Quarterly monitoring report - water services delivery plan

Water Services CCO

Marlborough District Council

Reporting Period: 1 April 2026 – 30 June 2026

Council plans that establishing water organisations

Part A: Progress updates

Guidance on completing this table

The purpose of this section is to:

- *Identify each of the key activities, deliverables and milestones involved in implementing the arrangements in an accepted water services delivery plan;*
- *Identify the expected date for completing each of the identified activities, deliverable and milestone*
- *State whether the activity, deliverable and milestone is on track or off track, and if off track provide commentary for why.*
- *Describe any significant issues and risks associated with achieving each activity, deliverable and milestones – and the mitigations in place to overcome these issues and risks*
- *Identify activity expected in the next quarter towards completion of milestones or deliverables*

Examples of activities, deliverables and milestones that should be included are listed below:

- *Formal legal incorporation*
- *Appoint interim board and chair*
- *Constitution*
- *Shareholders' Agreement*
- *Transfer Agreement*
- *Statement of expectations*
- *Financial and treasury arrangements finalised (LGFA access)*
- *Transfer of assets and liabilities*
- *Transfer of staff (if any)*

Note that even if your implementation plan did not cover these activities, any progress made in the last quarter should be reported here.

Quarterly reporting period: 1 April 2026 – 30 June 2026

Milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Constitution	Completed	Completed	▪ Approved by Council on 14 May
Entity Name	Completed	Completed	▪ Council approved the name Marlborough Waters Limited on 14 May
WSO Board Appointment Policy	Completed	Completed	▪ Council approved the policy on 14 May
Board Recruitment	20 July	Yes	▪ Sheffield South Island were engaged to recruit the new Marlborough Waters Board
Statement of Expectations	17 September	Dependent on extent of Board Comments	▪ At a Council workshop on 7 May, Council reviewed and provided feedback on the draft SOE. ▪ Council suggested several amendments that were made and presented back to a Council briefing on 18 June 2026. ▪ The draft was then sent to Simpson Grierson for external review.
Organisation Design	1 October 2026	Yes	▪ MartinJenkins engaged to provide advice on organisation design. ▪ Draft Org Chart ready for Staff Consultation in Oct/Nov 26.
Water Services Strategy	April/May 2027	Yes	▪ WSS template has been developed – initial strategic chapters drafted ▪ Strategic Asset Management Plan – final draft completed ▪ Prioritisation framework (for capital programme) completed ▪ Capital programme – scenario programmes developed. ▪ High-level plan is to develop draft by Dec 2026, hold the consultation in March 2027, and adopt in April/May 2027
Transfer Agreement	May/June 2027	Yes	▪ Significant work has been completed on identification of network, plant and contracts which need to be populated into the template.

Expected activity in next quarter

Milestone / deliverable	Expected activity
Incorporation	▪ Incorporation was completed on 9 July
Marlborough Waters Board	▪ Recruitment completed and new Board effective from 20 July
Board Induction	▪ Scheduled for 3-4 September
Inaugural Board Meeting	▪ Scheduled for 9 September
CE Recruitment	▪ Establishment CE (Acting) has been appointed the Establishment CE on a fixed-term basis until 31 December 2026. ▪ A decision will be made by the Board at their inaugural meeting on 9 September on the CE Recruitment Options/Timeframe.
Visual Identify/Branding	▪ Decision will be made by Board at their inaugural meeting on 9 September
Statement of Expectations	▪ At their meeting on 6 August, Council approved the provision of the latest draft of the SOE to the Board. ▪ The Board will discuss the SOE at their induction on 4 September. ▪ The Board will approve their Comments at their inaugural meeting on 9 September. ▪ The Board comments and any suggested changes to the SOE will be presented to Council for approval at their 17 September meeting.
Additional Project Resourcing	▪ The following dedicated roles will join the project team in August to support programme: Senior Commercial Solicitor, Strategic Finance Manager – Water Services Establishment, Business Analyst – Water Services Establishment, and Governance Lead. ▪ Under the direction f the Board - full project team will support ongoing progress on the Water Services Strategy, Transfer Agreement, and Shared Services Agreement.
Staff Consultations	▪ 1st Staff Consultation in August/September will ask staff to confirm if they want to transfer to Marlborough Waters on 1 July 2027, and their new Employment Agreement.
Water Services Strategy	▪ MartinJenkins is developing a scenario (financial) model to allow analysis on the impact of the capital programme options on affordability. ▪ Stocktake of existing charging arrangements completed

	▪ At the inaugural Board meeting on 9 September, the Board will assess the impact of the required capital programme investment against operational deliverability constraints and the impact on affordability; and will provide strategic direction on the most acceptable trade-off.
Transfer Agreement	▪ Legal team to develop programme plan for development /due diligence ▪ Populate the template with the analysis that has already been completed and identify any remaining gaps.
Shared Services Agreement	▪ The new Business Analyst will be documenting all corporate services processes currently used to support the Water Services Department and redesign those processes to work as part of a Shared Services Model. ▪ Once the scope and time commitment of shared services support for Marlborough Waters is fully understood, we can develop the pricing model and terms for the agreement.
Enduring Service Level Agreements	▪ The new Business Analyst will identify the scope, frequency, time commitment, and regulatory requirements for each of the enduring services that will continue beyond the initial Shared Services Agreement. ▪ The Enduring Service Level Agreements are expected to include consent requirements and emergency management obligations.

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

Guidance on completing this table
The purpose of this section is to: • *Identify each of the items noted in the letter of acceptance for a water services delivery plan – where the Secretary indicated the Department would be monitoring these items;* • *Describe progress with addressing the item(s) raised – including any significant issues and risks*

Items noted in letters of acceptance	Progress update

Delivery of the capital programme, including progress with compliance projects and renewals	**Activity over the last quarter**
	• Completed the Strategic Asset Management Plan
	• Undertaken a high-level review of the delivery readiness against draft organisational structure
	• Commissioned a scenario modelling "tool" (currently being tested) to be able to assess impact of different capital programmes against prices and charges
	• Currently reviewing strategic front end of the Water Services Strategy
	Activity over next quarter
	• Board will review and confirm the draft capital programme considering:
	  ○ The sequencing of activities e.g. plant upgrades, rollout of water meters
	  ○ Impact on prices and charges (applying the scenario model)
	  ○ Deliverability
	• Develop first draft of the Water Services Strategy

Charging arrangements and the pricing strategy for the projected water charges, including for affordability	**Activity over the last quarter** • Draft Statement of Expectations (SOE) has identified: • When developing its Water Services Strategy that it gives priority to ensuring that water services are affordable for water services consumers. • MDC expectations for MWL during the establishment phase (up to 1 July 2027) are to: • ensure that on the date of establishment households in Marlborough will continue to receive safe and reliable water services at an overall cost and level of service that is consistent with what they are currently receiving. • As noted above we have Commissioned a scenario modelling "tool" (currently being tested) to be able to assess impact of different capital programmes against prices and charges A**ctivity over next quarter** • The Draft SOE has been issued to the Board for comments (expecting it to be adopted in October) • Following the process describe above, we are expecting to develop first draft of the Water Services Strategy