# Quarterly monitoring report - water services delivery plan

## Water Services CCO

### Ruapehu and Whanganui District Councils'

Submitted: 31 July 2026

Reporting Period: 1 April 2026 – 30 June 2026

# Council plans that establish water organisations

## Part A: Progress updates

As per the approved Implementation Plan, the first step of the plan is to embed a Tupua te Kawa and Te mana Tupua approach in the project and the eventual WS-CCO, and the timing of future phases is dependent on this phase being done well in the time it takes. We continue to work through what this means in practical terms for establishment, governance and operations of the WS-CCO. This element of the project is pushed out by 3-4months from what was envisaged in the WSDP, however once this approach is defined the work is expected to accelerate. Work has proceeded on defining the work required to develop the Transfer Agreements, Water Services Strategy, and other required work packages in a way aligned with the river frameworks, as well as defining the capability and capacity of the Establishment Team. At this stage it is still possible to establish the WS-CCO prior to 30 June 2027.

***Quarterly reporting period: 1 April to 30 June 2026***

| Milestone / deliverable | Expected completion date | On track to meet timeframe? (Yes/No) | Issues, risks and mitigations (if any) |
|---|---|---|---|
| Agreeing how the WS-CCO is appropriately implemented through the Te Awa Tupua and Te Waiū-o-Te-Ika Frameworks | Late July 2026 | Yes – the timeline has been pushed from the original plan, but the project remains on track overall | Further discussions have been held with Iwi from across both catchments, and representatives of the PGSE's have met separately to discuss the approach. A proposed approach will be discussed at the next meeting of Te Kōpuka on the 17th July. It is hoped this will lead to an acceleration of collaborative work to define the vision, objectives and values of the WS-CCO. (See further information below in relation to the foundational documents.) |
| Programme development | End of April 2026 | Yes – Baseline programme complete | Programme was further workshopped with staff of both councils and baseline position confirmed, as well as overall work programme structure of ten deliverables. This Report has been structured around those. |

| Milestone / deliverable | Expected completion date | On track to meet timeframe? (Yes/No) | Issues, risks and mitigations (if any) |
|---|---|---|---|
| Recruitment of Establishment Team | End of August 2026 | Yes | In anticipation of the work on the Foundational Documents accelerating in the next quarter, the Resourcing Plan for the Establishment Team has been developed and approved by the Establishment Steering Group. The job descriptions / scopes of individual roles are now being finalised and appointment and recruitment to them is expected to take place over July and August. Recruiting to the team in good time to provide the necessary capacity is a key risk to achieving the transition successfully. |
| Procurement Strategy | End of June 2026 | Yes - complete | Approval of high level procurement strategy by the Establishment Sponsor Group to enable procurement of key consultants and contractors to provide highly specialised expertise that is required for establishment. |
| Ensuring Implementation is as affordable as possible | Ongoing | Yes | Ongoing discussions with other teams establishing WS-CCOs and attendance at the Water NZ CE Forum to understand the opportunities for shared services, joint procurement of key digital systems and similar initiatives to minimise Implementation costs related to new system procurement. The outcomes will depend in part on the eventual Digital Strategy of the WS-CCO. (NB. this work-package has not yet been initiated.) |
| Day One requirements | End of September 2026 | Yes | Workshopping of Day One success factors with the waters teams of both councils to establish their requirements; this will form the basis of further work by the Establishment Team once appointed to define Day One for approval by the ESG. |
| Staff comms | Ongoing | Yes | Regular update meetings and email briefings shared with the Waters teams of both councils to keep them informed. |
| 2. Transfer Agreements | | | |
| Transfer Principles – Assets, Contracts, Land and easements | End of July 2026 | Yes | Transfer Principles have been drafted and are being workshopped with staff of both councils, prior to being reviewed and approved by the ESG. |

| Milestone / deliverable | Expected completion date | On track to meet timeframe? (Yes/No) | Issues, risks and mitigations (if any) |
|---|---|---|---|
| 5. Finance and Borrowing | | | |
| Insurance Strategy | End of July 2026 | Yes | Discussions with Aon and officers of both councils to develop proposed approach to Insurance for 1st July 2027 onwards. Proposed approach to be reviewed and approved by ESG by end of July to ensure individual councils can take forward their insurance renewals for the coming year. |
| 8. Water Services Strategy | | | |
| Approach and Process planning | Mid-August 2026 | Yes | Work to develop the approach to the WSS and the high level programme has been carried out, working with the LTP and waters teams of both councils. As one of the critical documents that guides the operations of the WS-CCO it is vital that consideration is given to how to develop the WSS within the frameworks of Te Awa Tupua and Te Waiū-o-te-Ika; some thought has been given to this, but more is required before the proposed approach is referred to the ESG for approval. |

### *Expected activity in next quarter*

| Milestone / deliverable | Expected activity |
|---|---|
| 1. Foundational Documents | |
| Agree Vision and values of the WS-CCO with Elected Members and Iwi/Hapu | Agreeing the shared vision and values of the WS-CCO is critical to implementing the WS-CCO within the frameworks of Te Awa Tupua and Te Waiū o te Ika and to its eventual success overall. In July a Te Kōpuka hui will be held where a proposition about how to take this forward will be discussed.<br>The shared vision, values and strategic priorities and objectives of the WS-CCO are key elements of the development of the **Constitution** and **Shareholders Agreement**, for adoption by both councils; the programme is currently targeting council meetings in September for these decisions.<br>The nature of these discussions is also likely to identify the **skills that the Board** is expected to have and so this will be progressed in parallel with the foundational documents so it can be approved at the same time and enable the Establishment Team to swiftly initiate the Board recruitment process after it is approved. |

| Milestone / deliverable | Expected activity |
|---|---|
| Shareholders Agreement | Develop options for key terms of shareholders agreement (excluding vision and objectives above) for consideration by Elected Members. |
| Recruitment of Board | Dependent on successful adoption of Constitution and Shareholders Agreement as above. Currently targeting Q3. |
| Recruitment of CE | Dependent on Board appointment above. Likely to commence at in Q4. |
| Statement of Expectations | Will be developed by Shareholders Representative Forum (name TBC) following adoption of Constitution and Shareholders Agreement above and in parallel with Board recruitment, to ensure it is confirmed by the legislative deadline of end of December 2026. Work is expected to begin in latter part of Q3. |
| 2. Transfer Agreements | |
| Transfer Principles – Debt | Starting dependent on appointment of Finance Lead to support this work; |
| Transfer Principles – People | Starting dependent on appointment of Ppl & Org Capability lead to lead this work; |
| 3. Service Level Agreements | |
| Milestones to be defined | A key element of these agreements will be any digital services to be provided back – see Digital Strategy below for timing of this. Starting on rest of the arrangements dependent on recruiting Business Analyst to support this work. |
| 4. Shared Interest Agreements | |
| Milestones to be defined | Starting dependent on recruiting Business Analyst to support this work. |
| 5. Finance and Borrowing | |
| Ledger Structure | Starting dependent on resourcing to support this work; |
| Treasury Strategy | Starting dependent on resourcing to support this work; |
| LGFA Borrowing | Starting dependent on resourcing to support this work. However discussions with LGFA have confirmed the high level process and timing for CCO becoming a member of LGFA for borrowing. The WS-CCO will have to be incorporated in order to have LGFA borrowing available to it on Day One. This has been noted in the risk register and mitigation strategies will be developed once the Finance Lead is appointed. |
| 6. Org Strategy & Implementation | |
| Milestones to be defined | Starting dependent on resourcing to support this work; |
| 7. Customer and Digital Strategy & Implementation | |
| Options Analysis | Both councils to participate in systems stocktake and development of options for Customer & Digital Strategy, including actively considering the options to work with others in a meaningful way that reduces costs. |

| Milestone / deliverable | Expected activity |
|---|---|
| 8. Water Services Strategy | |
| SAMP & AMP | These plans inform the eventual development of the Investment Delivery Plan and Water Services Strategy; this will enable the work and decisions on the IDP and WSS to prioritise project delivery to be done in a way that is aligned with the river frameworks, as well as to respond to the Statement of Expectations from the Shareholding Councils once developed, and to meet the requirements of the Commerce Commission and Taumata Arowai.<br>Drafting of the Strategic Asset Management Plan (SAMP) and the Asset Management Plans (AMP) for both districts has commenced and will be workshopped with both councils water teams over the next 3 months as a first step.<br>One medium-term risk to the development of the WSS is that a prioritisation framework aligned with the values and frameworks of the rivers is not in place in time to meaningfully inform the prioritisation of projects in this first three year period. The milestones and timing of this will be developed by the end of August. |
| Funding and Pricing Plan | Starting dependent on resourcing to support this work; |
| 9. Policies and Procedures | |
| Development Contributions Policy | Not yet started. Dependent on team being appointed. |
| Significance & Engagement Policy | Not yet started. Dependent on team being appointed. |
| 10. Programme Management (including Communications) | |
| Communications Strategy | Strategy for all key audiences (internal, communities and suppliers) will be developed following appointment of Comms lead during July/August. |
| Regular reporting | Programme expected to shift to phase of management of programme and workstreams. |

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

| Guidance on completing this table |
|---|
| *The purpose of this section is to:*<br>• *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;*<br>• *Describe progress with addressing the item(s) raised – including any significant issues and risks* |

The Department highlighted the following aspects of our Plan that will be monitored during implementation:

| Items noted in letters of acceptance | Progress update |
|---|---|
| Pricing Strategy of the joint WS-CCO and the impact on projected water services charges for Ruapehu District. | The Pricing Strategy is one of the key ways to address the affordability challenges in Ruapehu District. The Pricing Strategy is a key element of the Water Services Strategy and will be developed as part of this work package which is due to commence in the upcoming quarter, as per the approved WSDP. Work on the budget and ensuring cost-effective decisions are made in relation to overheads and corporate functions will also be a key driver of affordability. Early conversations are underway to understand how the WS-CCO can work with others to achieve efficiency and scale in the development of core systems.<br>Officers also attended a briefing with NIFF to understand the Wastewater Investment Accelerator programme, and whether it will provide opportunities to deliver small wastewater treatment plants that meet the WEPS(2025) at a lower cost than otherwise expected at the time of drafting the WSDP. Taking this opportunity forward will be part of the work to develop project plans and investment cases as part of the WSS and has the potential to reduce wastewater charges for RDC residents connected to the WW network. |
| Delivery of the projects required to achieve regulatory compliance | The Operational teams of both councils are continuing to deliver the projects in their agreed workplans that arise from the approved budgets in each councils' respective Long Term Plan and Annual Plan. These are the projects that have been identified and prioritised as meeting compliance requirements:<br>- At RDC this includes working on upgrades to Ohura WTP to meet drinking water standards, and planning for the required de-sludging of WWTP's.<br>- At WDC this includes work to develop the project requirements in relation to renewing the Wastewater outfall Consent, integrating the requirements of the new Wastewater Standards.<br>The WSDP brought forward funding and delivery of four WWTP projects in Ruapehu from years 11-30 to years 6-10 of the Plan in order to meet the new Waste Water Standards and ensure compliance. The project planning for these will be developed further through the development of the Water Services Strategy, and then the capital project planning and delivery mechanisms of the WS-CCO. |

# Part C: Budget Update

This section is not required by the Department, but Elected Members of both councils requested regular reporting of how expenditure of the Implementation Budget was tracking against the budget.

## WS-CCO Implementation – Budget and Actuals

**Report for Jan – May 2026** At the time of submission figures to the end of June were not yet available.

| | Actual YTD | Annual Budget | Remaining Budget | Forecast Spend to Yr End | Forecast Yr End Position | Forecast Yr End Variance | Notes |
|---|---|---|---|---|---|---|---|
| Strategic Oversight | - | 22,800 | **22,800** | - | - | 22,800 | |
| Establishment Team | (86,270) | 846,414 | **760,144** | (151,056) | (237,326) | 609,088 | Accounting for journals at year end |
| Governance, legal and Policy | - | 46,000 | **46,000** | - | - | 46,000 | $36k Legal costs covered by DIA to end of June 26 |
| Finance and Commercial | - | 50,000 | **50,000** | - | - | 50,000 | |
| Asset management, capital delivery and operations | - | - | **-** | - | - | - | |
| Organisational Design, People & Capability | - | 169,573 | **169,573** | - | - | 169,573 | |
| Digital Strategy: Corporate Systems & Capability & Customers | - | 236,000 | **236,000** | - | - | 236,000 | |
| Communications and Engagement | - | 45,000 | **45,000** | - | - | 45,000 | |
| Council costs | (78,462) | 212,929 | **134,467** | - | (78,462) | 134,467 | |
| Contingency | - | 190,000 | **190,000** | - | - | 190,000 | |
| **Total** | (164,733) | 1,818,716 | **1,653,983** | (151,056) | (315,789) | **1,502,927** | |

It is proposed that the underspend is carried forward to the next financial year as the identified expenditure is likely still needed in the next financial year; this will be managed through the Carry Forwards process of Whanganui District Council as the Lead Administrative Council under the Commitment Agreement.