not result in land owned or used by the Crown as an air force base, army camp, naval establishment, or other defence area being assessed for an amount of rates that exceeds the amount that would have been assessed if the rates for the district had been calculated on the land value only.

K. DATES THAT RATES ARE PAYABLE: That the Council agrees all property rates be payable in four equal instalments due on the due date stated for the relevant instalment, as follows:

Instalment	Due date	Penalty date
Instalment One	1 September 2025	2 September 2025
Instalment Two	1 December 2025	2 December 2025
Instalment Three	2 March 2026	3 March 2026
Instalment Four	2 June 2026	3 June 2026

All payments made will be receipted against the earliest outstanding rate amounts in accordance with authorised accounting procedures.

L. That the Council apply the following PENALTIES on unpaid rates in accordance with sections 57 and 58 of the Local Government (Rating) Act 2022:

- (i) A penalty of 10 percent of the amount of each instalment for the 2025-26 year which remains unpaid after the relevant due date listed in paragraph 11 will be added on the relevant penalty date for the instalment stated in paragraph 11 above (section 58(1)(a)).
- (ii) A further penalty of 10 percent of the amount of rates set for any previous financial year that is unpaid 5 working days after the date of this resolution. The penalty will be added on 7 July 2025 (Section 58(1)(b)). This is to align with the later date of either the Greater Wellington Regional Council or the Upper Hutt City Council's rates resolution.
- (iii) A further penalty of 10 percent on rates to which a penalty has been added under paragraph 12(ii) if the rates are unpaid six [6] months after the penalty in paragraph 12(ii) was added. The penalty will be added on 7 January 2026 (Section 58(1)(c))."

MOTION CARRIED: C 250410 (2)

Public Excluded Business

Late agenda item: Recommendation of Debts to be written off for the year end 30 June 2025

MOVED: Mayor Guppy / Councillor Holderness

<p><i>“That the public be excluded from the following parts of the proceedings of this meeting, namely: Pursuant to the provisions of section 48 of the Local Government Official Information and Meetings Act 1987 (LGOIMA), the public is excluded from the following part of the proceedings of this meeting. The particular interest(s) protected by section 6 or section 7 of LGOIMA which would be prejudiced by the holding of the whole or the relevant part of the meeting in public meetings are specified below:</i></p>		
<i>General subject of each matter to be considered.</i>	<i>Reasons for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Late agenda item: Recommendation of Debts to be written off for the year end 30 June 2025</i>	<i>Section 7(2)(a) To protect information subject to an obligation of confidence, and the withholding of information is necessary to protect the privacy of natural persons.</i>	<i>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist, where the local authority is specified in schedule 1, under section 7 [except section 7(2)(f)(i)].”</i>

MOTION CARRIED: C 250411 (2)

Included attachments

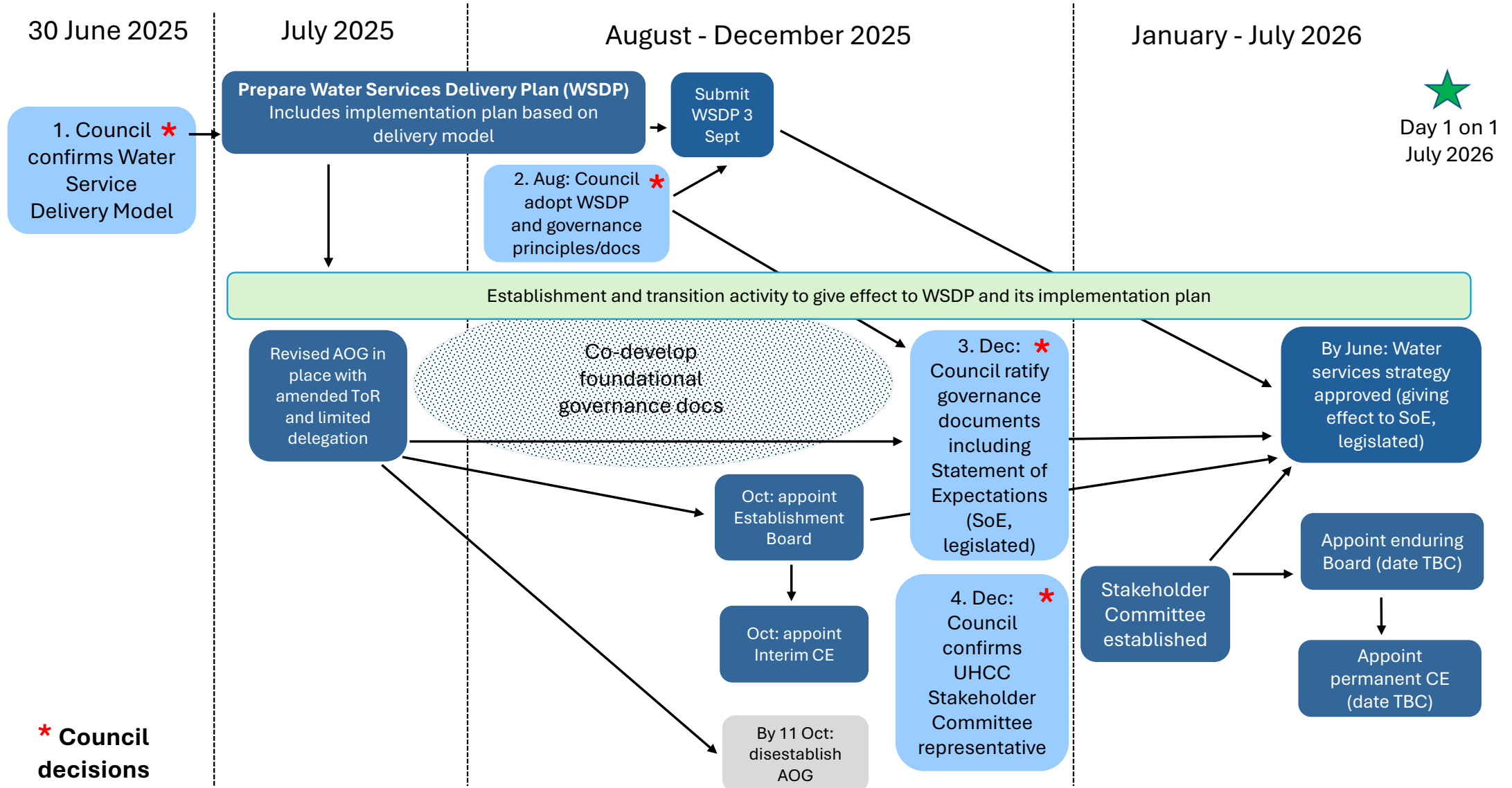
[Attachment 1. High-level decision-making process and timeline diagram](#) [page 8](#)

[Attachment 2. Terms of Reference for the Advisory Oversight Group](#) [page 9](#)

Mayor Guppy closed the public meeting at 3.48 pm. The public excluded session concluded at 3.53 pm, and the meeting was closed.

His Worship the Mayor W N Guppy | Koromatua
Chair

High-level decision-making process and timeline



Memorandum of Intent

for the development of a joint Water Services Delivery Plan, and establishment planning for a new water organisation

PARTIES

Porirua City Council
Hutt City Council
Upper Hutt City Council
Wellington City Council
Greater Wellington Regional Council

Updated version dated 1 July 2025, following all participating councils accepting amendments to the terms of reference for the Advisory Oversight Group (the AOG), to allow the AOG to undertake specific establishment activities in order to give effect to the water services delivery model.

Dated:	Endorsed by the Participating Council Chief Executives' Group on Thursday 30 January 2025 and subsequently ratified at the Advisory Oversight Group of Participating Councils and signed by their representatives on 31 March 2025.
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Memorandum of Intent (2025)

(Executed by the members of the Advisory Oversight Group, 31 March 2025)

.....

Name:

Signed on behalf of
Porirua City Council (PCC)

.....

Name:

Signed on behalf of
Hutt City Council (HCC)

.....

Name:

Signed on behalf of
Upper Hutt City Council (UHCC)

.....

Name:

Signed on behalf of
Wellington City Council (WCC)

.....

Name:

Signed on behalf of
Greater Wellington Regional Council (GWRC)

1. Background

- 1.1 As part of the Government's Local Water Done Well (**LWDW**) policy and associated legislation, territorial authorities and Greater Wellington Regional Council are required by 3 September 2025 to submit a Water Services Delivery Plan (**WSDP**) to the Secretary for Local Government (Department of Internal Affairs) on how water services will be delivered in their districts, as required under the Local Government (Water Services Preliminary Arrangements) Act 2024.
- 1.2 This Memorandum of Intent supersedes a May 2024 Memorandum of Understanding between the nine councils in the Wellington region, along with Horowhenua District Council.
- 1.3 The ten councils worked together with mana whenua partners through 2024 to assess their existing service delivery models and consider a regional response to the Government's LWDW policy. They considered a range of delivery model options, to take forward for the development of a joint WSDP.
- 1.4 The ten councils then conducted formal decision making in November and December 2024. Hutt, Wellington, Upper Hutt, and Porirua City Councils along with Greater Wellington Regional Council (**Participating Councils**) all made the decision to continue to work together on a joint WSDP with a multi-council-owned water organisation (**WO**) as the preferred delivery model.
- 1.5 This Memorandum of Intent articulates how the Participating Councils will work together and with mana whenua partners, Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika, to prepare their joint WSDP for the preferred delivery option of a multi-council-owned water organisation.

2. Purpose of this agreement

- 2.1 The purpose of this agreement is to record the Participating Councils' commitment to work together to:
 - 2.1.1 develop a joint WSDP; and
 - 2.1.2 subject to public consultation and council adoption of the WSDP, plan for the establishment of the WO in accordance with the adopted joint WSDP (the **Programme**).
- 2.2 Each Participating Council will use best endeavours to adopt the WSDP by 22 August 2025 to avoid delays that may arise from the 2025 local body elections.
- 2.3 Each Participating Council agrees to undertake the activities and responsibilities allocated to it in this agreement to achieve the key objectives of the Programme (see clause 3).
- 2.4 The Participating Councils have entered into this agreement to record the terms of their commitment to achieve the joint WSDP and associated Programme objectives.
- 2.5 Subject to public consultation and council adoption of the joint WSDP, it is intended that this agreement will be superseded by a further agreement setting out the process, costs and accountabilities for the establishment of the WO.

3. Key objectives of the Programme

- 3.1 For the Participating Councils to continue to work closely, collaboratively and successfully to develop a joint WSDP that meets each council's needs and objectives for their respective communities.
- 3.2 To facilitate the Participating Councils making decisions in a timely manner to ensure work can progress, in order to meet the requirements for submission of the joint WSDP, and other requirements under the Local Government (Water Services Preliminary Arrangements) Act 2024 and the Local Government (Water Services) Bill once enacted.
- 3.3 To facilitate the Participating Councils working together in a way that ensures an effective and efficient use of the Participating Councils' resources, providing optimum benefit to the parties' ratepayers.
- 3.4 To effectively plan for the establishment of the WO in accordance with the adopted joint WSDP.

4. Relationship principles

4.1 The Participating Councils will:

- 4.1.1 work together collaboratively and in good faith;
- 4.1.2 ensure communication is open, proactive, transparent and inclusive, to avoid any surprises;
- 4.1.3 make every effort to understand the other Participating Councils' needs and objectives for the joint delivery model, and make all reasonable endeavours to ensure the joint delivery model meets such needs and objectives;
- 4.1.4 raise any issues that arise in connection with this agreement at the earliest opportunity for joint resolution;
- 4.1.5 resolve disagreements between themselves promptly and amicably; and
- 4.1.6 as a courtesy and in the interest of clear and consistent communication, consult with each other before commenting publicly on the Programme, joint delivery model or this agreement.

5. Council responsibilities

5.1 Each Participating Council will work with the other Participating Councils to:

- 5.1.1 agree reasonable and realistic timeframes for delivery of the joint WSDP;
- 5.1.2 make decisions in relation to matters in the Programme, within the indicative timeframes listed in the Programme plan;
- 5.1.3 provide subject matter experts where relevant, to assist with the development of the joint WSDP;
- 5.1.4 provide a dedicated single point of contact for that Participating Council for the management of the Programme delivery and to be on the Programme's Responsible Officer Group (ROG);
- 5.1.5 provide a dedicated and senior-level council 'sponsor' for the Programme, who in most cases will be the Chief Executive;
- 5.1.6 attend those meetings agreed by the Participating Councils as appropriate or necessary for the effective governance and delivery of the Programme;
- 5.1.7 agree to renegotiate, where necessary, any aspects of this agreement that need to be amended as a result of changes in government policy or direction;
- 5.1.8 fund and provide resources to undertake the Programme under this Memorandum of Intent; and
- 5.1.9 be responsible for complying with any requirements to undertake consultation or reporting in respect of its own council and local government processes.

6. Council individual responsibilities not affected

- 6.1 Each Participating Council acknowledges that its commitment to the obligations under this agreement does not limit or preempt each council's own obligations as local government authorities at law, including in respect of decision-making responsibility and public consultation obligations.

7. Lead Council responsibilities

7.1 The Participating Councils agree that Porirua City Council will be the Programme Lead Council ("Lead Council") with the following responsibilities:

- 7.1.1 managing Programme expenditure and tracking against the Programme budget;
- 7.1.2 leading the procurement of Programme resources following Porirua City Council's agreed and transparent procurement principles, guidelines and processes;
- 7.1.3 holding and managing all Programme contracts, e.g., client lead for all providers to the Programme on behalf of the Participating Councils; and
- 7.1.4 providing the Chair for the Chief Executives' Group.

- 7.2 The Chief Executives' Group may, at any point, agree to replace the Lead Council, after which time, the relevant council will assume the responsibilities of the Lead Council under this Memorandum of Intent.

8. Council decision expectations and timelines

- 8.1 The decisions that the Participating Councils need to make to complete a joint WSDP are at the heart of the Programme. The majority of the Programme tasks and outputs are to support Participating Councils to make informed decisions. The timeframes for the whole Programme and for the key council decisions are influenced by council processes and the Government's due date of 3 September 2025 for submitting WSDPs.
- 8.2 The two significant council decisions required for completion of the joint WSDP are:
- 8.2.1 **By Monday 30 June 2025:** Participating Councils to confirm service delivery model to be adopted and decide to finalise the joint WSDP.
 - 8.2.2 **By Friday 22 August 2025:** Participating Councils to adopt the final joint WSDP, which will include a commitment to implementation.
- 8.3 Further detail on Programme deliverables and milestones relating to the council decisions is outlined in the Programme plan.
- 8.4 Further decisions required to give effect to the joint WSDP are intended to be set out in a further agreement setting out the process, costs and accountabilities for the establishment of the WO.

9. Programme communications

- 9.1 The Participating Councils agree that media releases, public announcements and any other public-facing communications relating to this Memorandum of Intent or the Programme shall be coordinated between the Participating Councils to ensure consistency and no surprises.
- 9.2 The intent for this coordination and the processes to support this are outlined in the Programme's 'communications approach'.

10. Government communications

- 10.1 The Participating Councils agree that communications with the Department of Internal Affairs in relation to the Programme will be jointly coordinated and managed through the core Programme Team unless otherwise agreed.

11. Implications of a council exiting the Programme

- 11.1 The Participating Councils commit to this agreement on a non-binding basis, whilst also acknowledging that should any Participating Council opt to exit the Programme, there will be significant implications for the other Participating Councils.
- 11.2 All Participating Councils acknowledge the following implications for the preferred approach of a multi-council-owned water organisation if one of the Participating Councils decides to exit the Programme ahead of the WSDP being submitted to Government:
- 11.2.1 If, following public consultation, a Participating Council does not adopt the preferred service delivery option, the remaining Participating Councils intend to continue to work towards a joint WSDP.
 - 11.2.2 This would require recalculation of a wide range of the financial matters, including the levels of investment needed to ensure a financially sustainable plan.
 - 11.2.3 Additionally, because the region has a connected water network, the exit of one Participating Councils would require the development of arrangements and agreements around shared or interconnected infrastructure.
 - 11.2.4 It would require a significant reworking of the joint WSDP, and it is highly likely the remaining Participating Councils would need to seek an extension from the Government to submit the joint WSDP.

- 11.2.5 It would also likely delay the establishment of the proposed WO.
- 11.2.6 There will be cost implications for both the exiting and remaining councils which are outlined in paragraph 17.3.

12. Programme governance overview

12.1 The governance and management groups for the Programme comprise the following:

- Advisory Oversight Group (AOG);
- Chief Executives' Group (CEs' Group); and
- Core Programme Team, with topic specialist working groups as and when needed, including the Responsible Officer Group.

13. Advisory Oversight Group

13.1 The Participating Councils have agreed to establish a joint governance oversight group called the Advisory Oversight Group (AOG) made up of elected members and representatives of mana whenua partners Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika.

13.2 It is the intention of all parties that the Advisory Oversight Group will be disestablished by or before the local elections on 11 October 2025 and a Stakeholders Committee of the participating councils and iwi will be established following ratification of a Stakeholders Agreement by the participating councils and iwi.

13.3 ~~The AOG does not have any formal decision-making responsibilities or delegations. These remain with each Participating Council.~~

13.4 Once the water services delivery model is agreed by the participating councils each council will delegate to its elected member on the AOG, and that person's alternate, all responsibilities and powers in relation to the following establishment activities:

13.4.1 the appointment, removal and remuneration of the interim directors of any new water organisation established pursuant to the agreed water services delivery model); and

13.4.2 approval of the draft Constitution and draft Stakeholder Agreement for any new water organisation.

13.5 All other decision-making powers, including ratifying any final Constitution and Stakeholders Agreement for a new water organisation, will remain with each council.

13.6 The AOG is not a formal joint committee. Formation of the AOG is part of the commitment by councils and Iwi / Māori partners to work together through a collaborative and non-binding process.

13.7 **The AOG is responsible for:**

13.7.1 overseeing the executive direction of the Programme;

13.7.2 taking initial steps to give effect to the agreed water services delivery model, including undertaking specific establishment activities (as set out above in 13.4) until a Stakeholders Committee of the participating councils and iwi can be established;

13.7.3 addressing issues that have been escalated by the CEs' Group;

13.7.4 keeping informed about the Programme by information provided by the Programme Team;

13.7.5 providing political oversight and alignment of this process to demonstrate visible and collaborative leadership;

13.7.6 building trust and stronger organisational relationships;

13.7.7 building a better understanding of partners' perspectives and identifying shared objectives and areas of alignment;

13.7.8 operating at a strategic level, owning key relationships for the future water model process and supporting the mitigation of any escalated risks;

13.7.9 testing and confirming the direction for the process, including investment objectives, options analysis in order to provide confidence and certainty to stakeholders and the community;

13.7.10 offering guidance and direction on resolving issues and risks;

- 13.7.11 ensuring alignment with broader regional strategic concerns, as well as meeting the expectations of key partners, stakeholders, and the community;
- 13.7.12 assisting with information sharing, including where there are opportunities to collaborate, and providing a stronger voice on the need for change and increased investment in our water network; and
- 13.7.13 consideration of any request by another council to join the Programme.

13.8 AOG membership consists of:

- 13.8.1 an independent Chair;
- 13.8.2 an elected representative from each Participating Council;
- 13.8.3 a representative from each Iwi / Māori partner: Te Rūnanga o Toa Rangatira, and Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust;
- 13.8.4 an observer member from the Wellington Water Board; and
- 13.8.5 any other person considered necessary by the AOG to ensure the effective functions of the group.
- 13.8.6 Note that Participating Council and Wellington Water Chief Executives may attend the AOG in an advisory capacity.

13.9 AOG operating guidance:

- 13.9.1 A quorum will be the majority of members, or half the members, where there is an even number of members. No business may be transacted at a meeting if a quorum is not present.
- 13.9.2 Members are expected to attend all meetings, except in exceptional circumstances, as notified to and agreed by the Chair.
- 13.9.3 In the event that the Chair is unavailable, attendees shall agree to an alternative Chair for that meeting.
- 13.9.4 In the event that any member is unavailable for a meeting, an alternate will represent the relevant organisation.
- 13.9.5 The AOG will strive to make all decisions by consensus. In the event that a consensus on a particular matter before the AOG is not able to be reached, each AOG Member will be entitled to one vote. In that situation the particular matter must be approved by a vote of at least a majority of AOG members at any meeting at which a quorum is present. To avoid doubt, the Chair is not entitled to a vote.
- 13.9.6 Other than for those matters for which the AOG has decision-making capacity through these Terms of Reference, (see 13.4) each participating council retains its powers to make its own decisions on matters referred to it by the AOG, including the final decision to approve and ratify the new water organisation's Constitution and Stakeholders Agreement.
- 13.9.7 The AOG receives secretariat support from the core Programme Team.
- 13.9.8 The AOG shall meet approximately 6-weekly or as otherwise required. Meetings shall be hosted by one of the Participating Councils as agreed. Invites and coordination of meetings shall be managed by the Programme Team.
- 13.9.9 Wider invites to relevant partner organisations (such as DIA), shall be determined by the core Programme Team and Chair in regard of the meeting agenda.
- 13.9.10 The meetings are not public but shall be transparent in terms of agenda and outcomes.
- 13.9.11 Effort will be made to distribute any meeting papers at least 3 working days ahead of the meeting date. ~~Recognising that the AOG does not hold any formal decision-making powers or delegations,~~ Papers shall be brief and avoid duplication with matters best dealt with through existing council decision-making processes and delegations.

14. Chief Executives' Group

- 14.1 The AOG will be supported by the CEs' Group.
- 14.2 **The CEs' Group is responsible for:**
 - 14.2.1 providing strategic direction and decisions on the Programme;

- 14.2.2 addressing issues that have been escalated by the Programme Team;
 - 14.2.3 reviewing and approving any proposed changes to the direction of the Programme;
 - 14.2.4 ensuring the strategic direction of the Programme continues to align with the objectives and each Participating Council's obligations under this agreement;
 - 14.2.5 ensuring advice and support to the AOG is effective and efficient;
 - 14.2.6 providing senior management oversight and alignment of this process to demonstrate visible and collaborative leadership;
 - 14.2.7 testing and confirming the direction of the Programme, including objectives and options analysis to provide confidence and certainty to stakeholders and the community;
 - 14.2.8 supporting the identification, mitigation or management of key risks and issues;
 - 14.2.9 ensuring alignment with broader regional strategic concerns, as well as meeting the expectations of key partners, stakeholders, and the community;
 - 14.2.10 assisting with information sharing, including where there are opportunities to collaborate, and providing a stronger voice on the need for change and increased investment in our water network;
 - 14.2.11 approving the Programme budget; and
 - 14.2.12 ensuring that the Programme Team is resourced and supported.
- 14.3 CEs' Group membership consists of:**
- 14.3.1 the Chief Executive (or GM-level nominee) from each Participating Council;
 - 14.3.2 an observer member from Wellington Water (CE), who may attend in a support and advisory capacity; and
 - 14.3.3 the Chair, who will be the member of the Lead Council.

15. Programme Team

15.1 The Participating Councils agree to establish, fund and support a Programme Team.

15.2 The Programme Team is responsible for:

- 15.2.1 leading and managing delivery of the Programme to ensure objectives are achieved on behalf of the CEs' Group;
- 15.2.2 advising the CEs' Group on key strategic decisions required for successful delivery of the Programme;
- 15.2.3 resolution of issues as they occur and escalating those that cannot be resolved at the officer level to the CE's Group;
- 15.2.4 preparing a detailed scope of work and Programme plan (including Programme milestones);
- 15.2.5 reporting progress against the Programme plan to the AOG and CEs' Group on a regular basis;
- 15.2.6 developing and maintaining a Programme budget working closely with the Lead Council;
- 15.2.7 preparing agendas and minutes, and scheduling governance meetings for the Programme;
- 15.2.8 preparing reporting for governance meetings for the Programme;
- 15.2.9 engaging and managing external expertise as required working in consultation with the Lead Council;
- 15.2.10 preparing stakeholder/engagement framework ensuring all appropriate parties are included on an ongoing basis;
- 15.2.11 preparing and attending workshops with the Participating Councils' elected members as required to achieve the Programme;
- 15.2.12 supporting the preparation of consultation packs in collaboration with individual councils to support each Participating Council's required consultation processes;
- 15.2.13 developing a joint WSDP in accordance with legislative requirements and each Participating Council's requirements;

- 15.2.14 developing a joint plan for the establishment of the proposed WO, including cost implications for Participating Councils; and
- 15.2.15 working with Participating Councils and Wellington Water to identify and manage key interdependencies.

16. Role of Wellington Water

- 16.1 Wellington Water is the current provider of water services to the Participating Councils.
- 16.2 Under the proposal for a new multi-council-owned WO, Wellington Water would be disestablished following transition of staff, operations, work in progress, facilities, plant and equipment, and contracts to the new WO. The date and process for this is yet to be determined and will be set out in the establishment plan.
- 16.3 Wellington Water is not responsible for the establishment of the new WO – they do however have an integral role supporting and advising the Participating Councils on the development of the joint WSDP and then would likewise support the establishment of the proposed WO.
- 16.4 Wellington Water's roles and responsibilities in regard to the Programme, or aligned to the Programme include:
 - 16.4.1 supporting and advising the Programme Team and Participating Councils with development of the joint WSDP;
 - 16.4.2 supporting and advising the Programme Team and Participating Councils with establishment planning for the proposed new WO;
 - 16.4.3 working with the Programme Team to identify and manage key interdependencies;
 - 16.4.4 observer membership on the AOG (Board Chair) and CEs' Group (CE) and ROG; and
 - 16.4.5 preparing for transition of staff, operations, work in progress, facilities, plant and equipment, and contracts to the new WO.

17. Programme cost sharing

- 17.1 **Cost sharing principles:**
 - 17.1.1 The Participating Councils have agreed to share the costs for the development of the WSDP and planning for establishment of a new WO including the Programme Team and supporting resources.
 - 17.1.2 The estimated costs, budget envelope and apportionment between Participating Councils will be set out in a funding agreement, to be confirmed by the CEs and reviewed on a quarterly basis.
 - 17.1.3 Apportionment of costs will be as follows:
 - GWRC 15% of total costs.
 - The remainder of the costs split according to the percentages below, which have been calculated based on the population of each Participating Council's district as a percentage of the four districts' combined population:
 - UHCC 10.7%
 - HCC 25.6%
 - PCC 13.9%
 - WCC 49.8%.
 - 17.1.4 The Participating Councils have agreed that they will each fund their own costs for staff, advisory, consultation and decision making.
 - 17.1.5 The Participating Councils agree that the Lead Council will manage costs and invoice other Participating Councils for those costs on an agreed basis.
- 17.2 **Cost implications if additional council(s) joins the Programme:**

- 17.2.1 For clarity, there is no automatic right for another council (which is not a Participating Council) to join the Programme and any such request will be considered on its merits on a case-by-case basis by the CEs' Group and the AOG.
- 17.2.2 The Participating Councils agree that any council that wishes to join (or rejoin) the Programme will be required to pay costs that reimburse the Participating Councils for the costs that have been incurred by the Participating Councils to get the Programme to the point it is at, at the time the council joins – this cost will be determined by the CEs' Group (this is the 'no free ride' principle).
- 17.2.3 Each Participating Council will receive its share of the costs payable by the joining council under clause 17.2.2, based on the percentages set out in clause 17.1.3. Once the council has joined the Programme, the percentages in clause 17.1.3 will be adjusted to reflect the addition of the new council, and the population of each council's district as a percentage of their combined population.
- 17.3 Cost implications of a council exiting the Programme:**
- 17.3.1 If a Participating Council exits the Programme, it remains responsible for its share of all Programme costs incurred or committed up to that date. This includes costs incurred under the May 2024 Memorandum of Understanding and before the date of this Memorandum. It also includes any committed costs and contractual obligations which cannot be reasonably mitigated by the remaining Participating Councils.
- 17.3.2 A Participating Council that exits the Programme is also responsible for meeting all costs incurred by the Programme Team or Participating Councils as a result of its exit (for example, additional modelling work or changes to any agreements between the Participating Councils).
- 17.4 Programme funding:**
- 17.4.1 By no later than 20 Business Days after the date of this agreement, the Participating Councils will (through the Programme Team) prepare a revised Programme funding budget for approval by the CEs' Group, that covers:
- the initial contribution for the activities under this agreement;
 - the ongoing contribution by the Participating Councils to the ongoing costs of the Programme;
 - costs for the Lead Council to provide a Programme Lead for the duration of the Programme; and
 - costs for any internal and external consultants, (together, the "Programme budget").

18. Supporting documents

- 18.1 Supporting documents to this Memorandum that will be endorsed by the CEs' Group include:
- Programme plan
 - Communications approach
 - Programme budget.