Shareholder Representative Forum

MEETING PACK

for

Shareholder Representative Forum Meeting - In Public

Monday, 21 September 2026

2:15 pm (NZST)

Held at:

Via Teams

Microsoft Teams meeting

Join:
https://teams.microsoft.com/meet/423325201616452?p=dqplz8jHLvMgA6NIag

Meeting ID:
423 325 201 616 452

Passcode:
5yQ7JN7c

Generated: 2026-09-08 07:15:37

INDEX

AGENDA

SHAREHOLDER REPRESENTATIVE FORUM MEETING - IN PUBLIC

Name:	Shareholder Representative Forum
Date:	Monday, 21 September 2026
Time:	2:15 pm to 2:35 pm (NZST)
Location:	Via Teams, Microsoft Teams meeting Join: https://teams.microsoft.com/meet/423325201616452?p=dqplz8jHLvMgA6NIag Meeting ID: 423 325 201 616 452 Passcode: 5yQ7JN7c
Committee Members:	Don McLeod (Committee Chair), Mayor Ash Tanner, Mayor Gary Petley, John Robertson, Mayor Mike Pettit, Mayor Rodney Dow, Mayor Toby Adams
Attendees:	Allie Stevens, Ben Smit, David Speirs, Manaia Te Wiata, Stephanie O'Sullivan, Susan Law, Tanya Winter

1. Meeting Administration

1.1 Welcome and Open meeting

2:15 pm (5 min)

For Noting

1) Chairs Welcome

2) Karakia

3) Apologies

4) Quorum present

As a matter of practicality, meetings of the SRF may be scheduled to cover matters that involve decision making and matters that do not. For pragmatic reasons, if a meeting has one item at the agenda that relates to decision making, then the entire meeting will be treated as a 'meeting' and will be publicised and open to the public unless there are valid reasons to exclude the public.

Item 2 below requires the SRF to make a decision and so this meeting is to be considered as being within LGOIMA.

2. In Public Meeting

2.1 Statement of Expectations

2:20 pm (15 min)

Don McLeod

For Decision

Shareholder Representative Forum to **approve** the Statement of Expectations.

Recommendation:

That the Shareholders' Representative Forum (**SRF**) approve the Statement of Expectations (**SoE**) for Waikato Waters Limited (**WWL**) (included at Attachment B) by passing the following resolution:

*The shareholders in Waikato Waters Limited (the **Company**) hereby:*

(a) ***RESOLVE*** *pursuant to section 224 of the Local Government (Water Services) Act 2025 and clause 11.3(e)(ii) of Schedule 2 of the Shareholders' Agreement, that the attached statement of expectations be approved and adopted as the combined statement of expectations of the shareholders.*

(b) ***NOTE*** *that the approved statement of expectations will be provided to the Company immediately following the entering of this resolution.*

Supporting Documents:

2.1.a	Approval of Statement of Expectations.docx	6
2.1.b	Letter to SRF Chair re Statement of Expectations.pdf	8
2.1.c	Statement of Expectations - Final Draft for SRF approval.pdf	9

2.2 Move in to In Committee

2:35 pm (5 min)

Don McLeod

For Decision

Public Exclusion resolution to be noted and approved

That the public be excluded from the following parts of the proceedings of this meeting, namely: Agenda Items 3.1 through 3.2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

3.1: The minutes refer to commercial information and refer to natural persons (section 7(2)(a) and section 7(2)(b)(ii))

3.2: Board Director Appointment Update and Timing will refer to natural person (section 7(2)(a) and also to commercial matters within section 7(2)(b)(ii).

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 (**LGOIMA**) and the particular interest or interests protected by section 7 of LGOIMA.

3. In Committee Meeting

3.1 Minutes from previous meetings

2:40 pm (5 min)

Don McLeod

For Noting

Reason for Public Exclision:

The minutes refer to commercial information and refer to natural persons (section 7(2)(a) and section 7(2)(b)(ii))

3.2 Board Director Recruitment Update

2:45 pm (10 min)

Don McLeod

For Information

Reason for Public Exclusion:

Board Director Appointment Update and Timing will refer to natural person (section 7(2)(a) and also to commercial matters within section 7(2)(b)(ii).

3.3 Any Other Business

2:55 pm (5 min)

For Discussion

For discussion.

Chair to call for any other business.

4. Close Meeting

4.1 Close the meeting

Next meeting: Shareholder Representative Forum - 23 Nov 2026, 3:00 pm

Approval of the Statement of Expectations

Submitted by Don McLeod
Independent Chair, Shareholder Representative Forum

1. Recommendation

1.1. That the Shareholders' Representative Forum (**SRF**) approve the Statement of Expectations (**SoE**) for Waikato Waters Limited (**WWL**) (included at Attachment B) by passing the following resolution on 21 September 2026:

*The shareholders in Waikato Waters Limited (the **Company**) hereby:*

*(a) **RESOLVE** pursuant to section 224 of the Local Government (Water Services) Act 2025 and clause 11.3(e)(ii) of Schedule 2 of the Shareholders' Agreement, that the attached statement of expectations be approved and adopted as the combined statement of expectations of the shareholders.*

*(b) **NOTE** that the approved statement of expectations will be provided to the Company immediately following the entering of this resolution.*

2.1. To ensure the shareholding councils comply with their collective obligations under the Local Government (Water Services) Act 2025 and the Shareholders' Agreement and deliver an SoE to the Board of Waikato Waters (Board).

3.1. The SoE is a mandatory document that shareholders in a water organisation must prepare and provide to the Board no later than 6 months before a water services strategy is to be adopted.

3.2. The purpose of the SoE is to provide the Board with clear, unified strategic direction from its shareholding council, with Waikato Waters intending to adopt its first water services strategy by no later than 1 July 2027.

3.3. The SoE must not include requirements or expectations that would compromise WWL's financial independence or seek to influence its operational matters.

4.1. In the context of WWL, under the Shareholders' Agreement, WWL's shareholding councils have delegated authority to the SRF to receive, consider and approve any matter reserved for shareholder decision making, including approval of the SoE. The SRF acts as the single forum through which shareholders collectively settle and approve one combined SoE.

4.2. Again, under the Shareholders' Agreement, approval of the SoE should be by consensus. If consensus efforts have failed (as determined by the Chair of the SRF), the matter will go to a vote. This will require a Special Resolution by Number, meaning the resolution must be approved by the shareholding councils entitled to vote with no more than two voting against or abstaining. This means that four of the six eligible councils must vote in favour.

4.3. In the context of this matter, all six shareholding councils are entitled to vote (one vote per council). Should a vote be required, voting will be show of hands (i.e., the Chair's proposed approach and noting that the Chair has no casting vote). The Chair's declaration that a resolution is carried is conclusive unless a poll is demanded.

5.1. A draft of the SoE has been previously considered by the SRF. This was provided to the Board for consideration. By letter dated 27 August 2026 (Attachment A), the Board has confirmed it has reviewed the draft SoE and endorsed it for presentation to the SRF for approval.

5.2. This satisfies the requirement that the Board be given the opportunity to consider and comment on the draft before it is finalised. The draft SoE endorsed by the Board and presented for approval is attached as Attachment B.

6.1. Based on the resolution set out in this paper being passed by the SRF, the SoE will be provided to WWL immediately. This will then inform WWL's preparation of its water services strategy, with a draft being provided to the SRF in due course for comment and feedback.

7.1. Attachment A - Letter from Chair of Waikato Waters dated 27 August 2026

7.2. Attachment B - draft SoE presented for approval

27 August 2027

Chair
Shareholder Representative Forum
Don McLeod (Chair)
By email: d.mcleod@xtra.co.nz

Statement of Expectations

Dear Chair

The Board appreciates the opportunity to engage with the Shareholder Representative Forum on the proposed Statement of Expectations.

The draft Statement of Expectations was considered at the 18 August 23026 board meeting. I am pleased to advise that the draft you provided was updated to include minor amendments, and Forum member feedback received from you as Chair.

The Waikato Waters Limited Board have endorsed the attached document for you to present to your Forum members for final approval at your 21 September Shareholder Representative Forum meeting.

We look forward to receiving the outcome of your discussion.

Yours sincerely

Elena Trout
Chair

Waikato Waters

STATEMENT OF EXPECTATIONS

Pre-amble

This Statement of Expectations is the fundamental accountability document for Waikato Waters Ltd (WWL), a commercially disciplined water services company owned by its Shareholding Councils. It is not a guide, operational handbook or procedural manual. Rather, it establishes the basis on which the Shareholders may hold the Company to account; records the expectations, responsibilities and commitments of each party; and defines the framework through which the relationship, performance, decision-making and shared interests will be governed and managed.

The Shareholding Councils, the Board and management have distinct and complementary responsibilities, and each contributes to WWL's success within its respective mandate. The Shareholding Councils exercise ownership responsibilities by articulating strategic expectations, exercising rights reserved to Shareholders under the Shareholders' Agreement and monitoring performance. The Board governs WWL, exercises independent judgement and oversees management. Management leads and manages the business within the authority delegated by the Board. These roles are to be carried out through respectful, constructive engagement and an acknowledgement of the expertise, statutory obligations and decision-making authority of each party.

WWL must have operational freedom to manage people, assets, systems, investment delivery, customers, procurement, pricing implementation and risk within the law, the Shareholders' Agreement, approved plans, funding settings and applicable shareholder approvals.

Accordingly, this Statement provides a durable framework for mutual accountability, constructive engagement and timely decision-making. It respects the governance and operational responsibilities of the Board and management while ensuring Shareholders receive the information and assurance needed to discharge their ownership responsibilities.

Waikato Waters operates in a highly regulated environment and has significant compliance obligations including for natural resource protection and drinking water safety. Waikato Waters is also subject to economic regulation under the *Commerce Act 1986*. This regulatory framework operates in the interests of the environment and consumers.

The Statement of Expectations cannot contradict the legal obligations of the Directors under company law, nor the regulatory requirements of the Commerce Commission and the covenant requirements of the New Zealand Local Government Funding Authority.

Contents

Statement of Expectations

1. This Statement is the fundamental expression of the Shareholders' expectations for WWL and the primary reference point for accountability between the Shareholders and the Company. It is not a guide to day-to-day operations. It establishes the basis for assessing and holding the Company to account, defines the principal responsibilities and commitments of the Shareholders and the Company, and sets out how their relationship, performance, decisions and shared interests will be governed so that WWL can operate as a financially sustainable, customer-focused and commercially disciplined water services company.

2. Shareholding Councils will act collectively through the Shareholder Representative Forum (SRF) and the reserved-matters framework set out in the Shareholders' Agreement.

Term and Review

3. This Statement applies from 1 July 2026 to 30 June 2036 and is subject to any review, approval or replacement requirements in legislation. It may also be reviewed following a material ownership, funding, scope or obligations change.

Commercial Focus

4. WWL's core task is to operate a professional water utility with accountability for customers, assets, service performance, compliance, revenue, investment delivery, debt and long-term financial sustainability.

Shareholder and Company Relationship

5. The relationship between the Shareholders and the Company is founded on mutual respect, good faith, clarity of mandate and shared accountability for agreed outcomes. Each party recognises the legitimate responsibilities and expertise of the others. Shareholders articulate ownership expectations and exercise reserved rights; the Board governs WWL, applies independent judgement and oversees management; and management leads and manages the business under the Board's authority.

6. The parties acknowledge that clear ownership oversight and appropriate commercial and operational independence are mutually reinforcing. WWL requires sufficient freedom to deliver safe, reliable, compliant and efficient services, while Shareholders require timely information and assurance to discharge their ownership responsibilities. Consistent with the respective mandates of the parties, operational decisions—including individual projects, procurement and staffing—are matters for the Board and management unless Shareholder involvement is required by law, the Shareholders' Agreement, approved plans or an applicable council decision.

7. The operating principles are:

   a. Shareholders speak through agreed shareholder channels, principally the SRF, within the SRF's mandate its Terms of Reference
   b. WWL and the Shareholders maintain a mutual no-surprises approach on material ownership, financial, service, regulatory and reputational matters, supported by timely formal reporting and appropriate informal engagement.
   c. Shareholders focus on outcomes, efficiency, performance, risk and reserved matters, not operational inputs.
   d. Reporting is concise, exception-based and decision-useful.
   e. Disputes are escalated quickly through the processes in the Shareholders' Agreement, so delivery is not delayed.
   f. Where WWL becomes aware that an approved strategy, plan, performance target or material Shareholder expectation cannot, or is unlikely to, be delivered in full or within the agreed timeframe, it will advise the Shareholders at the earliest reasonable opportunity. The advice will state clearly what is not expected to be achieved and why; explain the causes, assumptions and likely consequences; identify material risks, dependencies and trade-offs; quantify the variance where practicable; and set out proposed mitigation, recovery actions, decisions required, revised timeframes and any recommended amendment to the relevant expectation or plan. Subsequent reporting will track the agreed response and progress until the matter is resolved or a revised expectation is approved.
   g. The parties agree and maintain clear points of contact, escalation pathways and communication protocols. Informal engagement should enable early discussion and resolution, while decisions, material commitments and matters requiring assurance are recorded and progressed through the appropriate formal channels.

8. Unless a matter is reserved to shareholders, required by law, required by the Shareholders' Agreement, or is a material departure from approved plans, it is for WWL's Board and management to decide and implement.

Establishment Expectations

9. During establishment (being until 1 July 2027), WWL is expected to:

   a) complete the transfer of people, assets, liabilities, contracts, consents, obligations and systems from Shareholders in accordance with respective transfer agreements without service disruption;
   b) adopt a transparent investment prioritisation framework that balances risk, growth, compliance, asset condition and service levels;
   c) build direct customer, billing, revenue, collections and communication capability (with date of effect to be confirmed with Councils in accordance with the terms of their respective post-completion services agreement);
   d) develop transparent pricing that supports financial sustainability;

e) establish effective working relationships with iwi, hapū, regulators, customers and Shareholders;
f) use shared services only where efficient, transitional or commercially justified; and
g) operate within approved budgets, manage cashflow and debt prudently, and protect long-term service resilience.

Enduring Expectations

10. WWL must meet all statutory, regulatory, Treaty settlement, environmental, public health, employment, financial and governance obligations. Compliance is a baseline requirement, not a basis for shareholders to manage operations.

Strategic Direction and Priority Expectations

11. Shareholders' strategic priorities are:
    a. safe establishment and seamless transfer of water services;
    b. financially sustainable, customer-focused and reliable services;
    c. commercial benefits from scale, including reduced duplication, stronger capability, better procurement, improved asset intelligence and disciplined capital delivery;
    d. public health, environmental and regulatory compliance; and
    e. capital investment aligned with growth, resilience and the Investment Prioritisation Framework.

Performance Expectations

12. Waikato Waters is committed to supporting its obligations to deliver to customers, compliance with regulatory demands and shareholder aspirations by establishing policy , procedures , systems and reporting mechanisms that demonstrate its commitment to these outcomes and to one of continuous improvement

13. WWL will maintain a performance framework that enables Shareholders to assess whether their expectations and approved strategic outcomes are being met and to hold the Company to account on an informed basis. The framework will provide clear, balanced and decision-useful visibility of service, financial, compliance, customer, asset, workforce, efficiency, transition and strategic delivery performance, without unnecessarily duplicating Board reporting and consistently with the Shareholders' and Transfer Agreements.

14. Performance requirements and reporting will be reviewed periodically with Shareholders to confirm that they remain sufficient to address Shareholder expectations, provide meaningful assurance and support timely consideration where performance, strategy or delivery is at risk. Reporting will distinguish matters requiring Shareholder decision or attention, including material exceptions, from operational matters for the Board and management. It will also provide transparent explanation whenever current strategy or

approved plans cannot be delivered as intended, including the reasons, implications, available options, corrective action and any proposed resetting of expectations.

15. Reporting should show:
    a) performance against agreed shareholder expectations and approved plans;
    b) material exceptions, risks, dependencies and trade-offs, including a transparent explanation of any approved strategy, plan, target or Shareholder expectation that cannot be delivered as intended, the reasons for the variance, its consequences, corrective actions, revised outlook and any matter requiring Shareholder decision; and
    c) evidence that WWL is improving efficiency, customer outcomes, asset performance, compliance and financial sustainability.

Resource Management and Land-use Planning

16. In resource management and land-use planning, WWL acts as the specialist water utility. Councils retain statutory planning and regulatory roles. WWL provides technical input, identifies network constraints, advises on infrastructure implications and protects the integrity of water services investment and operations. The shared interests' arrangements between each Council and WWL are as set out in Schedule 3 of their respective transfer agreements (as may be amended by agreement from time to time).

Statutory Obligations and Relationships with Iwi and Hapū

17. WWL must meet all applicable statutory, regulatory, Treaty settlement, joint management, environmental, public health, financial and governance obligations across its service area.
18. Nothing in this Statement changes or reduces existing commitments owed by any Shareholding Council to iwi, hapū or other parties, including commitments under Treaty settlement arrangements, joint management agreements or Te Ture Whaimana.
19. WWL should build practical and respectful working relationships with iwi and hapū, regulators, customers and Shareholders in a way that supports its role as a water services utility and its statutory and contractual obligations.

Reporting

19. Until 1 July 2027, WWL will report every two months to the SRF on transfer readiness, service continuity, critical risks, financial position, customer readiness and matters requiring shareholder attention.
20. From 1 July 2027, WWL will report quarterly to the SRF on performance, exceptions, strategic risks, shareholder matters and material progress against approved plans.

21. SRF meetings should focus on shareholder-level matters: performance, financial sustainability, major projects by exception, material risks, regulatory issues, customer outcomes and reserved matters.
22. Six-monthly reporting should cover capital delivery by exception, compliance, financial outlook, critical risks, material stakeholder relationships and transition progress.
23. Operational engagement between WWL and council officers should support agreed interfaces, statutory processes, emergency management, development planning, shared services, transfer obligations and material no-surprises matters. The parties will use those informal channels constructively for early awareness and coordination, while ensuring that approvals, directions and material commitments are made only through the authorised formal channels and do not create unintended approval rights.
24. Individual council briefings should be by exception or agreed annual programme and must not duplicate SRF reporting or direct company operations.