Quarterly monitoring report - water services delivery plan

Water Services CCO

Timaru and Mackenzie

30 June 2026 for the period April to June 2026

Council plans that establishing water organisations

Part A: Progress updates

Quarterly reporting period: 1 April to 30 June 2026

Milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Project Management Plan, Procurement Strategy, Comms and Engagement Plan endorsed by Joint Shareholder Committee	03.06.26	Yes	This has been completed leveraging the DIA Establishment Programme guidance together with review and input from internal SMEs. These documents provide a detailed programme towards implementation aligned to the WSDP with the exception noted below re stormwater. .
Appoint Establishment Chair and CE	30.06.26 revised to 30.08.26	No	Sheffield engaged to support, roles have been advertised and recruitment is underway with positions in the shortlisting/interview stages (Chair) and longlisting (CE). Risk around CE notice period has been mitigated by appointment of an interim (external) lead to serve as representative of the Water Organisation.
Constitution and Shareholders Agreement	03.06.26 revised to 13.07.26	No	First drafts reviewed by Joint Shareholder Committee, final version of constitution to be endorsed 13.07.26 for approval by Councils the following month, pending any further changes. SHA continues to be reviewed. Revised timing still supports critical path.

Decisions re stormwater	03.06.26 revised to 13.07.26	No	Initial options analysis reviewed by Joint Shareholder Committee, position to be endorsed 13.07.26 for approval by Councils (subject to consultation if required) the following month pending any further changes. Revised timing still supports critical path.
Decisions re stock water	03.06.26 revised to September 2026	No	**MDC** (these are classed as drinking water supplies): Albury Water Supply Incorporated are working with Taumata Arowai and Council to meet the drinking water standards and to change ownership to the Incorporation. Allandale Water Supply is likely to combine with the Fairlie Water Supply. Decisions will be included in next update. **TDC**: The Beautiful Valley and Rangitata Stock Water schemes are not subject to the Water Services Act and will not be transferred.
Decisions re Downlands	03.06.26 revised to 13.07.26	No	Initial options analysis reviewed by Joint Shareholder Committee, position to be considered by the Downlands Committee on 13.07.26 for endorsement and recommendations to shareholding Councils re preferred way forward. Revised timing still supports critical path.
Development of draft JOM	03.06.26 revised to 30.09.26	No	Initial options analysis completed in draft, decisions on recommendations will be finalised for next reporting period by interim (external) lead as representative of the Water Organisation. Revised timing still supports critical path.
Assessment of community access to drinking water 1 July 2026	Completed	Yes	NA

30 June 2026: Information Disclosure reporting to the Commerce Commission (Dividend Statement, policy for funding growth, information about charges).	30.06.26 revised new deadline pending from Commerce Commission	Yes	Draft completed disclosure completed, FY27 fees and charges and rates to be resolved by Council 30 June 2026 with disclosure to occur after, but before the updated deadline from Commerce Commission.

Expected activity in next quarter

Milestone / deliverable	Expected activity
Appointment of Chair, CE	A panel will interview and confirm selected candidates by 01 September 2026
Constitution and Shareholders Agreement	Final revision of constitution for endorsement by Joint Shareholder Committee 13.07.26, and approval by Councils the following month. SHA continues to be developed.
Decisions re stormwater	Review of final options for endorsement by Joint Shareholder Committee on 13.07.26, and then (subject to any consultation) approval by Council. Likely amendment to WSDP required if decision is for WSP responsibility to transfer to Water Organisation with corresponding consultation requirement.
Decisions re stockwater	Work to be completed and decisions taken as noted above.
Decisions re Downlands	Options analysis is currently being updated with review and direction from the Downlands Committee scheduled for 13.07.26 with recommendations to the shareholding Councils and Waimate District Council to be followed up and agreed within the reporting period.
Development of draft JOM	Critical decision details to be reviewed and direction provided by interim (external) lead as representative of the Water Organisation. Next step to include drafting of corresponding Service Agreements.
Collation of Asset and Liability registers	Both Councils have completed their asset revaluation and have up to date asset registers. Work has started on using Pleasant Point as test case for the full schedule 2 transfer, specifically testing the scope and level of data to be included re property, easements, contracts, and non-financial liabilities.

Preparation of Financial Model to inform Financial Strategy	Work has been completed for TDC to isolate key data however next steps cannot be clearly defined until decisions have been made regarding the Joint Operating Model and, with that, the extent of any service agreements in place or any shared systems. The scope of work will therefore be defined and work begung in the next reporting period.
Draft Asset Management Plans	Data collation and gap analysis including review of growth/demand data.

Part B: Additional monitoring information – items noted in letters of acceptance

Items noted in letters of acceptance	Progress update
Transitional funding arrangements for the WSCCO from 2026/27 to 2028/29	Amounts have been allocated from each council for the initial transition process. TDC have allocated $2.364M and MDC have allocated $250K noting additional funding is to be considered through their Annual Plan process. Nominally Timaru District Council will incur the costs for efficiency. The debt will be transferred to the WSCCO as part of the transfer agreement.