

GUIDANCE MATERIAL

INITIAL TRUSTEE RESOLUTION TEMPLATE (MIXED COUNCIL / CONSUMER TRUST MODEL OR CONSUMER TRUST MODEL)

BACKGROUND	<p>The Local Government (Water Services) Act 2025 ("Act") enables councils to deliver water services through:</p> <ul style="list-style-type: none"> • a consumer trust model - where the consumer trust has full ownership of the underlying water services organisation ("Water Organisation"); or • a mixed council / consumer trust model - where a consumer trust may be a minority or majority shareholder of a Water Organisation alongside the shareholder council(s).
WHO IS THIS TEMPLATE FOR?	<p>Councils who wish to utilise a consumer trust water model or mixed council / consumer trust water model to deliver water services and have settled the consumer trust.</p>
PURPOSE OF THIS DOCUMENT / TEMPLATE	<p>This template provides for three Initial Trustees to accept their appointment as trustees of the consumer trust. This will be the first formal decision made by the Trustees.</p> <p>Initial Trustees will be subject to all of the obligations set out in the Deed of Trust but their role is limited to completing the first election to allow consumers (the beneficiaries of the Trust) to elect their Trustees (see Schedule 3 of the Deed of Trust). Further decisions relating to the establishment and operation of the Water Organisation are appropriately left to the elected Trustees of the Consumer Trust.</p> <p>The Trustees must keep core trust documents (such as the Trust Deed and any Trustee Resolutions) for the duration of their trusteeship. When they cease to be a Trustee, they must give any core trust documents they are holding to the new or continuing Trustees of the Trust.</p>
KEY CONSIDERATIONS FOR COUNCILS	<p><i>Before completing this Initial Trustee Resolution, council(s) should have:</i></p> <ul style="list-style-type: none"> • determined who they will appoint as the three Initial Trustees (who will resign after they appoint an Electoral Officer and the completion of the first Trustee election); and • settled the Trust by executing the Trust Deed. <p><i>After completing an Initial Trustee Resolution, the Initial Trustees should consider:</i></p> <ul style="list-style-type: none"> • holding the first trustee election; and • executing a deed of appointment and removal of trustees following the completion of the first trustee election. <p><i>After the Initial Trustees complete an election, Council(s) should consider:</i></p> <ul style="list-style-type: none"> • incorporating the new limited liability Water Organisation; and • executing the Asset Transfer Agreement if necessary.

How to use this document / template

Complete this Initial Trustee Resolution with date, names and signatures of the Initial Trustees.

The Department can provide further information or support to councils if required. Please contact wmdp@dia.govt.nz

Please note that neither this guidance nor the Initial Trustee Resolution Template attached constitute legal advice. If unsure as to their position on any matter, councils should consider obtaining their own independent legal advice.

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