Quarterly monitoring report - water services delivery plan

In-House Business Unit

Taupō District Council

Period: 1 April – 30 June 2026

Submitted: 21 July 2026

Council plans that are retaining water service delivery (In-house Business Unit)
Part A: Progress updates

Quarterly reporting period: 1 April to 30 June 2026

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe?	Issues, risks and mitigations (if any)
Financial Separation	1 July 2026	Yes	Planned cutover to new entity in our financial system on 1 July 2026. All testing, training and pre-work completed. Separate bank account and supplier ledger in place for Waters. Final asset and account balance transfer (debt etc) will occur once Council's Annual Report 25-26 is audited and complete.
Economic Regulation preparation	1 July 2026 (initial) 30 June 2027 (phase 2)	Yes	New accounts structure and processes in place to support required reporting (e.g. planned/unplanned maintenance). Asset Management plan improvements will be developed as part of the Water Services Strategy through the remainder of 2026. Policies required by 30 June 2026 (funding growth etc) are on track to be submitted in July.
Collaboration	30 Jun 2027	Yes	Discussions with Waikato Waters to be scheduled.
Water Services Review	30 Jun 2027	Yes	Being considered as we develop our Water Services Strategy. Having now completed initial impact assessments on the effect of the Wastewater Environmental Protection Standards on Taupō district, it is expected that significant additional investment will be needed at the Taupō Wastewater treatment plant, to comply with reduced nutrient loading rates for land disposal. These reduced loading rates will take effect as early as 2031, when one of our land disposal consents expires, although significant costs will be incurred prior to that date. There will also be costs to obtain new network and overflow point consents across the district. These costs will be above what was expected in our Water Services Delivery Plan. Work is ongoing to get high level costs and options.
Regulatory Compliance	30 Jun 2028	Yes	Completed Activities - Making good progress on our programme of upgrades to achieve DWQAR compliance, as reported to Taumata Arowai. See below for specific details.

Continuous Improvement Activities	Ongoing	Yes	Asset Management Improvement Plan reviewed and prioritised Asset Management Policy adopted Asset Data Improvement Plan being developed
Other	1 July 2026	Yes	Assessment of Community's Access to Drinking Water as required under LGWSA 2025 has been completed, report is being finalised for publishing on our website in July.

Expected activity in next quarter

Milestone / deliverable	Expected activity
Financial Separation	Transition to new water services entity for financial transaction – monitoring of costs, resolving any issues.
Economic Regulation	Drafting of Strategic Asset Management Plans Begin recording financial transactions in new structure
Continuous Improvement Activities	Development of Water Services Strategy and activities to support it.
Water Services Strategy	Development of high-level costings for new costs that will be required as a direct result of Wastewater Environmental Protection Standards.

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

Items noted in letters of acceptance	Progress update
Investment to meet population growth demands and the implementation of planned growth projects	Will be key part of the development of our Water Services Strategy. Updated growth model has been adopted by Council in June and will be used in our planning for 2027-37.
Implementation of the planned compliance upgrade projects to ensure compliance with drinking water regulations.	As per last quarterly report, we have achieved 11/15 compliant schemes – 1 scheme (Centennial Drive) that was intended to be connected to Taupō by the end of this FY is slightly behind schedule and now due for completion in FY 26-27. The new plant at Motuoapa is now in commissioning and due for completion slightly ahead of schedule in August 2026.