Quarterly monitoring report - water services delivery plan

In-House Business Unit

Tasman District Council

Date submitted 30 July 2026

Reporting period 1 April 2026 – 30 June 2026

Council plans that are retaining water service delivery (In-house Business Unit)

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*
Some examples of activities, deliverables and milestones that might be included
• *Complete any required service level agreement and operational handover from council* • *Financial and treasury arrangements finalised (including LGFA access if amendments are required)* • *Address financial separation / ringfencing requirements* *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 to 30 June 2026]

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
[Add as many milestones as identified]		[Yes/No]	[Describe issues, risks and mitigations]
Establish a Council Three Water transition project	31-03-26 COMPLETED -	Yes	Plan for tasks/activities is in place. Risk is availability of resources who are also involved in the LTP process for the Council. External resource maybe required to support tasks/activities
Confirm a new water services committee	Q4 2026	Yes	Report and Terms of Reference drafted for establishment of a new standing committee. Elected member engagement and committee establishment to be concluded Q4 2026
Alignment of WSS to LTP process and timelines	August 2026	Yes	Continuing to be aligned and monitored to ensure both programmes are delivered.
Drinking Water Assessment	August 2026	Yes	Assessment is complete, with assessment presented to Council at 25 June 2026 meeting. Final LGWSA disclosure obligations to be finalised during July-August 2026. No issues or risks identified
Water Services Strategy (WSS)	June 2027	Yes	Framework is place; work ongoing. Risk: other competing organisational priorities. Mitigation: programme monitoring of internal resourcing delivery; external resource available if required.

Strategic Asset Management Plan	June 2027	Yes	Initial Draft completed; further review and development continuing Risk: other competing organisational priorities. Mitigation: programme monitoring of internal resourcing delivery; external resource available if required.
Financial Ring fencing	June 2027	Yes	Research and assessment of the implications of financial ringfencing ongoing. Risk: other competing organisational priorities. Mitigation: programme monitoring of internal resourcing delivery; external resource available if required.
Stormwater boundaries	Q3/4 2026	Yes	Scoping of which stormwater functions are transferred to the Internal Business Unit (IBU), and which remains with the Council is ongoing.

Expected activity in next quarter [1 July to 30 September]

Milestone / deliverable	Expected activity
	[Describe activity expected in next quarter towards milestone/delivery if applicable]
Establish Three Waters Committee	Intended IBU governance arrangements settled and work to finalise underway.
Water Services Strategy (WSS)	Resource allocation to draft WSS confirmed and drafting underway.
Strategic Asset Management Plan	Ongoing review and amendments, consistent with WSS.

(Water Supply Services) Drinking Water Assessment	Final LGWSA obligations completed.
Financial Ring fencing	Any interim FY2026/27 chart of account/balance sheet changes identified and implementation underway. FY2027/28 ringfencing implications research and assessment ongoing.
Stormwater boundaries	Scoping complete and any implementation/transition plan agreed.

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	Reviewing plan and applying prioritisation framework. Check deliverability and estimates
Delivery of projects required to achieve regulatory compliance	The following projects are generally on track to meet compliance by 30 June 2027. The individual streams of work are detailed further below. The timely delivery of these projects remains a risk primarily due to funding constraints. As the IBU remains within the Council, budgeted funding is subject to ongoing approval of the Council and to any cost-saving measures of the Council.
	P1451 - Tākaka WWTP Compliance improvements – contract awarded, expected completion October 2026.
	P1450 - Motueka WWTP Compliance improvements – absorbed into wider Motueka WWTP Solutions project. Initial improvements include installation of the Super Critical UV (SCUV) unit and new aerator.
	P1256 - 88 Valley Water Supply Compliance – reconfiguration of scheme in early options for pipeline connectivity to Wakefield urban supply are in feasibility phase.
	P1508/P1509 - Dovedale Water Supply Compliance – investigations into new source viability and WTP upgrade options are ongoing. It should be noted that these upgrades will not be completed by 30 June 2027, and therefore the Dovedale water supply is not on track to meet compliance by 30 June 2027.
	P1493 - Murchison Water Treatment Plant upgrade – currently at design and procurement phase. This upgrade is delayed and now programmed for completion by June 2028.

	P1494 - Tapawera Water Treatment Plant Upgrade – enabling works are complete and WTP upgrade has been designed and tendered for construction.
	P1188 - Redwoods Water Supply Compliance – Concept design for WTP has been completed and the project has been tendered as a Design/Build contract. Preferred tenderer negotiations ongoing and contract award is expected by September 2026
Pricing and borrowing strategy	This strategy is directly related to the development of the Water Services Strategy and the Council's Long-Term Plan. The Water Services Strategy development has started utilising the Water Services Development Plan 2025. Given the IBU is within the Council, the pricing and borrowing strategy will essentially be the same as the Council strategy and in time further reviews will be undertaken that are focused on Three Waters specifically. The Mayor and Councillors are being briefed frequently on the process and content of the Long-Term Plan and will soon be briefed on the Water Services Strategy and the pricing and borrowing strategy implications. Briefings and policy development will continue through the rest of 2026. Little risk with this initiative.
Insurance arrangements for below ground assets	The Council currently has insurance cover of the below ground assets. Further assessment and risk allocation has been programmed to be discussed in the third and fourth quarters of 2026 for action in early 2027.
Implementation of the asset criticality framework	This initiative is in the investigation phase. We have ascertained the framework to use (based on a previously utilise framework) and have ascertained the level of gap in our data. We are currently looking for GIS resource to start implementation. This will be an ongoing initiative through this calendar year.