Quarterly monitoring report - water services delivery plan

Water Services CCO

Wairoa District Council

Dated 30 April for period 1 April 2026 to 31 July 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* **Completed July 2026**
- *Appoint interim board and chair* **Completed July 2026**
- *Constitution* **17 July 2026**
- *Shareholders' Agreement* **Not required as Sole Shareholder is Wairoa DC**
- *Transfer Agreement* **31 March 2027**
- *Statement of expectations* **31 March 2027**
- *Financial and treasury arrangements finalised (LGFA access)* **31 March 2027**
- *Transfer of assets and liabilities* **1 July 2027**
- *Transfer of staff (if any)* **1 July 2027**

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: [e.g. 1 January to 31 March 2026]

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]
Currently reviewing 3 Waters Asset Management Plans as part of identifying 10 year strategic plan for all services.	31 December 2026	yes	Annual Plan 2026/27 was adopted June 2026. As part of that process it has been identified that the 2027-37 LTP needs to take a more strategic approach with emphasis on gaining a better understanding of current asset conditions, desired/required improvements over the 10 year planning period and formulation of a plan to achieve those outcomes. Focus has now turned to the LTP 2027-20237. With 3 waters being transferred to a Wairoa CCO, these activities will not form part of the LTP2027-37 but this highlights the need for a similar long term strategic planning process to be undertaken in parallel with the LTP 2027-37 for completion in collaboration with the CCO board prior to 31 March 2027. This work has commenced with the review of asset management plans for 3 waters commenced. We have already engaged further staff in our Assets and Infrastructure team to assist in this process and the development of asset management plans for both 3 waters and all other LTP services is progressing in line with the indicated timeframes and LTP milestones.
Identification of Skill sets required on the CCO Board	completed	Yes	Skill sets required are: 3 waters Management/ engineering

			Financial Community representation
Review of Structure and opportunities for Shared services	31 December 2026	Yes	WDC already has experience on operation of a CCO through its current CCO Quality Roading services (Wairoa) Ltd (QRS) which was established in June 1994. Council has shared services arrangements with QRS and the potential to provide proven financial administration and engineering expertise between WDC and the new CCO through shared service arrangements will be a key aspect of settling on the final organisational structure while minimising stranded overheads. This process will be undertaken in conjunction with the CCO Board and will form part of the Transfer Agreement
Financial and treasury arrangements finalised (LGFA access)	31 March 2027	Yes	Council references becoming a guarantor with LGFA in preparation for the implementation of the WSDP in its Annual Plan 2026/27. This will take place by November 2026.

Expected activity in next quarter

Milestone / deliverable	Expected activity
	[Describe activity expected in next quarter towards milestone/delivery if applicable]
As above	

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

- **the pricing strategy and price path for projected water services charges;**
  - **The pricing strategy currently remains consistent being a fixed unit charge per connection basis. The table below shows that, based on Council's Annual Plan the prices for the year ending 30 June 2027 for all 3 services are lower than the corresponding year in the WSDP because increased borrowings and OpEx relating to compliance upgrades have yet to eventuate.**

Average charge per connection including GST	FY23/24	FY24/25	FY25/26	FY26/27	
				WSDP	Actual
Average drinking water bill (including GST)	847	1,149	1,260	1,367	1,263
Average wastewater bill (including GST)	944	1,297	1,270	1,595	1,119
Average stormwater bill (including GST)	183	307	409	483	418
Average charge per connection including GST	1,974	2,753	2,938	3,445	2,800

- **the delivery of the capital programme;**

Q3 2025/26 report extract (31 March 2026) relating to year ending 30 June 2026

Project Name – Water Supply	WIP Brought Forwards	Cost to Date	Forecast Total Cost Less B/F	Full Budget	Remaining Budget	Project Status	Comment
Marine Parade Replacement Main	0	0	0	1,900,000	1,900,000	Procurement	Plans being updated due to change in scope. This will start in the 2026/27 financial year.
Water Treatment Tuai Chlorination	0	4,333	0	214,644	214,644	Procurement	Put out to tender on 10 April.
Treatement Plant Upgrade	0	20,122	20,122	22,187	2,065	Complete	Final Report received
Water Reticulation System	141,319	149,952	1,148,419	3,478,800	2,330,381	Procurement	Lahore St in construction. Kitchener St, Carole St and Frasertown Pumping Main are in design phase.
Water Treatment Plant	0	28,598	28,598	104,684	76,086	Construction	BAU works on track
	141,319	203,005	1,197,139	5,720,315	4,523,176		

- **the delivery of the capital programme;**

Financial report extract to 30 June 2026

Project Name – Water Supply	WIP Brought Forwards	Spend this year	Forecast Total Cost Less B/F	Full Year Budget	Remaining Budget	Project Status	Comment
Marine Parade Replacement Main	0	0	0	1,900,000	1,900,000	Procurement	Plans being updated due to change in scope. This will start in the 2026/27 financial year.
Water Treatment Tuai Chlorination	0	16,144	0	214,644	198,500	Construction	To be completed by mid-September
Treatement Plant Upgrade	0	20,122	20,122	22,187	2,065	Complete	Final Report received
Water Reticulation System	141,319	665,066	1,148,419	3,478,800	2,813,734	Construction	Lahore St in construction. Kitchener St, Carole St and Frasertown Pumping Main are in design phase.
Water Treatment Plant	0	53,508	28,598	104,684	51,116	Construction	BAU works on track
	141,319	758,818	1,197,139	5,720,315	4,965,415		

Project Name - Stormwater	WIP Brought Forwards	Spend this year	Forecast Total Cost Less B/F	Full Year Budget	Remaining Budget	Project Status	Comment
Stormwater Drainage Prior Year	1,667	184,418	184,418	185,000	582	Complete	
Stormwater Piping open drains	0	105,584	105,584	106,000	416	Complete	
Carry Forward New Stormwater	109,845	332,653	444,404	1,950,155	1,505,751	Design	Change in scope after plans presented. Updating Plans in light of new instructions.

Stormwater Drainage	**4,628**	**32,488**	**30,908**	**296,600**	**264,112**	**Design**	**Scope change to include New World carpark. Upsizing pipesize on Paul St. Investigating Carol Street works.**
	116,140	**766,894**	**653,660**	**2,537,755**	**1,770,861**		
Project Name - Wastewater	**WIP Brought Forwards**	**Spend this year**	**Forecast Total Cost Less B/F**	**Full Year Budget**	**Remaining Budget**	**Project Status**	**Comment**
Sewerage Wairoa Ponds	**0**	**125,509**	**47,485**	**1,352,000**	**1,226,491**	**Investigation**	**Land irrigation designed IWI and Consent requires discharge to land. Feasibility study for UV proposal is underway.**
Mortuary Waste	**4,081**	**23,844**	**31,292**	**130,000**	**65,410**	**Construction**	**Work at the undertakers is yet to start, work at the cemetery is in procurement and the trailer is in construction.**
Carry Forward Mahia Beach Wastewater System	**19,817**	**427,415**	**475,445**	**2,576,449**	**2,149,034**	**Construction**	**Work has commenced but will continue into the next financial year on irrigation and telemetry.**
Carry Forward Wastewater Pump Stations	**0**	**420,612**	**483,456**	**611,515**	**190,913**	**Construction**	**Investigation Flow meters in pump stations and install is underway**
Wastewater	**59,776**	**130,960**	**162,811**	**347,360**	**216,400**	**Complete**	**SH2 and North Clyde Pump station works complete**
	23,898	**1,169,086**	**1,037,678**	**4,669,964**	**3,848,248**		

• **funding arrangements; and** **Water activities continue to be rated by Council with 90% recovered through targeted rates mostly on a fixed amount per connection. 10% contribution from General rate continues along with rural wastewater treatment rates.** **Council will review its Revenue and Financing Policy in the first half of the year ending 30 June 2027 whereby any mechanism for council financial contribution to the WSCCO will be confirmed.** **We continue to monitor Commerce Commission pronouncements.**
• **the delivery of projects required to achieve regulatory compliance.** **Contracts for the pProposed chlorination at Tuai has gone to tender with expected completion September 2026.** • **Mahanga will require formal proposal to discontinue what is currently supplied as a non-potable supply. If the decision is to continue with a water supply then a substantial upgrade of the system and possible alternative supply source will be required**