Quarterly monitoring report - water services delivery plan

Waitī Waters

Masterton, Carterton, South Wairarapa and Tararua District Councils

July 2026

Council plans establishing water organisations

Part A: Progress updates

Quarterly reporting period: 1 April to 30 June 2026

Please note that since the submission of the WSDPs in August, we have completed significant detailed programme planning to break down the milestones set out in the WSDPs. The reporting in these monitoring reports going forward will be against the dates in our current programme plan. Any inconsistencies with the WSDP milestones will be noted in the reporting.

Milestone / deliverable	Expected completion date	On track to timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Incorporation completed	Mid-April 2026	N	Completed 4 May
Statement of Expectations development	End-July	Y	Statement is in final draft form and has been discussed between Stakeholders' Forum and the Board and the Board has provided feedback. All Councils have been briefed on the SOE and it is now ready for Council adoption meetings in late July.
Determination of approach to staff transition	June 2026	Y	Completed. Staff transition guidelines developed, consulted with staff, and finalised with Board. Guidelines confirm four pathways to employment with Waitī Waters. Letters confirming pathway for all majority water services staff have been sent, with 55 roles on Direct Offer and 6 on Priority Offer pathway. This confirmation provides significant component of detailed organisational design.
Office location determined	June 2026	Y	Completed. Board has confirmed location for head office, with lease negotiations now underway with the landlord. Decision has also been taken to retain an office in Tararua in response to staff consultation and to deliver on SEO expectation to be regionally present.
Chief Executive search	July 2026	Y	Search process well advanced with decision expected in July 2026.

Organisational design and operating model development	September 2026	Y	Options for tier 2 structure have been developed, and recruitment of the first priority executive role (CFO) will get underway early in the next quarter. Other roles are expected to follow shortly. With the staff transfer roles confirmed, and detailed scoping of capability requirements for new organisational functions undertaken, detailed organisation design will be completed in the coming quarter.
Work on a combined approach to asset management planning and a regional capital programme	August 2026	Y	WSDPs identified a need for a review of the capital programme and development of a combined approach to manage feasibility and affordability. AECOM has been contracted to undertake this work (including a SAMP, AMP, IDP, and DWSP and combined capital programme)- it is well advanced with Board consideration in August.
Transfer Agreement preparation/due diligence	July 2026, December 2026, April 2027	Y	Preparation work for the Transfer Agreements is underway developing registers of assets, contracts, property, contracts, consents. Three tranches of due diligence are planned with the first on track for July 2026.
Financial strategy – tariff structures, capital strategy, and revenue requirements	October 2026	Y	Work has continued this quarter on all aspects of the financial strategy – particular work has been done on pricing strategy and new tariff structures and transition path from existing Council structures. Detailed work on LGFA covenant strategy has also been done and the LGFA accession process is underway. Work is also ongoing on revenue requirements for each District informed by work being done in organisation and operations workstreams on the capital programme and operating costs being built up for the organisation. Board decisions on all aspects of the financial strategy are scheduled for the upcoming quarter.
Stage 2 communications strategy	June 2026	Y	Completed. Stage 2 plan focuses on building engagement with Councils, community, customers and stakeholders in the lead up to operational transition.
Develop day one customer strategy	June 2026	Y	Draft strategy completed and ready for Board consideration – implementation planning will begin next quarter.

Digital transition approach and planning confirmed	May 2026, June 2026	Y	Completed. Recommended approach to day one digital transition approved by the Board confirming a hybrid approach with a combination of new systems and existing systems in place at Councils. RPF released to market for new systems, and Board approval to begin direct negotiations with vendors for existing systems. Board decisions also taken on approach to standing up corporate technology and options assessment for operational technology. Following these decisions, implementation is now underway across all aspects of digital transition.

Expected activity in next quarter (July to September)

Milestone / deliverable	Expected activity
Executive team search	Chief Executive appointment expected, along with first executive roles (CFO)
Office site secured	Completion of lease negotiations for Masterton and Dannevirke offices and scope of fit out work confirmed.
Staff transition and collective bargaining	Employment offers to be made to staff on the Direct Offer pathway confirming scale and shape of operations workforce. Working party with unions underway in preparation for collective bargaining to begin for a new Waitī Waters collective agreement.
Organisational design and operating model	Completion of detailed organisational design and operating model, to prepare for confirmation of further staff transition (Priority Offer pathway and Preferential Consideration) and open recruitment in Q4.
Statement of Expectations	Final adoption of the SOE by Shareholding Councils in late July and issued to Waitī Waters
Organisational strategy	Informed closely by the SOE, the Waitī Waters core organisational strategy will be confirmed and ready for incorporation in the Water Services Strategy.
Water Services Strategy	Board approval of plan for development of Water Services Strategy, including scope of community engagement.
Development of organisational policies	Ongoing development and approval of Day 0 policies – these Day 0 policies are those that are required to be prepared to anticipate the arrival of the CEO/executive team members, support conversations with unions on collective bargaining, or prepare for increased community engagement.
Financial strategy	Work on core components of financial strategy is well advanced and over the quarter will be subject to Board consideration and decisions, including capital strategy to support LGFA accession, debt tariff structure and transitions, revenue and pricing strategy.
LGFA accession	Completion of LGFA accession process, including Council guarantee structures and likely transferring debt balances (to be subsequently confirmed through the Transfer Agreements)

Transfer Agreement	Board approval for the plan for developing Transfer Agreement and associated suite of documents required (including any service level agreements). First cut of due diligence on contracts, properties, leases, consents and assets transferring from Councils will be prepared to identify completeness and/or issues requiring further work.
Stage 2 communications strategy	Beginning implementation of phase 2 communications strategy, with a focus on building engagement with community, customers and stakeholders in the lead up to operational transition.
Customer strategy	Finalisation of day one customer strategy, and development of implementation plan.
Asset management and capital programme	Completion of combined SAMP, AMP, IDP and DWSP for Board approval, including a combined regional capital programme that is focused on responding to DIA feedback on WSDPs,
Stormwater	Approach to stormwater management, including managing the interface with Councils finalised.
Digital transition	Appointment of vendor for new finance, customer and billing, and asset management systems and completion of direct negotiation with vendors of HR, payroll, H&S and GIS systems. Options analysis of transition of operational technology completed and preferred option identified.

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

Items noted in letters of acceptance	Progress update
All four Councils	
Early engagement with LGFA regarding financing	Engagement with the LGFA is ongoing and preparatory work being undertaken for LGFA accession process.
Projected water charges and pricing structure and strategy	Work is well advanced on tariff structure changes and transition pathways with Board decisions expected this quarter on confirmed approach. Board decisions on revenue strategy are also expected this quarter.
Delivery of the capital programme	Work is well advanced on a combined approach to asset management and the development of a regional capital programme that focuses on regulatory requirements, feasibility of delivery and affordability. This work will be completed in the upcoming quarter.
Masterton	
Funding of depreciation and increasing operating deficits	This is being considered and addressed through ongoing work on the entity's new financial strategy and actively discussed with the LGFA.