# Northland Waters

BOARD PACK

for

## Northland Waters Board of Directors Meeting - 13 October 2026

Tuesday, 13 October 2026

10:30 am (NZDT)

Held at:

The Orchard - Puawai Meeting Room

35 Walton St, Whangarei

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# AGENDA

## NORTHLAND WATERS BOARD OF DIRECTORS MEETING - 13 OCTOBER 2026

| | |
|---|---|
| **Name:** | Northland Waters |
| **Date:** | Tuesday, 13 October 2026 |
| **Time:** | 10:30 am to 3:30 pm (NZDT) |
| **Location:** | The Orchard - Puawai Meeting Room, 35 Walton St, Whangarei |
| **Board Members:** | Murray Bain (Chair), David Rankin, Marlon Bridge, Michael Sage, Steve Couper |
| **Attendees:** | Adrian Cathcart-James, Deborah Sinclair, Emma Watson, Heidi Erceg, Helen Ronaldson, Kelly Ockwell, Martin Smith, Nick Marshall, Karen Pearce, Kate Simmonds |
| **Guests/Notes:** | Hon Murray McCully, Andrew Carvell |

## 1. Opening Meeting Administration

### 1.1 Welcome — 10:30 am (1 min)

Murray Bain

### 1.2 Opening Karakia — 10:31 am (1 min)

Murray Bain

| | |
|---|---|
| *Tūtawa mai i runga* | *Summon from above* |
| *Tūtawa mai i raro* | *Summon from below* |
| *Tūtawa mai i roto* | *Summon from within* |
| *Tūtawa mai i waho* | *And from the surrounding environment* |
| *Ka tau ai te mauri tū* | *The universal vitality and energy to infuse* |
| *Te mauri ora ki te katoa* | *And enrich all present* |
| *Hāumi ē! Hui ē! Tāiki ē!* | *Unified, connected and blessed!* |

### 1.3 Apologies — 10:32 am (1 min)

Murray Bain

### 1.4 Previous Open Minutes — 10:33 am (1 min)

Murray Bain

**For Decision**

Supporting Documents:

| | | |
|---|---|---|
| 1.4.a | Open Meeting Minutes - 8 Sept 2026 - In Review.pdf | 8 |

### 1.5 Interest Register

10:34 am (1 min)

Murray Bain

**For Noting**

Supporting Documents:

| | | |
|---|---|---|
| 1.5.a | Interests Register (updated 2 July 2026).pdf | 14 |

### 1.6 Action Register

10:35 am (5 min)

Helen Ronaldson

**For Noting**

Supporting Documents:

| | | |
|---|---|---|
| 1.6.a | Open Action List - 7 Oct 2026.pdf | 23 |

## 2. Decisions

### 2.1 Asset Valuation Approach

10:40 am (20 min)

Martin Smith

**For Decision**

Supporting Documents:

| | | |
|---|---|---|
| 2.1.a | 2 - Asset Valuation Approach.pdf | 24 |

## 3. Information

### 3.1 Transfer Agreement Approach

11:00 am (15 min)

Helen Ronaldson

**For Information**

Supporting Documents:

| | | |
|---|---|---|
| 3.1.a | 3 - Transfer Agreement Approach.pdf | 37 |

### 3.2 Open Program Update

11:15 am (20 min)

Karen Pearce

**For Information**

Supporting Documents:

| | | |
|---|---|---|
| 3.2.a | Open Programme Update - 13 October 2026.pdf | 42 |

## 4. Move into Public Excluded

### 4.1 Public Excluded agenda items

11:35 am (1 min)

Murray Bain

**For Decision**

Supporting Documents:

4.1.a Public Excluded agenda items - 13 October 2026.pdf 52

54

62

63

73




# 9. Move into Open

# 10. Other Business

# 11. Close Meeting

## 11.1 Closing Karakia

3:32 pm (1 min)

Murray Bain

| | |
|---|---|
| Ka whakairia te tapu | Restrictions are moved aside |
| Kia wātea ai te ara | So the pathway is clear |
| Kia tūāriki whakatāhā ai | To be released from this work |

| | |
|---|---|
| Kia tūāriki whakatāhā ai | To return to everyday activities |
| Hui ē! Tāiki ē! | Enriched, unified and blessed! |

## 11.2 Close the meeting

**Next meeting:** Northland Waters Board of Directors Meeting - 10 November 2026 - 10 Nov 2026, 10:30 am

# MINUTES

## NORTHLAND WATERS BOARD OF DIRECTORS MEETING - 8 SEPTEMBER 2026

| | |
|---|---|
| **Name:** | Northland Waters |
| **Date:** | Tuesday, 8 September 2026 |
| **Time:** | 11:30 am to 3:47 pm (NZST) |
| **Location:** | Kaipara District Council , 1c Molesworth Drive, Mangawhai |
| **Board Members:** | Murray Bain (Chair), Steve Couper, Marlon Bridge, Michael Sage |
| **Attendees:** | Adrian Cathcart-James, Deborah Sinclair, Emma Watson, Helen Ronaldson, Dave Trueman, Heidi Erceg, Kelly Ockwell, Martin Smith |
| **Apologies:** | David Rankin |

# 1. Opening Meeting

### 1.1 Welcome

### 1.2 Opening Karakia

### 1.3 Apologies

The Board noted the apology of Director David Rankin.

### 1.4 Previous Open Minutes

**Confirmation of the open minutes of the 11 August 2026**

The Board confirmed the minutes of the 11 August 2026 meeting as a true and accurate record.

**Decision Date:** 8 Sept 2026
**Outcome:** Approved

### 1.5 Interest Register

The Board:

a. Noted the Interest Register.

# 2. Decisions

### 2.1 Lunch break

The meeting adjourned at 11.36 am for the lunch break with the Kaipara Mayor and Chief Executive.

The meeting reconvened at 12.28pm.

## 2.2 Adoption of Health, Safety and Wellbeing Policy – Establishment Period

The Board discussed the Policy and agreed that it would be approved for the Establishment Phase noting the following points:

- The importance of fostering a positive organisational culture, including incorporating a health and safety moment at the start of meetings, was discussed.
- Agreement to remove the following bullet point (from the Systems section) for the establishment phase, with the intention of reinstating it post-establishment - *We ensure infrastructure managed by Northland Waters is designed, constructed, operated, and maintained safely, and will remain safe for our people, suppliers, and the community*
- The importance of promoting a positive health and safety culture was noted
- The policy will require further review and amendment following the establishment phase and prior to any construction activities.

**Action - Update Heath and Safety Policy**

13.09.2026 - The Health and Safety Policy will be updated to reflect what is required once Northland Waters is operational.

| | |
|---|---|
| **Due Date:** | 1 Jul 2027 |
| **Owners:** | Helen Ronaldson, Martin Smith |

**Adoption of Health, Safety and Wellbeing Policy – Establishment Period**

The Board:

a. Approved the Health, Safety and Wellbeing Policy – Establishment Period as presented.
b. Adopted the Health, Safety and Wellbeing Policy – Establishment Period with effect from the 8 September 2026

| | |
|---|---|
| **Decision Date:** | 8 Sept 2026 |
| **Outcome:** | Approved |

## 2.3 Adoption of Asset Management Policy

- The document has been updated to reflect feedback received at the August Board meeting.

**Adoption of Asset Management Policy**

The Board:

a. Approved the Asset Management Policy and adopted Asset Management Policy with effect from 08 September 2026.

| | |
|---|---|
| **Decision Date:** | 8 Sept 2026 |
| **Outcome:** | Approved |

## 2.4 Stakeholder Engagement Approach for Northland Waters Establishment

The Board discussed the following:

- Building shareholder and customer confidence through the organisation's engagement approach.
- Customer experience: website and graphics, phone number transition, accessibility, billing, and customers not receiving water services.

- Discussion on how customers with outstanding accounts will be managed.
- Discussion on the proposed engagement principles, including the importance of being easy to deal with and adopting a mana-enhancing approach.
- Discussion on leakage, rebates and remissions, and their relationship to pricing and performance measures.

The Board advised it would endorse the plan provided the following edits are made

- Under Engagement Level - change wording of informing to involving/engage
- The aim of being easy to deal with should be included in the engagement principales
- The amount of the establishment budget needs to be corrected in the document to $16.5 million, plus a $1.5 million contingency
- Refine principale one to include 'mana enhancing'

**Action - One day workshop for November 2026**

14.09.2026 = ask board for dates around the end of October / beginning of November, check with board and the incoming CE on dates that align. Topics to include:

- Cyber Security
- Engagement and Communications
- Organisation Design

**Due Date:** 12 Nov 2026
**Owners:** Heidi Erceg, Kelly Ockwell

**Stakeholder Engagement Approach for Northland Waters Establishment**

The Board:

a. Noted the attached Stakeholder Engagement Plan as the high-level framework for external stakeholder engagement during the establishment period.
b. Endorsed the Stakeholder Engagement Plan as a strategic transition control to support confidence, relationship continuity and Day 1 readiness.
c. Note that the Stakeholder Engagement Plan will provide the foundation for the more detailed Communications and Engagement Plan, including the development of key messages, engagement sequencing, channels and activity planning through to Day 1.

**Decision Date:** 8 Sept 2026
**Outcome:** Approved

# 3. Information

## 3.1 Programme Update - 8 September 2026

**Action - More details required on the Transfer agreement**

14.09.2026 - an update should be provided at the October board meeting

**Due Date:** 13 Oct 2026
**Owners:** Helen Ronaldson, Karen Pearce

The Board:

a. Noted the Programme Update.

### 3.2 Framework for Water Services Strategy

The Board discussed the following:

- Whether councils are including drinking water and wastewater services within their Long-Term Plans.
- The future approach to stormwater and whether discussions with councils are expected before Long-Term Plans are finalised.
- When councils are likely to engage with Northland Waters on stormwater and whether this has any implications for the 1 July commencement date.

**Framework for Water Services Strategy**

The Board:

a. Noted the approach and the framework for the Water Services Strategy.

**Decision Date:** 8 Sept 2026
**Outcome:** Approved

### 3.3 Action list

The Board:

a. Noted the Action list.

## 4. Move into Public Excluded

### 4.1 Public Excluded agenda items

**Public Excluded agenda items - 8 September 2026**

The Board agreed to move into the Public Excluded session.

**Decision Date:** 8 Sept 2026
**Outcome:** Approved

The following recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 and 7 of the Act. On the grounds that matters will be prejudiced by the presence of members of the public during discussions on the following items, it is recommended:

a) That the following items are considered with the public excluded:

| Item | | Reasons | Grounds – Section 7 (2) |
|---|---|---|---|
| 5.1 | Pervious PEX minutes | | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 5.2 | WDC Land acquisition | Negotiations for purchase of this land are yet to begin. They will only begin if the | (a) protect the privacy of natural persons, including that of deceased natural persons and (j) enable any |

| | | | |
|---|---|---|---|
| | | Northland Waters (NW) Board and WDC leadership team are both in agreement to do so. | local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |
| 5.3 | Tranche 1 – Project Management Plan | The paper contains commercial information relating to a vendor agreement that has not yet been executed, and disclosure would prejudice Northland Waters' negotiating position. | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 6.1 | Out of Cycle Paper: LGFA establishment funding arrangements | The New Zealand Local Government Funding Agency (LGFA) prefer their documents discussed in a closed session and the documents themselves discuss all three Northland district councils who are also in the process of agreeing to these arrangements. | (i) enable any authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.2 | WDC report on their Laboratory function | The revenue and expenditure values for the WDC laboratory facility are included in the attached report. | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 6.3 | Risk Analysis Report | Risks include commercially sensitive information and risks relating to people / organisation. | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 6.4 | PEX Programme Status Report | | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.5 | Remuneration Philosophy and Policy Settings | The paper discusses proposed remuneration approaches that may affect future employment and negotiations, and public disclosure could disadvantage Northland Waters in those negotiations. | (i) enable any authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 5.7 | PEX Action list | | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, |

| | | | |
|---|---|---|---|
| | | | negotiations (including commercial and industrial negotiations). |

# 5. Move into Open

# 6. Other Business

# 7. Close Meeting

## 7.1 Closing Karakia

The Chair closed the meeting at 3.58pm

# NORTHLAND WATERS LIMITED

Company Number 9428320

## INTERESTS REGISTER

## PART A - TRANSACTIONS IN WHICH DIRECTORS ARE INTERESTED

*(Section 140 of the Companies Act 1993)*

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | NATURE AND EXTENT OF INTEREST<br>• If monetary value quantifiable, also state the nature and monetary value of the interest (section 140(1)(a))<br>• If monetary value not quantifiable, also state the nature and extent of the interest (section 140(1)(b))<br>• General notice (section 140(2)) | OTHER PARTIES OR PARTIES TO TRANSACTION |
|---|---|---|---|
| 27/05/2026 | Michael Sage | • General disclosure of his role as an independent member of the Gisborne District Council's Interim Water Management Committee.<br>• General disclosure of previous role as partner at Simpson Grierson until 30 June 2025. | N/A |
| 28/05/2026<br><br><br><br><br><br><br><br><br><br>9/06/2026 | Steve Couper | • Disclosure of his role as an executive employee at Mott MacDonald NZ Limited (not in the water team) and minority shareholding (0.15%) of its parent company MM Group, registered in the UK. Mott MacDonald NZ Limited is currently contracted to both Whangarei District Council and Far North District Council for the supply of professional services, and may target work from Northland Waters Limited.<br>• Disclosure of relationship to Ken Couper (first cousin), Mayor of Whangarei District Council.<br>• General disclosure of his role as an independent director of Combine Technologies Limited (CTek), which may target work from Northland Waters Limited.<br>• General disclosure as a water rates payer in the Whangarei District. | N/A |

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | NATURE AND EXTENT OF INTEREST<br>• If monetary value quantifiable, also state the nature and monetary value of the interest (section 140(1)(a))<br>• If monetary value not quantifiable, also state the nature and extent of the interest (section 140(1)(b))<br>• General notice (section 140(2)) | OTHER PARTIES OR PARTIES TO TRANSACTION |
|---|---|---|---|
| | | • General disclosure of his minority shareholding (approximately 2%) in First Watch Limited, which may target work from Northland Waters Limited. | |
| 27/05/2026 | Murray Bain | • General disclosure that he is a water user and resident of Kerikeri, with a corresponding interest in water developments in the area.<br>• General disclosure of his role as trustee of Kerikeri Retirement Village, a water and wastewater user in Northland. | N/A |
| 04/06/2026 | Marlon Bridge | • General disclosure that he is a shareholder of MPRO Consulting Limited (49.83% as trustee and 0.08% personal shareholding), Australasian Marine Farm Properties Limited (49.92% as trustee and 0.08% personal shareholding), and a shareholder and director of Assurance and Financial Consulting Limited (50% personal shareholding) and Care Upfront Limited (25% personal shareholding). | N/A |

# INTERESTS REGISTER

## PART B - DISCLOSURE OR USE OF COMPANY INFORMATION

*(Section 145 of the Companies Act 1993)*

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | PARTICULARS OF THE DISCLOSURE OR USE OF INFORMATION NOTIFIED TO, OR AUTHORISED BY THE BOARD<br>State:<br>• Nature of information.<br>• Time of disclosure, use or action.<br>• Reason for disclosure, use or action.<br>• Third party recipient or affected third party. |
|---|---|---|
| | | |

# INTERESTS REGISTER

## PART C - REMUNERATION AND OTHER BENEFITS

*(Section 161 of the Companies Act 1993)*

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT (eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Murray Bain | **Director Remuneration**: Remuneration for non-executive director and Chair appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $120,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance | Michael Sage | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT<br>(eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | | |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Marlon Bridge | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT<br>(eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Steven Couper | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May | David Rankin | **Director Remuneration (effective after 21 August 2026)**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT<br>(eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| 2026, and subsequently approved by Kaipara District Council and Far North District Council | | |
| Board Resolution dated 15 May 2026 | David Rankin | **Contract for Services dated 4 June 2026**: Contract for services between Northland Waters Limited and David Rankin for the provision of executive services as Transition Director from 8 May 2026 to 21 August 2026, at a rate of $250 per hour (plus GST) for up to four and a half days per week (maximum of eight hours a day). The hourly rate covers both his director and independent contractor roles, with no additional director remuneration payable during the term. |

# INTERESTS REGISTER

## PART D - INDEMNITIES AND INSURANCE

(Section 162 of the Companies Act 1993)

| DATE OF AUTHORISATION | NAME OF DIRECTOR OR EMPLOYEE (where relevant) | WHETHER INDEMNITY OR INSURANCE | PARTICULARS OF INDEMNITY OR INSURANCE |
|---|---|---|---|
| 15 May 2026 | Murray Bain | Indemnity and Insurance | Deed between Northland Waters Limited and Murray Bain under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Michael Sage | Indemnity and Insurance | Deed between Northland Waters Limited and Michael Sage under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Marlon Bridge | Indemnity and Insurance | Deed between Northland Waters Limited and Marlon Bridge under which the Company indemnifies him (to the fullest extent permitted by |

| DATE OF AUTHORISATION | NAME OF DIRECTOR OR EMPLOYEE (where relevant) | WHETHER INDEMNITY OR INSURANCE | PARTICULARS OF INDEMNITY OR INSURANCE |
|---|---|---|---|
| | | | law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Steven Couper | Indemnity and Insurance | Deed between Northland Waters Limited and Steven Couper under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | David Rankin | Indemnity and Insurance | Deed between Northland Waters Limited and David Rankin under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |

| Item name | Due date | Owner | Meeting Date | Item | Latest update | Status |
|---|---|---|---|---|---|---|
| **Action - Cost recovery process across the three councils** | 31/08/2026 | Emma Watson | Action Items Import | 1.1 Action List | | Complete |
| **Action - Develop high-level plan for Water Services Strategy (process, inputs, ownership)** | 8/09/2026 | Helen Ronaldson | Action Items Import | 1.1 Action List | | Complete |
| **Action - Provide a one-page document on the ISO 55000** | 8/09/2026 | Helen Ronaldson | 11 August 2026 | 2.1 Adoption of Asset Management Policy | | Complete |
| **Action - Develop comprehensive communication plan** | 30/09/2026 | Heidi Erceg | Action Items Import | 1.1 Action List | The Communications and Engagement Plan is well progressed, and an update has been shared with Workstream Leads. The Stakeholder Engagement Plan provides the strategic principles, stakeholder framework and overall direction. Targeted communications plans are being developed for specific campaigns, announcements and public awareness activities as their scope, timing and impacts become clear. The brand template, brand style and tone-of-voice guidance, and the Communications Playbook have been developed. Scoping is underway for the website to support the establishment phase and preparation for Day 1. Heidi Erceg \| 2 Oct 2026 | Complete |
| **Action - Gather performance information from the three councils** | 30/09/2026 | Helen Ronaldson | Action Items Import | 1.1 Action List | | Complete |
| **Action - More details required on the Transfer agreement** | 13/10/2026 | Helen Ronaldson, Karen Pearce | 8 September 2026 | 3.1 Programme Update - 8 September 2026 | | Complete |
| **Action - Helen and Adrian to meet with Marlon Bridge (Tranche 1 – Project Management Plan)** | 13/10/2026 | Adrian Cathcart-James, Helen Ronaldson | 8 September 2026 | 5.3 Tranche 1 – Project Management Plan | Functional Scope doc sent to board for Marlon in board minutes on 16th September. Adrian Cathcart-James \| 29 Sept 2026 | Complete |
| **Action - Asset Management Valuation Approach** | 13/10/2026 | Helen Ronaldson, Martin Smith | 8 September 2026 | 6.4 PEX Programme Status Report | | Complete |
| **Action - One day workshop for November 2026** | 12/11/2026 | Heidi Erceg, Kelly Ockwell | 8 September 2026 | 2.4 Stakeholder Engagement Approach for Northland Waters Establishment | Workshop has been scheduled for Tuesday, 3 November. Kelly Ockwell \| 29 Sept 2026 | Complete |
| **Action - Consider use of independent external advisor for Ruakaka WWTP project** | 14/10/2026 | Helen Ronaldson | Action Items Import | 1.1 Action List | | In Progress |
| **Action - Forecast council reimbursement costs through to July 2027** | 31/10/2026 | Emma Watson, Helen Ronaldson | Action Items Import | 1.1 Action List | 30/9 - The Councils have not yet provided this. Review meeting is scheduled for 5/10 to establish timeline for this. Emma Watson \| 1 Oct 2026 | In Progress |
| **Action - Update Heath and Safety Policy** | 1/07/2027 | Helen Ronaldson, Martin Smith | 8 September 2026 | 2.2 Adoption of Health and Safety and Wellbeing Policy – Establishment Period | | Not Started |

# Asset Valuation Approach

| | |
|---|---|
| **Meeting** | Board Meeting |
| **Meeting date** | 13 October 2026 |
| **Owner / presenter** | Martin Smith/Helen Ronaldson, Asset Management Workstream Leads |

## Purpose

The purpose of this paper is to inform the Board of the approach being taken for Asset Valuation, prior to those assets being transferred to Northland Waters (NW) and seek endorsement to release the Request for Proposal (RFP) for this activity.

## Executive Summary

The value of the drinking water and wastewater assets is the most significant contributor to the net asset value being transferred from the shareholding councils to NW. Therefore, the valuation of these needs to be consistent, reproducible and defensible. In line with the transfer principles the Establishment Programme is working to it also needs to be agreed with the councils and verified externally.

The approach being taken comprises six activities to achieve this:

1. Determine the valuation approach (complete)
2. Request for Proposal (RFP) to obtain valuer services (next step)
3. Determine the full methodology to be applied (agreed with councils)
4. Physical condition assessment
5. Establish a common evidence-based deterioration model
6. Prepare the valuation based on this model

It is intended to use asset data as at 31 March 2027 for the valuation activity noted in point 6. The methodology in point 3 will include treatment for the delta in asset information over the final quarter of the financial year.

This approach will satisfy due diligence needs and establish confidence in the values being used in determining net asset value in the Transfer Agreements.

## Recommendations

It is recommended that the Board:

a) **Note** the proposed asset valuation approach
b) **Agree** that the RFP for this activity can be released

## Context

Valuation of the drinking water and wastewater assets that will transfer from the shareholding councils to NW is a hugely important activity for a number of reasons:

- This is the single largest value that each council will transfer to NW
- This value contributes to the allocation of Class B shares
- There are specific provisions in NW's foundation documents to be followed

- It must meet the governance expectations for due diligence
- There is industry concern about how this is undertaken

As a demonstration of the significance of this activity there is a specific work package in the Establishment Plan and it is noted as mitigation for the key workstream risk for asset management:

| Workstream | Work Package | Milestone / Deliverable / Activity | Completion Date |
|---|---|---|---|
| **Asset Management** | Asset valuation | Initial asset valuation approach agreed | Aug-26 |
| **Asset Management** | Asset valuation | RFP for asset valuation released | Sept-26 |
| **Asset Management** | Asset valuation | Vendor for asset valuation engaged | Oct-26 |
| **Asset Management** | Asset valuation | Final asset valuation approach agreed | Jan-27 |
| **Asset Management** | Asset valuation | Asset valuation report | Apr-27 |

### 8.1.4 Key workstream risks

| Risk | Description (IF / THEN) | Mitigation |
|---|---|---|
| **Incomplete or inaccurate asset data for transfer** | IF asset data/information is incomplete, inconsistent or of poor quality, THEN the organisation may inherit unclear asset responsibilities and be unable to make sound investment or maintenance decisions from Day 1. | • Prioritise critical asset data<br>• Apply shared data standards<br>• Asset valuation is undertaken by independent, external party |

The timing for completion of the September and October activities is slightly extended with no impact to the final two delivery dates.

## Discussion

As the value of the drinking water and wastewater assets that transfer to NW from the shareholding councils is such a significant value (approx. $1.4b) this topic has received considerable attention in all the phases of the programme of work which enabled NW to come to be. It is a significant monetary value on the balance sheet of each council, and each council needs to ensure it receives recognition of that value in the calculation of the Class B share allocation.

Schedule 7 of the Shareholders Agreement addresses Transfer Principles and these include three specifically relating to assets:

4. All assets will be transferred on an 'as is, where is' basis.

5. The Shareholder will provide the Company with such information as it has as to the condition of the assets, the liabilities (including water debt), and the transferring obligations, and any financial and legal risks relating to these matters.

19. The net asset value being transferred by the Shareholder will be determined by an independent valuation using a consistent methodology agreed across all three Shareholders, with asset condition assessment, verified by an external auditor.

The final test for transfer principle 19 will be addressed in the Governance and Legal workstream with Asset Management focussing on the valuation of the infrastructure assets as the largest component of the net asset value. We will get agreement from the councils on the methodology to be used.

To ensure a requisite level of due diligence is undertaken we have broken the work package into the following core activities:

1. Determine the valuation approach – we have considered the asset data received from councils (including condition ratings), the asset data standard we will apply and the valuation practices of each of the councils to test and confirm the proposed approach in the steps below.
2. Request for Proposal (RFP) to obtain valuer services – engaging the valuer early allows us to utilise their expertise in determining the final methodology. We have set some expectations in the RFP about the standards we want to apply.
3. Determine the full methodology to be applied assuming use of fair value via Optimised Depreciated Replacement Cost (ODRC) with applicable asset management and accounting standards. We have a view of what we would do but want to leverage the expertise and knowledge the valuer will bring before deciding this. This methodology will be socialised for agreement with all councils.
4. Physical condition assessment – a sample selection of the assets will be physically inspected and assessed. This selection of assets is unlikely to be completely random as we have information about how the councils apply condition ratings now. We also have plant and network operational assessments due to be complete by council Operators and Operations teams due by the end of October which can be used to assess the ratings applied by councils and use as a test of those.
5. Establish a common evidence-based deterioration model – this will be one model used for all three councils taking the inputs noted above and the asset data from the councils to predict the infrastructure decline.
6. The ODRC valuation will be prepared based on this model and reported back to NW. Asset data will be submitted by each council as at 31 March 2027 for use in this exercise. The methodology will include how the asset movements in the final quarter of this financial year will be treated for Transfer Agreement purposes. The outcomes (included a fully valued asset register) will be shared with each council and undergo independent verification.

This approach provides sufficient rigour and independence to meet all the requirements of this activity and provide the Transfer Agreement schedules with information that can be trusted and relied on.

## Risks / Issues

The key risk for this activity is as stated in the Establishment Plan

### 8.1.4 Key workstream risks

| Risk | Description (IF / THEN) | Mitigation |
|---|---|---|
| **Incomplete or inaccurate asset data for transfer** | IF asset data/information is incomplete, inconsistent or of poor quality, THEN the organisation may inherit unclear asset responsibilities and be unable to make sound investment or maintenance decisions from Day 1. | • Prioritise critical asset data<br>• Apply shared data standards<br>• Asset valuation is undertaken by independent, external party |

There are cascading risks for each step of the proposed approach but all lead back to this key risk.

A further risk exists in that many water organisations will be undergoing similar processes and securing the services of a valuer may be difficult. Releasing the RFP now means we should be earlier in this market than others and avoid this issue. There are also Northland based organisations that provide this service.

## Implementation considerations

This activity will be initiated while we are in the heavy resource period of system design meaning resourcing will need to be carefully managed while this is underway. Resourcing need will be finalised while the RFP is out for response.

Early modelling establishment will use currently available asset data from the councils to refine and test assumptions, inputs and outputs.

### Financial considerations

The procurement of external services for both the valuer and auditor are provided for in the Establishment Budget as a line item for the valuation and within Governance and Legal for the audit element as it supports the Transfer Agreement.

## Next steps

- Release the RFP
- Select a vendor
- Complete steps 3-6 outlined in the approach above

## Attachments

| | Title |
|---|---|
| **A** | Request for Proposal – Asset Valuation services |

**Attachment A - Request for Proposal – Asset Valuation services**

# REQUEST FOR PROPOSALS

## Independent Valuation of Water Services Assets

for assets transferring to Northland Waters Limited

**Tender Summary**

| | |
|---|---|
| Procuring entity | Northland Waters Limited (NWL) |
| Title | Independent Valuation of Water Services Assets |
| Reference | NWL-RFP-VAL-2026-01 |
| Publication channel | Government Electronic Tenders Service (GETS) |
| Programme | Northland Waters CCO Establishment Programme |
| Owner councils | Far North District Council, Whangārei District Council, Kaipara District Council |
| Valuation effective date | 30 June 2027 |

**Tender milestones**

| | |
|---|---|
| This RFP published on GETS | Friday, 16 October 2026 |
| Deadline for Valuer questions | Friday, 30 October 2026 |
| NWL responses issued | Friday, 06 November 2026 |
| Proposals close | Friday, 13 November 2026 |
| Presentations of up to 3 shortlisted candidates | Thursday, 26 November – Friday, 27 November 2026 |
| Valuer appointed | Wednesday, 2 December 2026 |

**1. Introduction and purpose** ..... 3
**2. Strategic context** ..... 3
**3. Valuation basis and methodology** ..... 3
**4. Standards and Governance** ..... 4
**5. Economic regulation, valuation and data standards** ..... 4
**6. Inputs to be provided for the valuation** ..... 4
**7. Scope of services** ..... 4
**7.1. In scope** ..... 4
**7.2. Out of scope** ..... 5
**7.3. Valuation basis** ..... 5
**8. Deliverables and milestones** ..... 6
**9. Valuer** ..... 7
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# 1. Introduction and purpose

Northland Waters Limited (**NWL**) is the council-controlled organisation jointly owned by **Far North District Council** (**FNDC**), **Whangarei District Council** (**WDC**) and **Kaipara District Council** (**KDC**). NWL was incorporated on 11 May 2026 to consolidate the delivery of drinking water and wastewater services across the three districts under the Local Government (Water Services) Act 2025.

The valuation determines each council's Optimised Depreciated Replacement Cost (ODRC) asset value which is a significant contributor to the net asset value to be transferred from each shareholding council to Northland Waters. The methodology must be single, consistent, reproducible, and agreed with the three councils before work begins. The valuation is delivered in four stages:

- confirm the valuation methodology with agreement from shareholding councils
- complete the agreed condition assessment activity
- establish a common, evidence-based deterioration model across all three councils
- prepare the ODRC valuation built on that model

NWL invites proposals from suitably qualified and experienced infrastructure valuers to deliver an independent valuation of the water services assets to be transferred by each owner council to NWL.

# 2. Strategic context

The valuation has an effective date of 30 June 2027 and must deliver interrelated outcomes:

- an audit-defensible asset register
- a robust ODRC valuation that meets the Commerce Commission's *Water Services Information Disclosure Determination 2026*

# 3. Valuation basis and methodology

The valuation outcomes are set by the following Transfer Principles, as outlined in the Northland Waters Shareholders Agreement:

- All assets transferred on an 'as is, where is' basis.
- All available information on asset condition will be provided by each council.
- Net asset value determined by an independent valuation using a consistent methodology agreed across all three councils and incorporating field verification asset condition assessment for selected assets.

The basis of value is defined as follows:

- The assets will be measured using Fair value via ODRC (DRC methodology), based on PBE IPSAS 17 plus the NZ IAVDG / Āpōpō guidelines.
- Subject to satisfying PBE IPSAS 17 requirements for class-level consistency, remaining useful life (RUL) to be derived using a single consistent basis applied uniformly to each class of PPE across the entity
- Condition data to inform RUL where it is a reliable, field-based grade; it does not enter the valuation where it merely restates age

The valuation methodology requirements are as follows:

- Independent valuation undertaken by a valuer independent of the councils and the transfer decision
- Determine an approach for condition assessment that will support the valuation activity including some physical assessment of assets
- Consistent methodology agreed with WDC, FNDC and KDC before application, with unit rates, useful lives and depreciation treatment applied consistently across all three councils.

- Valuation outputs available by council and service area.
- Asset condition assessment incorporated using available council condition data, with the treatment methodology stated where condition information is unavailable.
- External auditor verification supported by documented methodology, assumptions, source reconciliation and valuation workings sufficient for Auditor-General review.

## 4. Standards and Governance

The Valuation basis is governed by the following documents, subject to all mandatory statutory requirements:

- NWL Foundation document including the Shareholders Agreement and Constitution.
- The Joint Water Services Delivery Plan (WSDP) provides the initial financial modelling baseline for the consolidated entity and a reference point for reconciling the valued asset base, as agreed by all three chief executives on 1 September 2025.
- The legislation relating to transfer agreements and asset information under the Local Water Done Well Framework.

## 5. Economic regulation, valuation and data standards

The valuation methodology and resulting asset data must comply with the following economic regulation, valuation, asset management and data standards:

- Commerce Commission Water Services Information Disclosure Determination 2026
- Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines (2025, Edition 3.0)
- PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 21 Impairment of Non-Cash-Generating Assets
- 3 Waters Asset Data Standard v4.0 (3WADSv4)
- Taumata Arowai Water Services (Drinking Water Quality Assurance) Rules
- Wastewater Environmental Performance Standards 2025 (WEPS)
- DIA Non-Financial Performance Measures Rules 2024

## 6. Inputs to be provided for the valuation

The Valuer must plan for the following dependencies, identify any material programme impacts in its proposal, and allow sufficient time for audit and transfer completion.

- Transferring asset registers
- Council-supplied condition information
- Unit rates and useful lives

## 7. Scope of services

The Valuer will deliver a full independent valuation of the drinking water and wastewater assets to be transferred to NWL by each council.

### 7.1. In scope

- Optimised Depreciated Replacement Cost (ODRC) valuation of all in-scope water supply and wastewater assets for each of WDC, FNDC and KDC.

- A single valuation methodology **agreed with NWL and shareholding councils** and applied consistently across all three councils
- Net asset value per council, partitioned by Service Area, reconciled to the transferring asset register
- Physical condition assessment of selected assets – please identify if you need to partner with another organisation to complete this
- Valuation aligned to the Commerce Commission Water Services Information Disclosure Determination 2026 and the Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines (2025, Edition 3.0).
- Application of an age-based depreciated replacement cost path for Day 1, reflecting that condition assessment completes March 2027; a condition-based path is a post-Day 1 refinement.
- Documentation sufficient for external auditor (Auditor-General) verification of the net asset value per Transfer Principle 19.
- A Valuation Report, per-council asset registers with valuation fields populated, and a methodology statement.

### 7.2. Out of scope

- Stormwater and roading/transport assets.
- Determination of water debt.
- Legal determination of asset ownership or transferability.

### 7.3. Valuation basis

| Parameter | Basis |
|---|---|
| **Approach** | ODRC; ComCom Information Disclosure Determination 2026; Āpōpō Guidelines 2025 Ed 3.0 |
| **Day 1 depreciation path** | Age-based DRC (condition assessment completes March 2027; condition data refines remaining useful life post-Day 1) |
| **Core formula** | ODRC = (ORC − RV) × (RUL ÷ TUL) + RV;<br>AD = (ORC − RV) ÷ TUL; RV = 0 |
| **Data standard** | 3 Waters Asset Data Standard v4.0 (3WADSv4)<br><br>The dataset will record the source council and service area for each asset. At a minimum, the following 3WADSv4 fields will be populated:<br>4 – Asset Type; 37 – Asset Class; 48 – Install Date; 1110 – Length<br>1114 – Material; 1143 – Quantity; 42 – Expected Life (the Āpōpō default life for the asset's material and class will apply if this field is blank); 525 – Unit Rate. |
| **Asset condition** | Council-supplied condition information per Transfer Principle 5; valuer to state treatment where absent |
| **Partitioning** | Per council / Service Area (WDC, FNDC, KDC) - Ringfencing, Constitution clause 2.7 |
| **Transfer basis** | 'As is, where is' |

## 8. Deliverables and milestones

All valuation deliverables and audit requirements must be completed in sufficient time to finalise the Transfer Agreements by 30 June 2027, before Northland Waters Limited commences operations on Day 1, 1 July 2027.

The dates below are indicative. Respondents must submit a programme that meets these deadlines, and Northland Waters Limited will confirm the final milestones with the appointed Valuer.

| # | Deliverable | Purpose | Milestones |
|---|---|---|---|
| | Project Inception | Inception meeting, data handover, methodology confirmation | 4 Dec 2026 |
| 1 | Data Quality and Confidence Assessment | Asset register consolidation and componentisation | 21 Dec 2026 |
| 2 | Desktop Condition Data Assessment | Identification of the assets for the Prioritised Field Verification | 18 Jan 2027 |
| 3 | Valuation methodology statement | Single methodology to be agreed with NWL and the three shareholding councils | 25 Jan 2027 |
| 4 | Asset condition assessment | Field verification of remaining useful lives and a Calibrated Deterioration Model | 2 Feb – 31 Mar 2027 |
| 5 | Valued asset registers, per council and service area | Valuation fields populated to 3 Waters Asset Data Standard version 4.0 and reconciled to source registers | 5 – 27 Apr 2027 |
| 6 | Optimised Depreciated Replacement Cost valuation | Net asset value partitioned by Council and Service Area | 10 May 2027 |
| 7 | Asset Impairment assessment | Assess and state the impairment position for each council in accordance with PBE IPSAS 21 | 17 May 2027 |
| 8 | Consolidated valuation report | Regional total with per-council and service area breakdown, assumptions and limitations | 31 May 2027 |
| 9 | External Verification | External auditor verification | 14 June 2027 |

# 9. Valuer

The valuer will be appointed through a competitive process and must meet the following requirements.

- **Professional standing.** The valuer must apply PINZ Professional Practice and the Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines 2025 Ed 3.0 and hold suitable professional membership (CPEng or PINZ/PMVI infrastructure valuer).
- **Independence and conflicts of interest.** The valuer must be independent of NWL and of each of WDC, FNDC and KDC. Respondents must declare all current and recent engagements with NWL, WDC, FNDC, KDC and any related party, and confirm they have no interest that would impair their objectivity.
- **Track record.** The valuer must evidence Three Waters ODRC valuations completed for NZ local authorities within the last three years. These must meet Commerce Commission Information Disclosure and PBE IPSAS 17 requirements.
- **Multi-entity / CCO experience.** The valuer should evidence experience valuing across multiple asset owners for a consolidation, water organisation establishment, or share/equity allocation.
- **OAG audit engagement.** The valuer must produce documentation sufficient for Auditor-General verification and be available to support the audit and any expert determination.

# 10. Procurement process and evaluation

Proposals will be evaluated using a weighted-attribute method.

| Criterion | Weight | Type |
|---|---|---|
| **Relevant experience** - three waters infrastructure ODRC valuation | 20% | Non-price |
| **Methodology** - satisfies the requirements of independence; consistent agreed methodology; condition assessment; auditor verification, - and is aligned with the Commerce Commission *Water Services Information Disclosure Determination 2026 and Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines.* | 35% | Non-price |
| **Team** - key personnel, qualifications, availability to the Programme | 15% | Non-price |
| **Delivery** - ability to meet the **30 June 2027** completion timeframes | 15% | Non-price |
| **Price** - total fixed fee and rates | 15% | Price |

## 10.1. Conditions

- This Request for Proposals (RFP) process is conducted in accordance with the New Zealand Government Procurement Rules and is advertised through the Government Electronic Tenders Service (GETS).
- All questions must be submitted through the Government Electronic Tenders Service (GETS). Northland Waters Limited (NWL) will issue any material questions and responses to all suppliers registered for this Request for Proposals (RFP).
- Northland Waters Limited (NWL) is not bound to accept the lowest-priced proposal or any proposal and reserves the right to cancel, suspend, amend or reissue this Request for Proposals (RFP) process.
- Each proposal must remain valid and open for acceptance by Northland Waters Limited (NWL) for 90 calendar days from the Request for Proposals (RFP) closing date.
- Each respondent is responsible for all costs and expenses incurred in preparing, submitting and presenting its proposal, including participation in any clarification meeting, presentation or interview.

### 10.2. Contact

All communication is via the GETS message facility for RFP reference NWL-RFP-VAL-2026-01.

Direct approaches to Councillors, Directors or Council or Programme staff may result in disqualification.

### 10.3. Contract terms and conditions

We propose using ACENZ Short Form Agreement for Consultancy Services (2019).

## 11. References

The public sources below are provided for Valuers' reference NWL-RFP-VAL-2026-01. Where a source is a landing page, the specific instrument is reached from that page.

Foundational NWL documents (Constitution, Shareholders' Agreement) are published on the owner councils' websites. Valuer must rely on the current published version of each instrument.

| Source | Relevance | Link |
|---|---|---|
| **13.1 NWL foundational documents** | | |
| Constitution of Northland Waters Limited | Ringfencing (clause 2.7); Auditor-General as auditor (clause 3.3) | https://www.fndc.govt.nz/__data/assets/pdf_file/0020/56153/Northland-Waters-Constitution.pdf |
| Shareholders Agreement relating to Northland Waters Limited | Transfer Principles (Schedule 7); Principles 19 and 20; precedence (clause 1.4) | https://www.fndc.govt.nz/__data/assets/pdf_file/0021/56154/Northland-Waters-Limited-Shareholders-Agreement.pdf |
| Northland Waters – public information | Entity overview and frequently asked questions | https://northlandwaters.co.nz/faqs/ |
| 13.2 Legislation | | |
| Local Government (Water Services) Act 2025 | Enabling Act; transfer agreements; Auditor-General as auditor (section 247) | https://www.legislation.govt.nz/act/public/2025/0042/latest/LMS1004209.html |
| Local Government (Water Services Preliminary Arrangements) Act 2024 | Preliminary arrangements and transitional economic regulation | https://www.legislation.govt.nz/ |
| Local Government Act 2002 | Territorial authorities and Service Areas; audit requirements | https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html |
| Companies Act 1993 | Company governance, share rights and solvency test; controlling statute | https://www.legislation.govt.nz/act/public/1993/0105/latest/DLM319570.html |
| 13.3 Economic regulation, valuation and data standards | | |
| Commerce Commission Water Services Information Disclosure Determination 2026 | Economic regulation; auditable valued asset inventory; growth and renewals classification | https://www.comcom.govt.nz/regulated-industries/projects/economic-regulation-of-water-services-information-disclosure/ |
| Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines (2025, Edition 3.0) | Applied valuation and depreciation methodology; default useful lives | https://apopo.co.nz/product/infrastructure-asset-valuation-depreciation-guidelines/ |
| 3 Waters Asset Data Standard version 4.0 (3WADSv4) – Water New Zealand | Data schema for transferring registers and valuation field population | https://www.waternz.org.nz/3wads |
| 13.4 Quality and environmental regulation | | |
| Water Services (Drinking Water Quality Assurance) Rules 2026 – Taumata Arowai | Component-level tracking; treatment and intake asset criticality; effective 1 July 2027 | https://www.taumataarowai.govt.nz/about-us/legislation |

| Source | Relevance | Link |
|---|---|---|
| Wastewater Environmental Performance Standards 2025 (WEPS) | Overflow, bypass and discharge asset recording; wastewater criticality | https://www.taumataarowai.govt.nz/about-us/legislation |
| Department of Internal Affairs Non-Financial Performance Measures Rules 2024 | Current asset material and age profiles | https://www.dia.govt.nz/ |

## Appendices

- Appendix A – Pricing Schedule
- Appendix B – Response Requirements
- Appendix C – GETS Publication

# Transfer Agreement Approach

| | |
|---|---|
| **Meeting** | Board Meeting |
| **Meeting date** | 13 October 2026 |
| **Owner / presenter** | Helen Ronaldson, Programme Lead |

## Purpose

To outline the approach being taken to build the content of the Transfer Agreement between Northland Waters (NW) and each of its shareholding councils.

## Executive Summary

Under the Local Government (Water Services) Act 2025 (WSA), a Transfer Agreement is the primary legal mechanism used to transition water and wastewater operations from the three shareholding councils—Far North, Whangarei, and Kaipara District Councils—into Northland Waters Limited.

The single largest component is the transfer of network assets, while other items include, debt, reserves, consents and other obligations that NW will be responsible for.

A well-executed Transfer Agreement is another document in the suite of foundation documents for NW and provides value in terms of continuity of service and operations as well as the legal, risk and governance assurance to support commercial equity and fairness. It provides commercial integrity due to governing the post-audit wash-up and any consequent share adjustments.

Schedule 2 of the WSA prescribes the content of the Transfer Agreement in the following sections:

1. Parties, purpose, dates, and scope
2. Matters transferred: general
3. Matters transferred: specifics
4. Matters not transferred
5. Matters of shared interest
6. Collection of charges
7. Responsible decision makers for revenue and charging
8. Other

While we may not require information in each of these sections, we do need to give formal consideration to each one.

Alongside the legislation there is guidance and templates prepared by the Department of Internal Affairs (DIA) – now available on the MCERT (Ministry for Cities, Environment, Regions and Transport) website.

We are using the template for multi-council water organisations and amending to suit the requirements of other foundation documents, particularly the transfer principles or already agreed approaches in the Establishment Plan and workstream activities.

This is not an exercise in seeking perfection, rather it is to ensure we understand the business operations being transferred to us. As with many topics in our programme, there are clear links across multiple workstreams. The paper in front of the board today regarding the valuation approach for the network assets is a significant input into the Transfer Agreement and many of the inputs to the Transfer Agreement are also inputs to the Water Services Strategy.

## Recommendations

It is recommended that the Board:

a) **Note t**he paper and approach included therein

## Background / Context

The Transfer Agreement is a contract between each shareholding council and Northland Waters (NW) to enable the transfer of various matters from the council to NW. It brings together the assets, people, process, contracts, systems, information and governance arrangements necessary for the company to effectively operate from Day 1.

Rather than trying to certify every asset is perfect, eliminate every risk and resolve every uncertainty, we are aiming to understand the business being transferred, its condition, the risks and the information gaps so we can make informed decisions.

While the assets required to deliver drinking water and wastewater services are the most obvious, and the largest component of the Transfer Agreement the Transfer Agreement establishes a whole lot more:

- What transfers
- What does not transfer
- Staff pathway process
- How the organisations work together
- Shared planning arrangements
- Revenue collection arrangements
- Transitional services
- Governance arrangements
- Information sharing and shared interest activities
- Future dispute resolution
- Ongoing review processes

The Department of Internal Affairs (DIA) developed guidance and templates for Transfer Agreements for each type of water service provider, and we are using the template for multi-council CCOs as the basis of our document. Some amendment has been identified based on the structure and information in our foundation documents with the intent of the document unchanged.

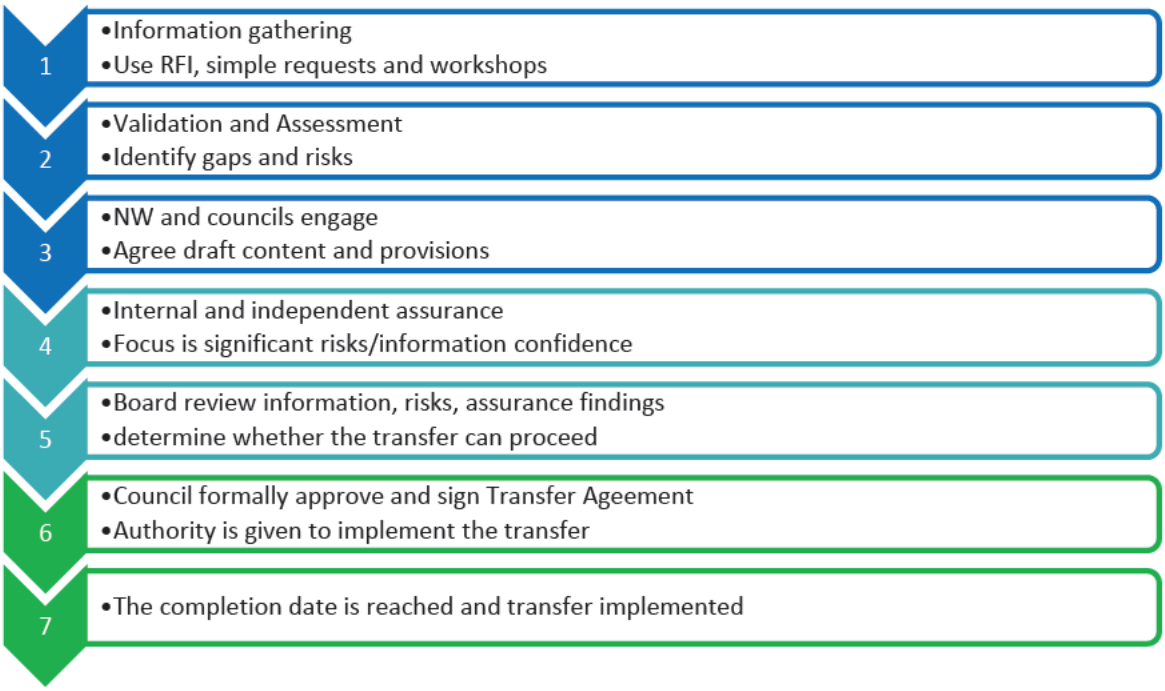
## Discussion

When considering the approach to take for the Transfer Agreements various activities were considered. These included:

1. Learnings and information available from previous water reform activities.
2. The previous phases of the programme to establish Northland Waters
3. The Request for Information (RFI) process and what information is being gathered that way
4. How confidence in the content is reassured by due diligence activities
5. How the Water Services Strategy and the Transfer Agreement both rely on the same underlying information

**The pathway**

To implement the full transfer of the waters services businesses to NW there are quite a few steps to complete.




**Information gathering**

Information is gathered in lots of ways – emails, meetings, workshops and a more formal process of a Request for Information (RFI). An RFI process has been established with the Councils where RFIs are tracked formally via each Council's Transition Manager.

Meetings are held once the RFI is issued to ensure it is clearly understood and can also be held as the RFI is returned for the same reason. The files are contained in a secure area in the Sharepoint site to manage change. The introduction page for each RFI explains that this is part of the required due diligence for both NW and each council to specify assets, liabilities, and other matters that relate to the provision of water and wastewater services within the Northland region and identify whether these matters are to transfer to Northland Waters or remain with the relevant Council.

RFIs shared with council are shown in the table below:

| Workstream | Document Title |
|---|---|
| Asset Management | Asset Data RFI |
| Capital Delivery | Capital Projects Information |
| Customer & Stakeholder Engagement | Customer & Contract RFI |
| | Iwi and Hapū Agreements and Relationships |
| Finance Funding & Commercial | Networks Assets & Debt |
| | Operational Budgets and Other Assets & Liabilities |
| | Pricing Models and Associated Inputs |
| Governance & Legal | Property |
| Operations | Consents |
| | Contracts (Suppliers) |
| | Health and Safety |
| | Stormwater Services |
| | Resilience, Incident & Emergency Management |
| People & Organisation | People & Organisation |
| Systems & Technology | Digital Assets & Reporting |

There are placeholders in the Establishment Plan for further RFIs to be issued if determined required for the Transfer Agreement.

As the RFIs are returned that information is assessed by the workstream, validated against external sources where possible (eg consents are compared to the listing obtained from NRC) so that gaps can be identified and tested with the council.

**Draft content and provisions**

An exercise has begun to determine if the DIA template can be used as is or needs amendments specific for NW. Some amendments have already been identified in the Employee/Contractors section to reflect the joint approach being taken with the councils, the pathways proposed for transferring staff and accrued employee benefits. Others reflect Transfer Principles (eg councils' collection of Development Contributions until such time as NW has its own collection mechanism), or calculations required to fulfil the provisions of the foundation documents (eg, net asset value).

Initial thinking is underway for shared interest arrangements – this is where NW and a council will rely on each other for the completion of a specific activity (eg development engineering, growth planning, emergency management). These have been identified in the functional plan for NW and are tested through RFIs and workshops.

**Property**

The land identified in the previous water reform is being used as a basis for consideration of transfer. Land transactions for water and wastewater are relatively uncommon so while this data is three years old, it can be updated for the transactions since that time. The legislation is different now under Local Water Done Well, so the councils need to make decisions about what land should transfer to NW.

There is provision in the legislation for water service operators to be able to access the assets supplying that service for the purposes of operations or maintenance, but where land is going to stay with council the type of access arrangement existing or required will be called out. There are two Transfer Principles relating to land:

6. Freehold land required for the provision of Water Services will generally be transferred to the Company. However, if transfer is legally prohibited, impractical, or inconsistent with other statutory obligations, the Shareholder may retain ownership. In such cases, the Shareholder is responsible for ensuring the Company has secure, long-term access rights to the land for Water Services operations.

7. Lease or access arrangements will be put in place for shared land use between the Shareholder and the Company.

It is likely that the activities for lease and access arrangements will extend beyond Day1. Priority will be given to critical assets, existing formal arrangements that need novation and any land subject to Treaty Settlement.

**O&M contracts**

There are four operations and maintenance (O&M) contracts that will be transferred to NW. Three of them contain stormwater services. Each council will need to determine whether those contracts are to be novated in full with a service agreement between them and NW to manage those stormwater services on their behalf. If not then they fall into the category of a split contract where the council must work to create a new contract construct to 'split' the services they will perform and those for transfer to NW.

We have begun discussion with KDC and FNDC to consider including the split of services as they work through the required contract extensions.

There can be provision in the Transfer Agreement to allow additional time for these types of contracts to be split if required.

**Debt**

Several debt items are likely to transfer for each council. The largest will be Infrastructure Debt allocated to drinking water and wastewater assets, including the $100m from WDC proposed in the Water Services Delivery Plan. Two councils allocate debt to the scheme where the debt was incurred and the third has a method for allocation for this purpose so the values will be both determinable and defensible. These approaches were agreed with he Elected Member Steering Group and have been the basis of debt numbers included in the modelling to date.

Debt incurred for costs relating to the establishment of Northland Waters from the Establishment Costs Repayment Agreement will transfer. Debt incurred under the Commitment Agreement ($500k per council) may also be requested.

The timing of transfer may depend on the nature of the borrowing. The Finance, Funding and Commercial workstream has a Treasury working group to determine the best approach for each council's current borrowing mechanisms.

### Risks / Issues

Two risks have been raised about the potential for delays in getting the agreements ready by March. This timing provides sufficient time for reviews, assurance, decision-making and approvals and if we are unable to gather the information in the planned timeframes or a fundamental issue arises requiring a lengthy resolution period, that timing is at risk.

Collaborative working relationships with the councils will be instrumental in keeping these activities on track and for potential delays to be escalated early by any party.

### Implementation considerations

Where practical RFIs have been split by workstream and staggered in timing so they are more easily managed by council respondents – this is a learning taken from previous water reforms.

Resources in the Governance and Legal workstream will be supported by external legal advice where required to ensure timely decisions and progress are made.

### Financial considerations

Funding for both resources and external legal advice has been provided for this activity in the Establishment Budget, particularly for the property activities.

## Next steps

- Continue the assessment of the base provisions in the template agreement
- Assist workstreams with assessment and validation of RFI responses
- Recruit next resource as per resource plan
- Establish priority plan for property activities once RFI responses are received

# Programme Status Report

Northland Waters Board

| | |
|---|---|
| **Current reporting period:** | 31 August – 30 September 2026 |
| **Next reporting period:** | 1 – 28 October 2026 |

# Establishment Programme Update

**NW Resourcing**

- NW Establishment Team now at 17:
  - Governance and Legal lead is vacant as at 25 September
  - Financial Planning and Systems Lead commenced 29 September
  - 3 x Systems & Technology resources confirmed for start 06 October
  - Senior HR Advisor resource confirmed for start 06 October
  - Customer Service and Experience Lead confirmed for start 12 October
  - Roles for Principal Advisor - Māori Relations (offered), and Change & Readiness Manager under recruitment

**Establishment Programme**

- Inter-dependencies across workstreams identified and agreed with milestone dates aligned
- Establishment Plan Quarterly Update provided to SRG with rationale for key changes
- Programme Risk Review workshops held to ensure consistent assessment and an updated risk summary is included with proposed key risks to track
- RFI responses from Councils are providing important information for both Transition Agreements and due diligence (summary provided)
- Further refinement and rescheduling within workstreams to better align with workflow, Council dependencies and resources

**People & Organisation Design**

- Org design & operating model development to be finalised with input from Kate Simmonds
- Letter issued to Council CEs for identifying roles and employees for Statutory Transfer as per legislation

**Systems & Technology**

- Contract signed with TechnologyOne to provide the Tranche 1 (ERP) system
- Design and implementation planning underway for all modules: **Finance**
- Accession to LGFA funding confirmed 16 September
- Operational processes for Council reimbursable costs have been agreed by Finance and Transition Managers.
- Councils to present first cost summaries to NW for review in early October
- Repayment of these costs will form part of the debt transfer at 30 Jun 27 (as formalised in the Cost Repayment Agreements signed alongside the LGFA document pack)

# September Milestones: Planned vs Delivered

| Deliverable / Milestone | Due (Est Plan) | Planned per Schedule | Delivered |
|---|---|---|---|
| LGFA accession | July | September | Complete |
| High-Level Org Design | September | On track | Complete |
| Billing & Invoicing Delivery Model Agreed | September | On track | Complete |
| People Current-State Mapped | September | On track | Complete |
| Staff Transfer Principles | September | On track | Complete |
| ERP Contract & SOW | September | On track | Complete |

| RFIs to Councils | Due (Est Plan) | Planned per Schedule | Delivered |
|---|---|---|---|
| Pricing Models & Assoc. Inputs | September | On track | Complete |
| Stormwater Services Required * | August | September | Complete |
| Ops Existing Plans & Strategies * | September | On track | October |

* The Stormwater Services and Ops Existing Plans & Strategies RFIs have been deferred to October to avoid overloading the same council resources across multiple Operations RFIs

# Key Milestone Schedule: September

| Deliverable / Milestone | Due | Status |
|---|---|---|
| LGFA accession | July | Complete |
| High-Level Org Design [1] | Sept | Complete |
| Billing & Invoicing Delivery Model | Sept | Complete |
| ERP Contract & SOW | Sept | Complete |
| Asset Management Policy Approved | Sept | Complete |
| Est. Comms & Stakeholder Engagement | Sept | Complete |
| Branding Suite Developed | Sept | Complete |
| Finance Process Framework | Sept | Complete |
| Revenue & Pricing Principles | Sept | Complete |
| Bylaws Assessment | Sept | Complete |
| Transfer Agreement Approach & Legal Requirements | Sept | Complete |
| Internal Business Policy Framework | Sept | Complete |
| Regulatory Landscape Assessment [2] | Sept | Oct |
| Water Safety Plans Review | Sept | Complete |
| Consent Register [3] | Sept | Oct |

| Deliverable / Milestone | Due | Status |
|---|---|---|
| Staff Transfer Principles | Sept | Complete |
| People role-mapping [4] | Sept | Nov/Dec |
| Tranche 1 SOW & Contract Signed | Sept | Complete |
| Systems Inventory | Sept | Complete |
| **RFIs to Councils** | **Due** | **Status** |
| Stormwater Services Required | Sept | Complete |
| Pricing Models & Assoc. Inputs [5] | Sept | TBC |
| Ops Existing Plans & Strategies [6] | Sept | Oct |
| Resilience, Incident & Emergency Management [6] | Sept | Oct |

**Notes:**

1. Detailed org design & operating model to be finalised once new CE has provided input.
2. Regulatory landscape assessment deferred to October as it not required prior.
3. Consent Register moved from end Sept to early Oct as it not required prior.
4. People role-mapping dependent on approved detailed org design & operating model.
5. Requirement for the Pricing Models & Associated Inputs RFI to be assessed once previous RFI responses are received.
6. Ops Existing Plans & Strategies, and Resilience, Incident & Emergency Management RFIs deferred to October to avoid overloading the same council resources across multiple Operations RFIs.

# Programme Snapshot – September

As at 30 September 2026

| Task Name | Duration | Start | Finish | % Complete |
|---|---|---|---|---|
| **Asset Management** | 261 days | Mon 22/06/26 | Mon 21/06/27 | 22% |
| **Asset Planning** | **240 days** | **Mon 22/06/26** | Fri 21/05/27 | **28%** |
| Board approval of AM policy - resubmission | 0 days | Tue 8/09/26 | Tue 8/09/26 | 100% |
| **Capital Delivery** | **244 days** | **Mon 27/07/26** | **Thu 1/07/27** | **13%** |
| **Capital Programme** | **244 days** | **Mon 27/07/26** | **Thu 1/07/27** | **25%** |
| **Capital projects stocktake & analysis** | **71 days** | **Mon 27/07/26** | **Mon 2/11/26** | **58%** |
| **Council RFI for Capital Projects information** | **41 days** | **Fri 21/08/26** | **Fri 16/10/26** | **64%** |
| WDC | 21 days | Fri 21/08/26 | Fri 18/09/26 | 100% |
| KDC | 21 days | Fri 21/08/26 | Fri 18/09/26 | 100% |
| FNDC | 22 days | Wed 26/08/26 | Thu 24/09/26 | 100% |
| **Capital Delivery PMO** | **235 days** | **Mon 3/08/26** | **Fri 25/06/27** | **17%** |
| Review council capital delivery models and PMO current state | 35 days | Mon 3/08/26 | Fri 18/09/26 | 100% |
| Develop PMO options and Value from Investment Board paper | 10 days | Mon 14/09/26 | Fri 25/09/26 | 100% |
| Value from Investment - October Board pre-read submitted | 0 days | Mon 28/09/26 | Mon 28/09/26 | 0% |
| **Customer & Stakeholder Engagement** | **265 days** | **Mon 29/06/26** | **Fri 2/07/27** | **16%** |
| **Billing & Invoicing** | **192 days** | **Tue 1/09/26** | **Wed 26/05/27** | **11%** |
| Billing & invoicing delivery model agreed (in-house or outsourced) | 22 days | Tue 1/09/26 | Wed 30/09/26 | 100% |
| **Comms and Engagement Planning** | **176 days** | **Mon 29/06/26** | **Mon 1/03/27** | **37%** |
| Board endorsement- draft Stakeholder Engagement plan (Est Phase) | 0 days | Tue 8/09/26 | Tue 8/09/26 | 100% |
| **Customer** | **234 days** | **Mon 29/06/26** | **Thu 20/05/27** | **27%** |
| RFI responses received | 20 days | Fri 14/08/26 | Thu 10/09/26 | 100% |
| **Identity & Brand** | **265 days** | **Mon 29/06/26** | **Fri 2/07/27** | **16%** |
| Branding Suite developed - external agency | 20 days | Mon 31/08/26 | Fri 25/09/26 | 100% |
| **Iwi / hapū engagement** | **231 days** | **Mon 29/06/26** | **Mon 17/05/27** | **24%** |
| PLACEHOLDER: Session for board & lead team - te mana o te wai / te tai tokerau landscape | 5 days | Mon 14/09/26 | Fri 18/09/26 | 0% |
| Advisor to board to support leader-leader iwi/hapu relationships | 5 days | Mon 14/09/26 | Fri 18/09/26 | 0% |
| Recruitment of iwi/hapu advisor | 20 days | Tue 18/08/26 | Mon 14/09/26 | 95% |
| **Finance, Funding & Commercial** | **262 days?** | **Tue 30/06/26** | **Wed 30/06/27** | **2%** |
| **Funding** | **31 days?** | **Fri 7/08/26** | **Fri 18/09/26** | **50%** |
| Board approval - LGFA - accession out of cycle | 1 day? | Fri 11/09/26 | Fri 11/09/26 | 100% |
| LGFA Accession confirmed by LGFA | 1 day? | Fri 11/09/26 | Fri 11/09/26 | 100% |
| Process for drawdown and monthly cadence established | 1 day? | Fri 18/09/26 | Fri 18/09/26 | 100% |
| **Office Premises** | **210 days?** | **Tue 11/08/26** | **Mon 31/05/27** | **9%** |
| Establishment Phase office fit-out completed | 1 day? | Mon 28/09/26 | Mon 28/09/26 | 100% |
| **Revenue, Pricing and Billing** | 201 days? | **Wed 23/09/26** | **Wed 30/06/27** | **1%** |
| Develop revenue (pricing) principles | 1 day? | Wed 30/09/26 | Wed 30/09/26 | 100% |
| **Supplier Contracts** | **210 days?** | **Tue 11/08/26** | **Mon 31/05/27** | **4%** |
| RFI for other Supplier data to councils | 1 day? | Wed 30/09/26 | Wed 30/09/26 | 100% |

| Task Name | Duration | Start | Finish | % Complete |
|---|---|---|---|---|
| **Governance & Legal** | **258 days** | **Mon 6/07/26** | **Wed 30/06/27** | **13%** |
| **Bylaws** | 258 days | **Mon 6/07/26** | **Wed 30/06/27** | **13%** |
| Determine actions required for existing Bylaws to remain in effect | 52 days | Tue 21/07/26 | Wed 30/09/26 | 100% |
| **Policies & Frameworks** | **183 days** | **Mon 6/07/26** | **Wed 17/03/27** | **24%** |
| Internal business policy framework agreed | 40 days | Thu 6/08/26 | Wed 30/09/26 | 100% |
| **Transfer Agreements & Transfer** | 220 days | **Mon 6/07/26** | **Fri 7/05/27** | **27%** |
| Transfer Agreement approach | 60 days | Mon 6/07/26 | Fri 25/09/26 | 100% |
| **Operations** | **255 days** | **Mon 6/07/26** | **Fri 25/06/27** | **14%** |
| **Compliance** | 201 days | **Mon 6/07/26** | **Tue 13/04/27** | **18%** |
| Review Water Safety Plans | 22 days | Tue 1/09/26 | Wed 30/09/26 | 100% |
| **Stormwater** | 255 days | **Mon 6/07/26** | **Fri 25/06/27** | **22%** |
| RFI to councils to determine services required | 55 days | Mon 6/07/26 | Fri 18/09/26 | 100% |
| **People & Organisation** | **268 days?** | **Mon 22/06/26** | **Thu 1/07/27** | **1%** |
| **02. Employment Framework** | **252 days?** | **Tue 14/07/26** | **Wed 30/06/27** | **9%** |
| **Individual Employment Agreement** | **110 days?** | **Tue 1/09/26** | **Mon 1/02/27** | **25%** |
| Draft NW IEA | 22 days | Tue 1/09/26 | Wed 30/09/26 | 75% |
| Confirm approach to transfer people onto IEA (+ annexure structure) | 22 days | Tue 1/09/26 | Wed 30/09/26 | 75% |
| **P&O RFI + General People Info** | **54 days?** | **Tue 14/07/26** | **Fri 25/09/26** | **52%** |
| Councils Complete General Info Request | 9 days | Tue 1/09/26 | Fri 11/09/26 | 100% |
| General Info Analysis | 11 days | Fri 11/09/26 | Fri 25/09/26 | 100% |
| RFI Analysis | 20 days | Mon 31/08/26 | Fri 25/09/26 | 100% |
| NW CE letter - Initiate Schedule 1 process | 5 days | Mon 14/09/26 | Fri 18/09/26 | 100% |
| **Systems & Technology** | **290 days** | **Mon 22/06/26** | **Fri 30/07/27** | **9%** |
| **Technology Selection – Tranche 1: ERP** | **290 days** | **Mon 22/06/26** | **Fri 30/07/27** | **9%** |
| **Procurement & Contract** | **81 days** | **Mon 22/06/26** | **Tue 13/10/26** | **99%** |
| Vendor negotiation | 15 days | Wed 12/08/26 | Tue 1/09/26 | 100% |
| Contract & SOW | 15 days | Wed 2/09/26 | Tue 22/09/26 | 100% |
| **Mobilisation & Resourcing** | **190 days** | **Mon 22/06/26** | **Fri 12/03/27** | **55%** |
| Technical Delivery Manager | 50 days | Mon 6/07/26 | Fri 11/09/26 | 100% |
| Business Analyst - Contract | 50 days | Mon 6/07/26 | Fri 11/09/26 | 100% |
| Business Analyst - Secondment | 50 days | Mon 6/07/26 | Fri 11/09/26 | 100% |
| Architect | 50 days | Mon 6/07/26 | Fri 11/09/26 | 100% |
| **System Design** | **90 days** | **Mon 31/08/26** | **Fri 1/01/27** | **5%** |
| Define Use-case backbone (from RFP demo scenarios) | 20 days | Mon 31/08/26 | Fri 25/09/26 | 100% |
| **Infrastructure & end-user computing** | **160 days** | **Mon 31/08/26** | **Fri 9/04/27** | **22%** |
| M365 tenant & Office apps | 20 days | Mon 31/08/26 | Fri 25/09/26 | 100% |
| Identity / directory | 20 days | Mon 31/08/26 | Fri 25/09/26 | 100% |

# Programme Snapshot – October (1)

As at 30 September 2026

| Task Name | Duration | Start | Finish | % Complete |
|---|---|---|---|---|
| **Asset Management** | 261 days | Mon 22/06/26 | Mon 21/06/27 | 22% |
| **Asset condition & performance** | **170 days** | **Tue 15/09/26** | **Tue 11/05/27** | **6%** |
| Asset condition framework | 20 days | Tue 15/09/26 | Mon 12/10/26 | 50% |
| **Asset data** | **206 days** | **Mon 29/06/26** | Tue 13/04/27 | **43%** |
| Asset data standards and structures confirmed | 55 days | Mon 17/08/26 | Fri 30/10/26 | 36% |
| **Asset Planning** | **240 days** | **Mon 22/06/26** | Fri 21/05/27 | **28%** |
| Review of council AMPs completed | 43 days | Wed 12/08/26 | Fri 9/10/26 | 30% |
| Determine additional AMP info required for WSS | 38 days | Wed 19/08/26 | Fri 9/10/26 | 35% |
| Strategic Matters input to WSS | 65 days | Mon 3/08/26 | Fri 30/10/26 | 50% |
| Operational Matters input to WSS | 65 days | Mon 3/08/26 | Fri 30/10/26 | 40% |
| **Asset valuation** | **235 days** | **Mon 22/06/26** | Fri 14/05/27 | **26%** |
| Board review of approach & RFP | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| RFP for asset valuation released | 20 days | Mon 17/08/26 | Fri 16/10/26 | 70% |
| **Development engineering** | **174 days** | **Wed 1/07/26** | Mon 1/03/27 | **18%** |
| Development engineering activities for council and NW agreed | 40 days | Tue 1/09/26 | Mon 26/10/26 | 10% |
| **Transfer Agreements** | **141 days** | **Mon 28/09/26** | Tue 13/04/27 | **0%** |
| Legal requirements for Transfer Agreement schedules agreed | 20 days | Mon 28/09/26 | Fri 23/10/26 | 0% |
| **Capital Delivery** | **244 days** | **Mon 27/07/26** | **Thu 1/07/27** | **14%** |
| **Capital Programme** | **244 days** | **Mon 27/07/26** | **Thu 1/07/27** | **31%** |
| **Capital projects stocktake & analysis** | **71 days** | **Mon 27/07/26** | **Mon 2/11/26** | **75%** |
| **Council RFI for Capital Projects information** | **41 days** | **Fri 21/08/26** | **Fri 16/10/26** | **81%** |
| WDC response | 12 days | Thu 1/10/26 | Fri 16/10/26 | 75% |
| KDC response | 12 days | Thu 1/10/26 | Fri 16/10/26 | 20% |
| FNDC response | 12 days | Thu 1/10/26 | Fri 16/10/26 | 50% |
| **Capital Delivery PMO** | **235 days** | **Mon 3/08/26** | **Fri 25/06/27** | **17%** |
| Value from Investment - Board approval | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| **Customer & Stakeholder Engagement** | **265 days** | **Mon 29/06/26** | **Fri 2/07/27** | **17%** |
| **Billing & Invoicing** | **192 days** | **Tue 1/09/26** | **Wed 26/05/27** | **11%** |
| Board endorsement - Billing & invoicing delivery model | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| **Customer** | **234 days** | **Mon 29/06/26** | **Thu 20/05/27** | **28%** |
| Customer Service & Experience Lead | 3 days | Tue 29/09/26 | Thu 1/10/26 | 100% |
| Customer contract types identified and consolidated | 20 days | Fri 11/09/26 | Thu 8/10/26 | 50% |
| **Customer Contact Centre** | **200 days** | **Fri 11/09/26** | **Thu 17/06/27** | **3%** |
| Customer Contact Centre analysis completed | 25 days | Fri 11/09/26 | Thu 15/10/26 | 25% |
| **Identity & Brand** | **265 days** | **Mon 29/06/26** | **Fri 2/07/27** | **22%** |
| CCO identity established (purpose, vision, values) | 20 days | Mon 14/09/26 | Fri 9/10/26 | 95% |
| Board endorsement- NW identity (purpose, vision, values) | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| **Iwi / hapū engagement** | **231 days** | **Mon 29/06/26** | **Mon 17/05/27** | **24%** |
| Iwi/hapū context and relationship landscape | 20 days | Thu 1/10/26 | Wed 28/10/26 | 0% |

| Task Name | Duration | Start | Finish | % Complete |
|---|---|---|---|---|
| **Finance, Funding & Commercial** | **262 days?** | **Tue 30/06/26** | **Wed 30/06/27** | **11%** |
| **Financial Operations and Controls** | **222 days?** | **Fri 24/07/26** | **Mon 31/05/27** | **24%** |
| Key Day 1 financial processes and controls defined | 16 days | Mon 5/10/26 | Mon 26/10/26 | 50% |
| GL Chart of Accounts and Dimensions confirmed | 8 days | Thu 15/10/26 | Mon 26/10/26 | 0% |
| **Finance Planning** | **179 days?** | **Thu 1/10/26** | **Tue 8/06/27** | **0%** |
| Review and revise Indicative P&L in Original Plan | 22 days | Thu 1/10/26 | Fri 30/10/26 | 0% |
| Assess original financial model and inputs | 22 days | Thu 1/10/26 | Fri 30/10/26 | 0% |
| **Revenue, Pricing and Billing** | **201 days?** | **Wed 23/09/26** | **Wed 30/06/27** | **18%** |
| RFI for billing, tariff, revenue and pricing management from councils | 23 days | Wed 23/09/26 | Fri 23/10/26 | 50% |
| Board endorsement - revenue and pricing principles | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| **Supplier Contracts** | **210 days?** | **Tue 11/08/26** | **Mon 31/05/27** | **4%** |
| Key contracts and preferred suppliers identified | 17 days | Mon 5/10/26 | Tue 27/10/26 | 0% |
| **Treasury** | **222 days?** | **Fri 24/07/26** | **Mon 31/05/27** | **13%** |
| Review debt councils proposed to transfer | 30 days | Mon 21/09/26 | Fri 30/10/26 | 20% |
| **Governance & Legal** | **258 days** | **Mon 6/07/26** | **Wed 30/06/27** | **13%** |
| **Bylaws** | **258 days** | **Mon 6/07/26** | **Wed 30/06/27** | **13%** |
| **Post Completion Services Agreement** | **215 days** | **Tue 11/08/26** | **Mon 7/06/27** | **6%** |
| PCSA framework / template developed | 40 days | Tue 18/08/26 | Mon 12/10/26 | 50% |
| Board endorsement - PCSA framework / template | 0 days | Tue 13/10/26 | Tue 13/10/26 | 0% |
| **Regulatory compliance** | **157 days** | **Mon 5/10/26** | **Tue 11/05/27** | **21%** |
| Regulatory landscape assessment (i.e. economic, water and consent regulation) | 20 days | Mon 5/10/26 | Fri 30/10/26 | 50% |
| **Risk** | **120 days** | **Mon 28/09/26** | **Fri 12/03/27** | **0%** |
| Risk management policy and framework established | 20 days | Mon 28/09/26 | Fri 23/10/26 | 0% |
| **Operations** | **255 days** | **Mon 6/07/26** | **Fri 25/06/27** | **14%** |
| **Compliance** | **201 days** | **Mon 6/07/26** | **Tue 13/04/27** | **18%** |
| Plant and network operational assessments | 85 days | Mon 6/07/26 | Fri 30/10/26 | 20% |
| **Consents** | **211 days** | **Mon 6/07/26** | **Mon 26/04/27** | **26%** |
| Consent register established | 40 days | Mon 7/09/26 | Fri 30/10/26 | 31% |
| **Health & Safety** | **235 days** | **Mon 6/07/26** | **Fri 28/05/27** | **19%** |
| Council H&S systems, processes, and performance reviewed | 30 days | Mon 31/08/26 | Fri 9/10/26 | 17% |
| **Operational Data** | **170 days** | **Mon 14/09/26** | **Fri 7/05/27** | **0%** |
| Key operational data registers established (e.g. water takes, private schemes, inventc | 20 days | Mon 14/09/26 | Fri 9/10/26 | 0% |
| **Operations Contracts & Service Delivery** | **235 days** | **Mon 6/07/26** | **Fri 28/05/27** | **12%** |
| Operational projects and supplier/contract stocktake completed | 40 days | Mon 7/09/26 | Fri 30/10/26 | 0% |
| **Resilience, Incident & Emergency Management** | **150 days** | **Mon 31/08/26** | **Fri 26/03/27** | **7%** |
| Council RFI for existing plans, strategies and procedures | 30 days | Mon 31/08/26 | Fri 9/10/26 | 33% |

# Workstream Update - September

| | |
|---|---|
| **Asset Management**<br>Leads: Martin Smith<br>Helen Ronaldson | • Asset Management Policy approved<br>• Asset data cleansing being progressed by councils<br>• NW Development Engineering Standards draft progressing<br>• Review of council AMPs progressing<br>• Asset valuation approach to October Board meeting |
| **Capital Delivery**<br>Lead: Nick Marshall | • RFI's for Capital Project Information received from councils<br>• PMO Options analysis and initial recommendations developed. To be further tested and refined in conjunction with wider Organisation Design.<br>• Maximise value from investment approach to October Board meeting.<br>• Preparation for Systems & Technology design phase.<br>• Assessment of alternative options for Ruakaka WWTP and contributing to refinement of position for October board. |
| **Customer & Stakeholder Engagement**<br>Lead: Heidi Erceg | • Stakeholder Engagement plan (Est Phase) approved<br>• RFIs responses received for customer & contracts and existing iwi/hapū agreements & relationships<br>• Contract offered for Principal Advisor - Māori Relations<br>• Customer Service & Experience Lead appointed<br>• Regular comms to Councils established fortnightly<br>• Powhiri to welcome Kate arranged<br>• NW Purpose and Updated Branding attached (Appendix A) |
| **Finance, Funding & Commercial**<br>Lead: Emma Watson | • LGFA accession achieved<br>• Council cost reimbursement process and tracking in place<br>• Revenue and financial modelling phase commenced<br>• Financial Planning Lead recruited (started 29 Sept)<br>• Revenue, pricing and billing principles drafted for approval<br>• Preparation for ERP design phase underway<br>• Debt transfer strategy work commenced |
| **Governance & Legal**<br>Lead: | • RFIs for Property Information received<br>• Review of existing bylaws complete to build action plan<br>• Internal business policy framework complete<br>• Post Completion Services Agreement framework / template under development<br>• Transfer Agreement approach drafted for Board approval |
| **Operations**<br>Lead: Martin Smith | • Establishment Period Health & Safety Policy approved<br>• Council H&S systems and performance review underway<br>• Council O&M contract extension and alignment strategy progressed<br>• Council Drinking Water Safety Plans reviewed<br>• Plant and network assessment workshop held; council data gathering in October<br>• Stormwater Services RFI released<br>• NW Consents register progressing in October<br>• Business continuity and emergency management plans RFI to be released October |
| **People & Organisation**<br>Lead: Deb Sinclair | • Analysis of RFI responses for People Information<br>• Letter from NW CE to Councils CEs to Initiate Schedule 1 process<br>• Workforce Transfer & Employment Framework paper for Board in Oct<br>• Kate to input to the Organisational Design / Operating Model for Board approval in Nov |
| **Systems & Technology**<br>Lead: Adrian Cathcart-James | • TechOne Contract signed and detailed planning underway<br>• System Demo's and design workshops scheduled starting 8th October and running until December Gate<br>• Two resources being recruited within budget. One Project Manager for Tranche 2 and one coordinator to support stream activities.<br>• Data Migration planning progressing well with Digital Asset and reporting RFI created and reviewed. |

| | |
|---|---|
| R | Critical issues – immediate action needed |
| A | Risks or delays – plan in place to rectify |
| G | On track – no major issues |

# RFI Scope & Status

As at 30 September 2026

| Workstream | Document Title | Council | RFI Date | Status |
|---|---|---|---|---|
| Asset Management | Asset Data RFI | FNDC | 28/08/26 | In Progress |
| | | WDC | 28/08/26 | Returned to NW |
| | Plant & Network Assessments | WDC | 22/09/26 | In Progress |
| | | KDC | 22/09/26 | In Progress |
| | | FNDC | 22/09/26 | In Progress |
| Capital Delivery | Capital Projects Information | WDC | 21/08/26 | Returned to NW |
| | | KDC | 21/08/26 | In Progress |
| | | FNDC | 28/08/26 | In Progress |
| Customer & Stakeholder Engagement | Customer & Contract RFI | WDC | 14/08/26 | Returned to NW |
| | | KDC | 14/08/26 | Returned to NW |
| | | FNDC | 14/08/26 | Returned to NW |
| | Iwi and Hapū Agreements and Relationships | FNDC | 24/08/26 | Returned to NW |
| | | WDC | 24/08/26 | Returned to NW |
| | | KDC | 24/08/26 | Returned to NW |
| Finance Funding & Commercial | Networks Assets & Debt | FNDC | 31/07/26 | Returned to NW |
| | | FNDC | 31/07/26 | Returned to NW |
| | | WDC | 31/07/26 | Returned to NW |
| | Operational Budgets and Other Assets & Liabilities | FNDC | 18/08/26 | In Progress |
| | | KDC | 18/08/26 | Returned to NW |
| | | WDC | 18/08/26 | In Progress |
| | Pricing Models and Associated Inputs | FNDC | *30/09/26* | *Planned* |
| | | KDC | *30/09/26* | *Planned* |
| | | WDC | *30/09/26* | *Planned* |

| Workstream | Document Title | Council | RFI Date | Status |
|---|---|---|---|---|
| Governance & Legal | Property | WDC | 26/08/26 | In Progress |
| | | KDC | 26/08/26 | In Progress |
| | | FNDC | 26/08/26 | Returned to NW |
| Operations | Consents | WDC | 31/07/26 | Returned to NW |
| | | FNDC | 31/07/26 | Returned to NW |
| | | KDC | 31/07/26 | Returned to NW |
| | Contracts (Suppliers) | WDC | 11/08/26 | Returned to NW |
| | | KDC | 13/08/26 | Returned to NW |
| | | FNDC | 11/08/26 | Returned to NW |
| | Health and Safety | WDC | 31/08/26 | Returned to NW |
| | | KDC | 31/08/26 | Returned to NW |
| | | FNDC | 31/08/26 | Returned to NW |
| | Stormwater Services | WDC | 18/09/26 | In Progress |
| | | KDC | 18/09/26 | Returned to NW |
| | | FNDC | 18/09/26 | In Progress |
| | Resilience, Incident & Emergency Management | WDC | *October* | *Planned* |
| | | KDC | *October* | *Planned* |
| | | FNDC | *October* | *Planned* |
| People & Organisation | People & Organisation | FNDC | 31/07/26 | Returned to NW |
| | | KDC | 31/07/26 | Returned to NW |
| | | WDC | 31/07/26 | Returned to NW |
| Systems & Technology | Digital Assets & Reporting | FNDC | *October* | *Planned* |
| | | KDC | *October* | *Planned* |
| | | WDC | *October* | *Planned* |

# Appendix A:

# NW Purpose, Visions, Mission & Values

# Purpose, vision, mission and values

**PURPOSE**

**For water that sustains life, place and generations to come**

**VISION**

**Sustainable water for the future for Northland**

**MISSION**

**Water Northland can count on.** We invest for the long term and improve every year, so dependable today means dependable for those who follow.

**VALUES**

**We are dependable**

What we say we'll do, we do

**We are better together**

Open with others, open with each other

**We care**

For the wai, the people, the place and the resources entrusted to us

**We keep moving**

We question, learn and back new thinking

# Public Excluded agenda items – 13 October 2026

| | |
|---|---|
| **Meeting type** | Board of Directors Meeting |
| **Meeting date** | 13 October 2026 |
| **Owner / presenter** | Helen Ronaldson, Programme Lead |

The following recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 and 7 of the Act. On the grounds that matters will be prejudiced by the presence of members of the public during discussions on the following items, it is recommended:

a) That the following items are considered with the public excluded:

| Item | | Reasons | Grounds – Section 7 (2) |
|---|---|---|---|
| 6.1 | Pervious PEX minutes | Decisions and information contained in the PEX minutes will be released publicly when appropriate. | (a) protect the privacy of natural persons, including that of deceased natural persons |
| 6.2 | Public Excluded Action List | | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 7.1 | Workforce Transition: Pathways, Timing and Employment Framework | This paper sets out proposed employment terms, redundancy settings and liability positions that are subject to further legal advice and to employee consultation and collective bargaining with the shareholding councils, and public disclosure would disadvantage Northland Waters in those negotiations. | (i) the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 7.2 | Revenue, Pricing and Billing Principles | The development of revenue, pricing and billing principles is a sensitive matter which requires careful consideration though the establishment phase. Making early-stage discussions public may compromise Northland Waters future commercial position. | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |

| | | | |
|---|---|---|---|
| 8.2 | Far North and Kaipara DC Three Waters O&M contract terms | This paper concerns the commercial terms of the councils' existing contracts | (i) enable any authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 8.3 | Maximising Value from Investment | The paper talks to the commercial strategy for market engagement. | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 8.4 | Draft Shareholder Statement of Expectations | | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 8.5 | Ruakaka wastewater scheme - options | Decisions on final solutions for this scheme are yet to made by Whangarei District Council (WDC) | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |