CENTRAL HAWKE'S BAY
DISTRICT COUNCIL

Finance and Infrastructure Committee Meeting Agenda

Thursday, 18 June 2020

09:00 am

Council Chamber

28-32 Ruataniwha Street, Waipawa

Together we Thrive! E ora ngātahi ana!

Order Of Business

KARAKIA

1 APOLOGIES

1 DECLARATIONS OF CONFLICTS OF INTEREST

2 STANDING ORDERS

RECOMMENDATION

THAT the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

3 CONFIRMATION OF MINUTES

Finance and Infrastructure Committee Meeting - 23 April 2020

RECOMMENDATION

That the minutes of the Finance and Infrastructure Committee Meeting held on 23 April 2020 as circulated, be confirmed as true and correct.

MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
FINANCE AND INFRASTRUCTURE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 23 APRIL 2020 AT 09:00 AM

PRESENT: Cr Brent Muggeridge (Chair)
Mayor Alex Walker
Cr Tim Aitken
Deputy Mayor Kelly Annand
Cr Tim Chote
Cr Gerard Minehan
CEO Monique Davidson
Dr Roger Maaka
Cr Jerry Greer
Cr Kate Taylor
Cr Exham Wichman

IN ATTENDANCE: Monique Davidson (Chief Executive)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Brent Chamberlain (Chief Financial Officer)
Doug Tate (Group Manager, Customer and Community Partnerships)
Harry Robinson (Solid Waste Manager)
Bridget Gibson (Governance Support Officer)

1 APOLOGIES

Nil

2 DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Kate Taylor

That the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 22 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.
.**CARRIED**

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Deputy Mayor Kelly Annand

That the minutes of the Finance and Infrastructure Committee Meeting held on 27 February 2020 as circulated, be confirmed as true and correct.

CARRIED

5 REPORT SECTION

5.1 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

PURPOSE

The purpose of this report is for the Finance and Infrastructure Committee to receive a report on the progress of key committee priorities.

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor
Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report, the report be noted.

CARRIED

5.2 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

COMMITTEE RESOLUTION

Moved: Cr Kate Taylor
Seconded: Cr Gerard Minehan

That, having considered all matters raised in the report, the report be noted.

CARRIED

5.3 ADOPTION OF ASSET MANAGEMENT POLICY

PURPOSE

The matter for consideration by the Committee is the adoption of Council's Asset Management Policy.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Deputy Mayor Kelly Annand

That having considered all matters raised in the report, the Committee adopts the attached Asset Management Policy.

CARRIED

5.4 ADOPTION OF PROJECT CHARTER FOR SECTION 17A REVIEW OF SOLID WASTE

PURPOSE

The matter for consideration by the Finance and Infrastructure Committee is the adoption of the Project Charter for the Section 17a of the Local Government Act 2002 review of the Solid Waste activity.

COMMITTEE RESOLUTION

Moved: Cr Gerard Minehan
Seconded: Cr Tim Aitken

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Development Committee recommend to Council that the Project Charter for the Section 17a Review of Solid Waste activities be adopted.

CARRIED

It was requested that Officers carry out a service delivery review in the future. Officers to action.

5.5 QUARTERLY NON-FINANCIAL PERFORMANCE REPORT JAN - MAR 2020

PURPOSE

The purpose of this report is to present to the Finance and Infrastructure Committee the quarterly non-financial performance report for the period 1 Jan – 31 March 2020.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker
Seconded: Cr Tim Chote

That having considered all matters raised in the report:

That the Quarterly Non-Financial Performance Report 1 Jan – 31 March 2020 Report be received.

CARRIED

Timeframes in regards to the District Plan project were discussed. Officers noted that notification of the draft District Plan is on track for completion at the end of the financial year.

6 DATE OF NEXT MEETING

COMMITTEE RESOLUTION

Moved: Cr Jerry Greer
Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 18 June 2020.

CARRIED

7 TIME OF CLOSURE

The Meeting closed at 10:04 AM.

The minutes of this meeting were confirmed at the Finance and Infrastructure Committee Meeting held on 18 June 2020.

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CHAIRPERSON

4 REPORT SECTION

5.1 FINANCE AND INFRASTRUCTURE COMMITTEE MONITORING REPORT

File Number: **COU1-1410**

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **Nil**

PURPOSE

The purpose of this report is to present to the Finance and Infrastructure Committee an update on key priorities.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

Following the 2019 Triennial Local Body Elections, Council took the time to reset Council priorities, and agree on priorities for Committees.

The role of the Finance and Infrastructure Committee is:

- To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme.
- To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.
- The Finance and Infrastructure Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.
- To provide governance oversight of Council's operational programmes, services, activities and projects related to infrastructural assets.
- To enable the progress of the Council's operational activities, projects and services.

The Finance and Infrastructure Committee has delegations to:

- Develop and adopt plans, projects and policies that advance the Council's vision and goals in relation to its key Financial Strategy and Infrastructure Strategy while complying with the purpose of the Local Government.

- Monitoring the financial and non-financial performance of the organisation with a particular emphasis on the delivery of the capital works programme. Implementation and effectiveness of strategies, plans and policies.

- Specifically monitor and provide oversight of significant projects, including reviewing business cases and agreed on next steps on significant projects.

- The Finance and Infrastructure Committee is responsible for assisting Council in its general overview of procurement and tender activity. The Committee will accept and consider tenders which exceed the Chief's Executive's delegated authority to approve, for projects approved by Council through an Annual Plan or Long Term Plan. The Committee will make a recommendation to Council on the outcome of a tender process for resolution when above delegations.

- The Finance and Infrastructure Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved AP/LTP Budgets up to $4 million.

The Committee has delegations to establish a special committee, working group or community forum as needed.

The monitoring report which provides an update on the key priorities of the committee is below:

DISCUSSION

Key Priority	Responsible Officer	Progress Update
• Lead and monitor the Wastewater Treatment Plan projects for across Central Hawke's Bay.	Darren de Klerk	A specific Key Project Status Report is provided in the Finance and Infrastructure Committee Agenda.
• Monitor the implementation of #thebigwaterstory	Darren de Klerk	A specific Key Project Status Report is provided in the Finance and Infrastructure Committee Agenda.
• Complete and lead the Rates Review	Brent Chamberlain	A number of workshops have been completed and worked examples provided. There is a paper in this meeting agenda to confirm direction and next steps of the Rates Review.
• Monitor the implementation and progress of Provincial Growth Fund projects.	Craig Ireson	A specific Key Project Status Report is provided in the Finance and Infrastructure Committee Agenda.
• Develop a Land Transport Strategic Framework and ensure governance input into the three-year business plan before NZTA submission.	Josh Lloyd	A draft Land Transport Strategic Framework is presented in the Finance and Infrastructure Committee Agenda for consideration.

• Lead the review of the Financial Strategy and associated policies that input into the Long Term Plan 2021-2031.	Brent Chamberlain	In today's agenda there is presented a bundled financial policy report updating those financial policies that impact the Long Term Plan. The financial strategy has been drafted but is waiting on the finalisation of asset management plans and budgets, before the strategy can be completed. It is expected to come to Council in August 2020 to confirm direction.
• Review the current Treasury Policy – Investment, Debt and Liability Management policies.	Brent Chamberlain	This policy will be reviewed as part of setting the Financial Strategy and brought to Council in August 2020.
• Monitor the implementation of the non-rateable income strategic framework.	Monique Davidson	Considerable effort continues to be given to the attraction of non-rateable income. With the Annual Plan 2020/2021 and Long Term Plan 2021-2031 opportunities will be given to align the work of this strategy with that of other projects. The COVID-19 context provides considerable opportunity for Council in the acceleration of capital investment to act as an economic stimulus. Council are actively working with the government on seeking external funding to delivery on Council and community priorities. At the time of writing this report in excess of $100 million of external funding has been requested via the Crown Infrastructure Partners and Provincial Growth Fund in addition to the funding already secured throughout 2019.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and

- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The Finance and Infrastructure Committee will receive an updated monitoring report at its next meeting 13 August 2020.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

5.2 RESOLUTION MONITORING REPORT

File Number: **COU1-1410**

Author: **Monique Davidson, Chief Executive**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Resolution Monitoring Report - Finance and Infrastructure Committee - 18 Jun 2020 ⇩**

PURPOSE

The purpose of this report is to present to the Committee the Finance and Infrastructure Resolution Monitoring Report. This report seeks to ensure the Committee has visibility over work that is progressing, following resolutions from Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The monitoring report is **attached.**

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

An updated Resolution Monitoring Report will be presented at the next Committee meeting on 18 June 2020.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Finance and Infrastructure Committee Resolution Monitoring Report 2020

Key	
Completed	
On Track	
Off Track	

Item	Council Resolution	Resolution Date	Responsible Officer	Progress Report
Kairakau Water Upgrade Funding	That the findings of the options analysis, including consideration of other service delivery options, are brought to the Finance and Infrastructure Committee prior to any construction and procurement work commencing.	27/02/2020	Darren De Klerk	On Track Currently working on an options report, and this is to be brought to the Finance and Infrastructure Committee meeting in June 2020.
Draft Annual Plan 2020/2021	c) That Finance and Infrastructure Committee requests officers between now and April 2020 (when the Annual Plan will be adopted) to continue to refine the Plan for any assumptions that change due to circumstances between now and then. d) That officers ensure that the Annual Plan meets Council's prudential benchmark for a rates increase below 5.2%	27/02/2020	Brent Chamberlain	Completed Council Adopted the Annual Plan on the 3rd June 2020 with an average 3.68% rate rise.

Fees and Charges adoption	That the Finance and Infrastructure Committee adopts the Fees and Charges for the financial year dated 2020/21 as set out in Attachment 1.	27/02/2020	Brent Chamberlain	On Track Officers will update the website with the new pricing in June 2020. The regular users of our services have been written to advising them of the change.
Adoption of Asset Management Policy	That Council endorse the Asset Management Principles outlined in the draft asset management policy and that Officers continue further work on the policy and report back to the Committee..	27/02/2020	Josh Lloyd	Completed The Asset Management Policy was adopted by the Finance and Infrastructure Committee on 23 April 2020.

5.3 ADOPTION OF LAND TRANSPORT STRATEGIC FRAMEWORK

File Number: **COU1-1410**

Author: **Josh Lloyd, Group Manager - Community Infrastructure and Development**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Land Transport Strategic Framework 2020 – 2025 ⇩**

PURPOSE

The matter for consideration by the Finance and Infrastructure Committee is the adoption of the Land Transport Strategic Framework.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee adopt the Land Transport Strategic Framework.

BACKGROUND

Council own and operate a network of some 1200km of roads and associated roading assets (the network). The network is designed, planned for, maintained, renewed, replaced and upgraded by our own teams of dedicated Land Transport staff supported by partnered professional services organisations and physical works contractors. Work carried out on the network, and the planning approaches used to specify that work are under the scrutiny of regulating bodies and most notably our major funding contributor NZTA. Rolling three-year programmes of work are presented and approved by NZTA and delivered on the network and performance measures against 'normal' national and industry benchmarks indicating that the network is performing well.

DISCUSSION

Council acknowledged through 2018/19 a willingness to strengthen the strategic lens applied to the network and to heighten its own involvement in the planning process. The newly elected Council in 2019 reinforced this position and requested the development of a strategic framework making clear the organisations goals for and approach to managing the network. Ultimately this framework intended to bridge a gap between community aspirations, organisational objectives and the way the network is managed.

The framework was workshopped with Council early in 2020 and is presented today for adoption.

This report is being presented to seek adoption of the Land Transport Strategic Framework, which is attached accordingly.

RISK ASSESSMENT AND MITIGATION

Officers consider that the risk of not having a strategic framework is a lost opportunity risk. Officers do not consider that any new risks will be created or any existing risks will be heightened by adopting the drafted framework or a similar strategic framework.

FOUR WELLBEINGS

The presented framework contains specific reference to the four well beings and will go some way to ensuring that the well beings are given effect in relevant aspects of the land transport activity.

DELEGATIONS OR AUTHORITY

This report and framework are being presented to the Finance and Infrastructure Committee as the committee has listed delegations to endorse strategy and policy and Officers see it as a crucial step in ensuring the 'buy-in' and support of elected members.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance.

OPTIONS ANALYSIS

	Option 1 **Committee adopt the framework.**	**Option 3** **Committee do not adopt the framework and provide officers with advice and guidance on next steps.**
Financial and Operational Implications	The framework does not present immediate financial or operational implications due to its strategic nature it will guide the medium-long term planning and operations of the activity. Officers consider broadly that the framework is deliverable under existing budgets with minor increases in some areas.	By not adopting any framework Council will neglect one important lever to influence and shape the strategic direction setting of the land transport activity.
Long Term Plan and Annual Plan Implications	The framework supports delivery of goals and objectives of the current long term and annual plans and will be a key feed into the next LTP.	Officers will continue to deliver land transport activity services as current and in line with the LTP and AP requirements as best possible and will seek further guidance from Council on strategic direction for the activity feeding into the next LTP
Promotion or Achievement of Community Outcomes	Customers and the community have purposefully been placed at the centre of the drafted framework.	Officers will seek further guidance from Council on how best to incorporate community outcomes into the strategic planning of the land transport activity.
Statutory Requirements	There are no specific statutory requirements relevant to the creation of a land transport strategy or strategic framework.	
Consistency with Policies and Plans	The framework is consistent and in support of existing policies and plans.	No policy or plan requires development of a strategic framework.

Recommended Option

This report recommends option 1, Committee adopt the framework, for addressing the matter.

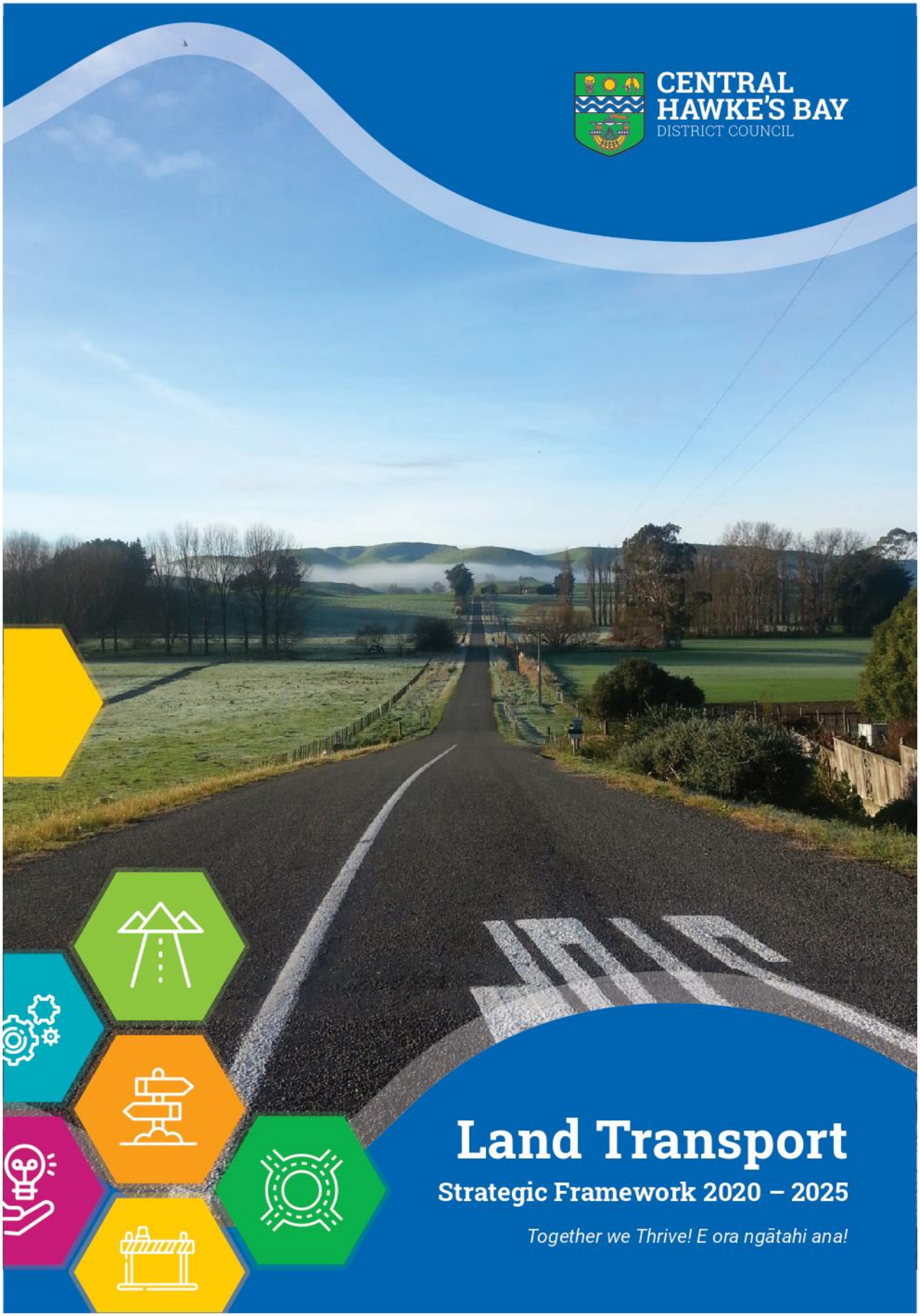
NEXT STEPS

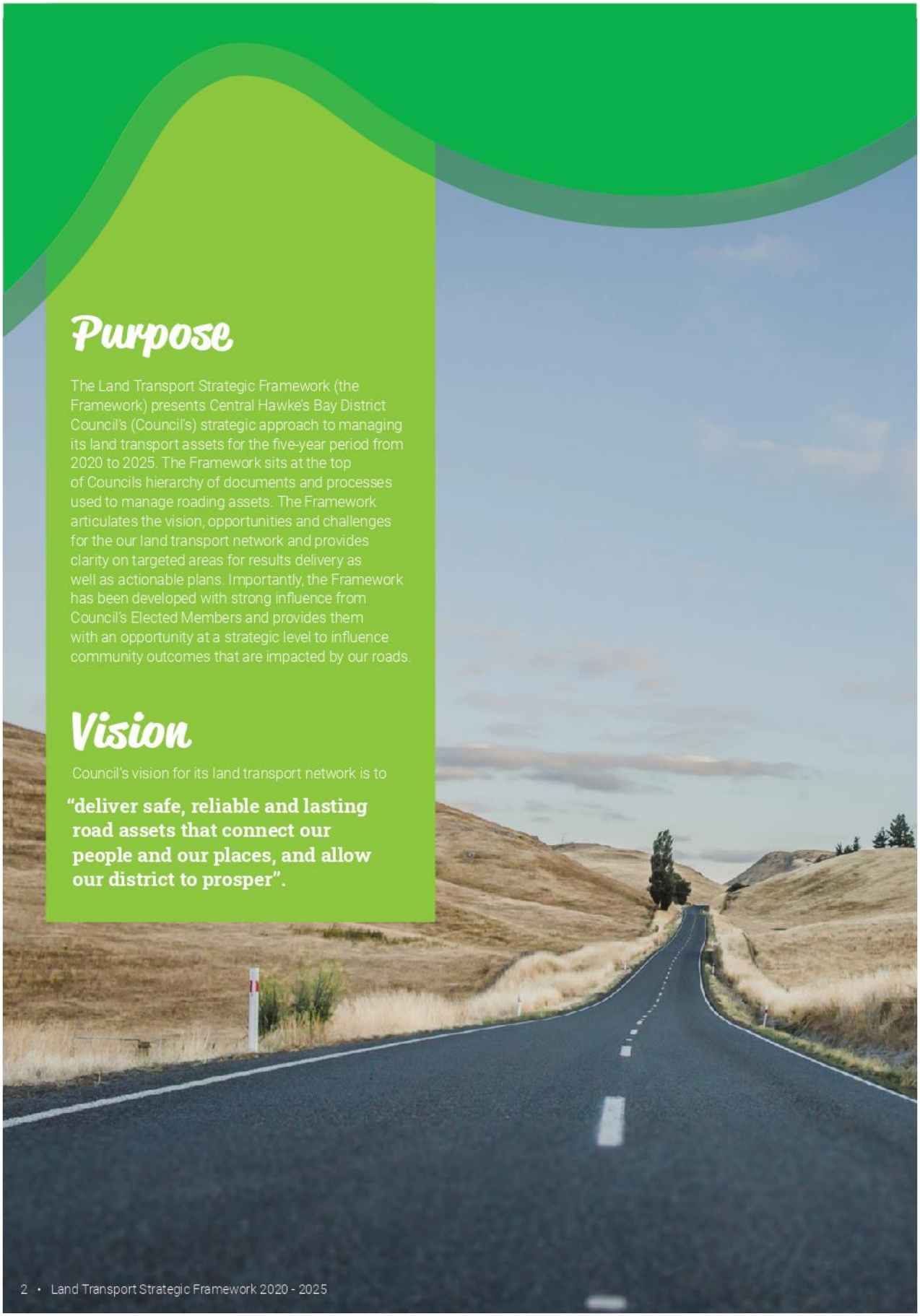
If the framework is adopted it will be published and communicated internally and will become a living document for the team and those involved with the land transport activity. Delivery of work against the strategy will be reported back to Committee through ongoing monitoring reports.

RECOMMENDATION

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee adopt the Land Transport Strategic Framework.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Land Transport
Strategic Framework 2020 – 2025
Together we Thrive! E ora ngātahi ana!



Purpose

The Land Transport Strategic Framework (the Framework) presents Central Hawke's Bay District Council's (Council's) strategic approach to managing its land transport assets for the five-year period from 2020 to 2025. The Framework sits at the top of Councils hierarchy of documents and processes used to manage roading assets. The Framework articulates the vision, opportunities and challenges for the our land transport network and provides clarity on targeted areas for results delivery as well as actionable plans. Importantly, the Framework has been developed with strong influence from Council's Elected Members and provides them with an opportunity at a strategic level to influence community outcomes that are impacted by our roads.

Vision

Council's vision for its land transport network is to

"deliver safe, reliable and lasting road assets that connect our people and our places, and allow our district to prosper".

Context and Strategic Alignment

Council delivers on its vision for the land transport network through a sometimes complex mix of operational, strategic, governance and community/contractor led work. We plan, deliver, check and correct on our roading assets through the short and long term while being guided by key existing policies, plans and other organisational artefacts. The relationship of this document, the Framework, to other pieces of CHBDCs puzzle is illustrated and described below.

	Relationship to the Framework
THRIVE DNA	Our DNA of Working Together, Thinking Smarter and Customer Excellence provide guidance on 'HOW' we must deliver on our land transport goals and vision as given effect by the Framework.
THRIVE Objectives	Our THRIVE Objectives provide guidance on 'WHY' we must deliver on our land transport goals and vision as given effect by the Framework. The objectives of Connected Citizens, Smart Growth and Durable Infrastructure are of particular relevance.
Asset Management Policy	The Asset Management Policy contains a set of principles that give our asset managers guidance on how to carry out all aspects of asset management from planning through to delivery.
Asset / Activity Management Plan	The "how to detail" on asset management for each of the land transport assets. Contains financial forecasts, full NZTA business case, list of projects and why we require funding. Has to tie back to the Strategic Framework which will identify the Problem Statements
Land Transport 3 Year Programme	This is a requirement of both the LTP and the NZTA AMP. It contains the 3 year funding request by activity based on the identified work from the AMP
Government Position Statement (GPS)	This sets the overall priority goals for accessing the funding from the National Land Transport Fund. These should be reflected in the AMP and supplement and enhance the Strategic Framework
Investment Decision Making Framework (IDMF)	These are the criteria that NZTA use to apply the GPS to determine if our 3 year programme is to be funded
RLTP	Is the combination of all of the region's TLA's Activity Management Plans, 3 year programme, strategic regional goals and objectives
NLTP	The combination of the country's plans as noted above. This is moderated by NZTA using the IDMF to allot funding from the National Land Transport Fund
Procurement Strategy	Delivers on the goals of the Strategic Framework and is one of the methods of influencing the outcomes
Contract Management Policy	Another method to ensure the goals of the Strategic Framework are being met
The Local Government (Community Well-being) Amendment Act introduced Social, Economic, Environmental and Cultural priorities for all districts.	The four well-beings must each be considered formally in the asset management planning process for each project/solution identified on the network.
Growth, spatial planning initiatives	The Land Transport Strategic Framework is responsive to the results of spatial planning and in particular those elements related to growth.

4 pillars of our 5-year strategy

1. Safety Above All Else

Our roads provide a vital link for all residents and visitors of our District. As vital as these links are however, our physical roading assets and the nature of travel on our roads is inherently dangerous. The supply of new and innovative roading technology and working practices is struggling to keep pace with the increases in demand on our assets. More people travelling and new and emerging travel modes and patterns present challenges in ensuring that every journey on our roads is a safe one.

Where are we now?

Central Hawke's Bay accident statistics do not indicate a need for concern against generally accepted measures (as measured by NZTA). Regular feedback from independent external audits and reviews of our road assets indicates that the assets are generally in good condition and this is supported by consistent findings from crash/accident investigations that generally indicate road asset condition and design are not contributing factors. The safety at rural intersections has been flagged as an area for investment and improvement. Council have an active minor safety improvement programme however this programme lacks maturity and sophistication in its planning and delivery.

Where do we want to be?

Council wish to mature and formalize its many safety programmes and activities into a coherent and cohesive safety management approach for roading assets. Council wish to extend the forward works horizon for planned safety works and wish to create greater and stronger links between safety programmes and data gathered from the network. Council wish to be a meaningful and respected contributor to local and national safety programmes and participate actively in NZTAs Road to Zero safety scheme.

Result	Actions
Reduced frequency of serious and fatal accidents on our roads	Maintained focus on information gathering and reporting of accident, incident and road condition data to direct our safety improvement work programmes Complete ongoing works under the 'minor safety improvements' work banner to target identified risk areas on the network Identify our high-risk areas on the network with clear and effective traffic signage
Drivers use appropriate speeds	Complete a local speed limit review on all roads Work with relevant agencies to ensure speed controls are monitored and enforced
Education and awareness	Contribute actively and positively to local and regional driver and pedestrian safety initiatives Make available clear and concise messaging about our road network and the risks of travel Work with relevant organisations and agencies to promote intermodal travel
Reduce natural hazards	Develop a sustainable dangerous tree removal programme
NZTA "Road to Zero" strategy	Work with NZTA to use relevant parts of their strategy to reduce fatal and serious accidents

2. Connected and Resilient Infrastructure and Communities

Our communities and citizens are dependent on having the road network available 24 hours per day. Although most of our communities have alternative routes they are arduous and often take a lot longer. We do have a few areas that only have one access which makes them vulnerable should the road be lost or impassable. The physical, social and economic well-being of all communities and businesses are negatively impacted when there are road disruptions. In most cases including mild weather most of the roads are able to function within the expected parameters. When we get major weather events various sections of the network can become unavailable for short periods. Heavier and more frequent loading of vehicles using the road network will also have a negative impact causing failed pavements thus negatively impacting the road user.

Where are we now?

Through our tacit knowledge of the network we know some of the highest risk sections where resilience is a concern. These areas encompass primarily our remote rural nodes and peripheral road assets but in some cases include busy and critical connections (e.g. Porangahau Rd at Flaxmill Bridge). We recently secured funding to upgrade all of the bridges along that route including options to alleviate the flooding at Flaxmill. Regular structural inspections are taking place and work is being programmed to renew or replace worn or failed components across the network. Work is also being undertaken to ensure that our high volume assets such as pavements are renewed and kept safe and waterproof to prevent deterioration.

Although the district has a well-defined network of footpaths they were not constructed with today's needs in mind. The capacity for cycle lanes in most of our towns is also inadequate due to space requirements. There is also a general lack of infrastructure to support public transport and shared transport services that to date has been adequate due to a lack of supply of these services.

Where do we want to be?

We want to add further sophistication and comprehensiveness to our planning and asset management processes to improve resilience on our network. We want to better understand our high risk areas and to formalize this understanding through measured metrics. We also want to understand the impact of resilience on certain aspects of the community through criticality or impact analysis and we want to promote safe alternative modes of transport such as cycles, e-vehicles and public/shared transport services.

Result	Actions
Reduced frequency and duration of road closures across the district	Work to identify the impact of road closures on our residents (complete a criticality/impact assessment) Actively capture and report internally on the frequency and duration of road closures to inform capital and operational investment decision making Engage a panel of contractors to call upon in a weather event to speed up our ability to respond Progress with the upgrade work on identified problem routes (particularly Porangahau Road) Prepare detour maps for areas that are known to be prone to weather events
Actively and effectively engage/ communicate with our most affected communities and residents	Incorporate comprehensive needs analysis into routine planning processes and design to ensure customer-centred design and implementation Train teams on effective communication and engagement protocols Develop a template communication plan for weather events and road closures Use available resources such as road asset information, customer database and our geospatial tools to map and better understand the impact of road closures
Meet our agreed levels of service at reduced total lifecycle asset cost	Manage our roading assets throughout their lifecycle in a way that minimizes total lifecycle costs. Actively include growth and demand change criteria into planning to allow for future needs on our network
Increase multi-modal travel opportunities between our communities	Develop a long term strategy of connecting our people via safe and effective means of transport other than conventional motor vehicles Work with agencies and local networks of residents to build support for public and shared transport services

3. Protecting Our Natural and Built Environments

Management and operations of a land transport network does not always easily align with environmental responsibility. Products like bitumen, diesel and others have a long term negative impact on the environment and our assets physically impact and shape our natural environment. With over 400km of unsealed roads dust is an issue that with the right resources can be mitigated. Council also has made a commitment to work with groups who are celebrating and restoring our cultural and historical heritage. The district has a multitude of sites that can be marketed to promote tourism.

Where are we now?

Council has a sealing metal roads policy which is dependent on funding being available from either the resident affected or other external sources. Major industries are also looking for more environmentally sustainable products but when they become available they may be unaffordable. Council have adopted a holistic Environmental and Sustainability Strategy but this is yet to realise tangible benefits in the land transport realm.

Where do we want to be?

We want to promote environmental sustainability and take advantage of new technology where possible. Council also wants to understand and partner with our communities and contractors on projects of special interest or cultural / historical significance. We want to utilize our crtical and lasting roading infrastructure to connect people to place and to support place-making initiatives.

Result	Actions
Councils Land Transport activities are demonstrably in line with Councils stated Environmental and Sustainability Policy	Environmental and sustainability factors are built clearly into land transport planning and operations decisions and action Environmental and sustainability factors are considered in the procurement processes of the land transport activity
People are able to find our special interest and significant sites	Review the sign policy as it relates to roads to make it easier to find locations of special environmental or cultural significance
Council is seen as an enabler of local projects	Using our contractor partners support at least one listed project per year to improve environmental outcomes Roads are designed and built in a way that promotes the significance of 'place' and supports place-making intent and initiatives
Minimized impact of dust	Continue with the implementation of Councils Dust Policy and Framework Search for funding to seal our worst road sections Develop a communications strategy to advise users of the areas of high dust and its impact

4. Economic Resilience and Financial Sustainability

The land transport activity represents Councils single largest expenditure by activity with annual investment over $12M. while supported by a majority funding assistance rate of 60% (in most cases) by NZTA, Council still rely heavily on a land-value based rate take to fund investment in the asset. With growth in the district and changes in demand on our assets, the need to invest has never been greater. Counteracting the drive for further investment are affordability constraints on our residents and ratepayers. Council must ensure that its investment decisions are made with the long term in mind and that decisions are optimal and sustainable.

Where are we now?

Balanced against other financial pressures on Council, road infrastructure has been funded on a minimal level with a "maintain as is in perpetuity" mentality. This has been barely sufficient, and with aging infrastructure requiring more repairs and component renewals, climate change causing loss of roads and very high levels of expenditure to restore the road to a pre-event level and increasing usage especially by heavy vehicles increasing pavement deterioration we are losing ground and the current levels of funding are no longer sufficient for the future.

Where do we want to be?

We want to be able to maintain the level of service currently provided at a financially affordable way for our residents. We want to be earn the confidence of our ratepayers who know that their rate dollars are being invested wisely into our infrastructure and we want to leverage every and all opportunities to attract external funding.

Result	Actions
Effectively leverage external funding opportunities	Continue to work with our major funder NZTA to rationalize and get approval for the next 3 year programme Explore all avenues of funding with NZTA that are currently not used Actively search for other sources of funding (PGF; MBIE etc.)
Fiscal Prudence and Optimal Investment Decision Making	In the re-write of the Asset Management Plan, ensure the latest optimal investment and decision making tools are applied Conduct a cost benefit analysis and a safety analysis on all AWPTs thus covering 2 bases at one time


Council's vision for its land transport network is to
"deliver safe, reliable and lasting road assets that connect our people and our places, and allow our district to prosper".
CENTRAL HAWKE'S BAY DISTRICT COUNCIL
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CENTRAL HAWKE'S BAY
DISTRICT COUNCIL

5.4 WAIPUKURAU SECOND WATER SUPPLY PROJECT - STATUS UPDATE

File Number: **COU1-1410**

Author: **Darren de Klerk, 3 Waters Programme Manager**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Waipukurau Second Supply Options Presentation - April 2020** ⇩

An overview on the Waipukurau Second Supply Project.

RECOMMENDATION

That, having considered all matters raised in the report

a) The report be noted.

b) **That work progresses on the Waipukurau Second Water Supply improvements, consistent with improvement options 2 and 4, noting that no final decision on a preferred option will take place until the outcome of the Crown Infrastructure Partners funding application is known to Council.**

PURPOSE

The purpose of this report is to provide an update on the Waipukurau Second Supply project and seek endorsement to continue with planning and design components consistent with both Option 2 and Option 4 as outlined in a recent options presentation to the Finance and Infrastructure Committee in April 2020.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as of minor significance.

BACKGROUND

In 2016, CHBDC engaged Opus International Consultants to construct a hydraulic model of the water supply. The model identified several issues with Waipukurau's water supply:

- A lack of strategic storage
- Risks to security of supply if there are issues with the existing source, reservoir or trunk main
- Constraints to servicing planned future growth and infill
- Areas of insufficient fire flow.

Council added a significant project as part of the Long Term Plan 2018 to implement a second water supply to the town of Waipukurau, since 2018 officers have developed and investigated options. Initially aimed at a new source with treatment and storage on the northern side of Waipukurau. Unfortunately, the investigatory bores did not yield the quantities of water required to justify progressing through to production.

Through these findings, Council has taken the opportunity to re-evaluate the best option to proceed for a second supply – taking the project back to its origins, to understand the drivers and setting criteria to evaluate potential options against.

Through this process – Council officers have identified a number of key options and these were workshopped with the Committee in April 2020.

Two options were discussed at the committee, Option 2 which utilised the existing Borefield on SH2 and took advantage of its current upgrade and built on its treatment plant, but then conveyed treated water to a new storage tank closer to Waipukurau was presented – this option 2 was in alignment with the budget set in the 2018 Long Term Plan and would be able to meet a number of the criteria set apart from the ability to have an independent source. The risk of source failure or contamination was evaluated as low, but present.

Option 4 was also presented and this Option met all the criteria set, but exceeded the 2018 Long Term Plan budget, this option supplied water to Waipukurau from the Waipawa River and if developed would require Council to develop and expand the Waipawa Borefield. Allowing two independent sources to supply Waipukurau, storage would be located between the towns, and would house treatment either at the source or at the reservoir. This option also allowed future growth capacity for Waipukurau to feed back into Waipawa and effectively link the towns – safeguarding the water supply in the event of failure to supply or an asset.

As mentioned, this optioned exceeded the budget available, but, in April 2020 – Council as part of the regional application to Crown Infrastructure Partners, applied for funding to assist the preferred option be feasible and ultimately, align with our THRIVE values of **generational thinking** and **durable infrastructure** allowing for **smart growth.**

The guidance received during the options workshop was to pause the project awaiting the outcome of the funding application, and if the application was successful to look to recommend and proceed with Option 4, but if we were unsuccessful to revert to our set budget, and recommend to proceed with Option 2. Council anticipated it would have heard of an outcome by the end of May 2020.

We have heard that we were successfully referred to cabinet for consideration, but have since had no further update on the progress of the funding application.

The design of a solution effectively remains on-hold awaiting an outcome. Some ancillary work continues which is not physical and supports the long term water sustainability goals the Council has. This work is to refresh and develop a Water Demand Management Plan to guide our water use across the district.

Due to the delay in outcome of the funding application, this paper is recommending that physical work consistent with Option 2 and Option 4 is progressed to design phase, to allow Council to physically upgrade or construct these improvements.

At a high level, the work consistent with both options is;

- To assess, recommend and potentially refurbish or repair the two Waipukurau reservoirs
- To design and construct a second rising main from the Borefield to the Waipukurau reservoir
- To investigate designing and constructing a replacement, or repair to the treated water trunk main
- To add filtration to the current water treatment plant in Waipukurau

DISCUSSION

The budget set in the Long Term Plan in 2018 for this project was $5.7m over FY18/19 and FY19/20 – this has been deferred due to the re-calibration of this project.

Officers reset the project in 2019 and re-developed options, these options were presented to this committee in April 2020 during a workhop.

The expected costs for the options presented are outlined below.

Table 2 : High Level Capital Cost Estimates

Option 1 – Enhanced Status Quo	Option 2 – Town Storage	Option 3a – Jamieson Farm Supply	Option 3b – Ford Road Supply	Option 3c – Kahahakuri Stream Supply	Option 4 – Waipawa Link
$8.2 M	$7.3 M	$19.7 M	$9.2 M	$13.9 M	$11.8 M

Officers presented **Option 2** as the preferred option if Council were to work within the budget set as part of the LTP 2018, if Council were successful with Crown Infrastructure Funding, officers would proceed with **Option 4** to link Waipawa and Waipukurau and add additional storage at the mid-way mark between the towns. Whilst continuing with improvements to the current mains, treatment and storage to add resilience.

This report is being presented to allow some works to continue whilst we wait on the funding application outcome, the work progressing is deemed as consistent with both options, and would add value to the district regardless of the funding outcome.

The second rising main would add significant resilience to the supply and would mitigate the risk of failure to the current rising main. The treated water trunk main would add the same resilience to the supply.

Through lockdown some failures resulting in leaks were located in the Pukeora reservoir, the work required to determine the condition of these reservoirs is now deemed urgent, and would help Council understand the useful life of these reservoirs, along with the recommended course of action for each reservoir – this would feed directly into asset management plans and then into the 2021 Long Term Plan as a potential project. These leaks have highlighted the need to maintain momentum on the project, and to strategically target the work that remains consistent across options.

Adding filtration is a requirement and a necessity to ensure the fairly new UV system is effective when the turbidity levels rise in our shallow river water source. If not, completed along with this project, we run the risk of breaching our compliance with the drinking water standards.

All of the work outlined above is within existing budgets as set out in Long Term Plan 2018.

Upon outcome of the funding application, Council officers would prepare a recommendation report to present the preferred option to the Finance and Infrastructure Committee for approval.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

On endorsement of the approach outlined above, officers will immediately progress the design and investigation work as appropriate related to the;

- Rising raw water main
- Trunk treated water main
- Reservoirs
- Filtration for treatment plant

Officers will continue to work in with Crown Infrastructure Partners as needed to progress our application and aim to bring a report recommending an option as soon as reasonably practical.

Upon decision on the funding application, officers will prepare a report recommending the option to proceed with, this will return to this committee for adoption at the earliest next Committee meeting.

RECOMMENDATION

That, having considered all matters raised in the report

a) The report be noted.

b) That work progresses on the Waipukurau Second Water Supply improvements, consistent with improvement options 2 and 4, noting that no final decision on a preferred option will take place until the outcome of the Crown Infrastructure Partners funding application is known to Council.

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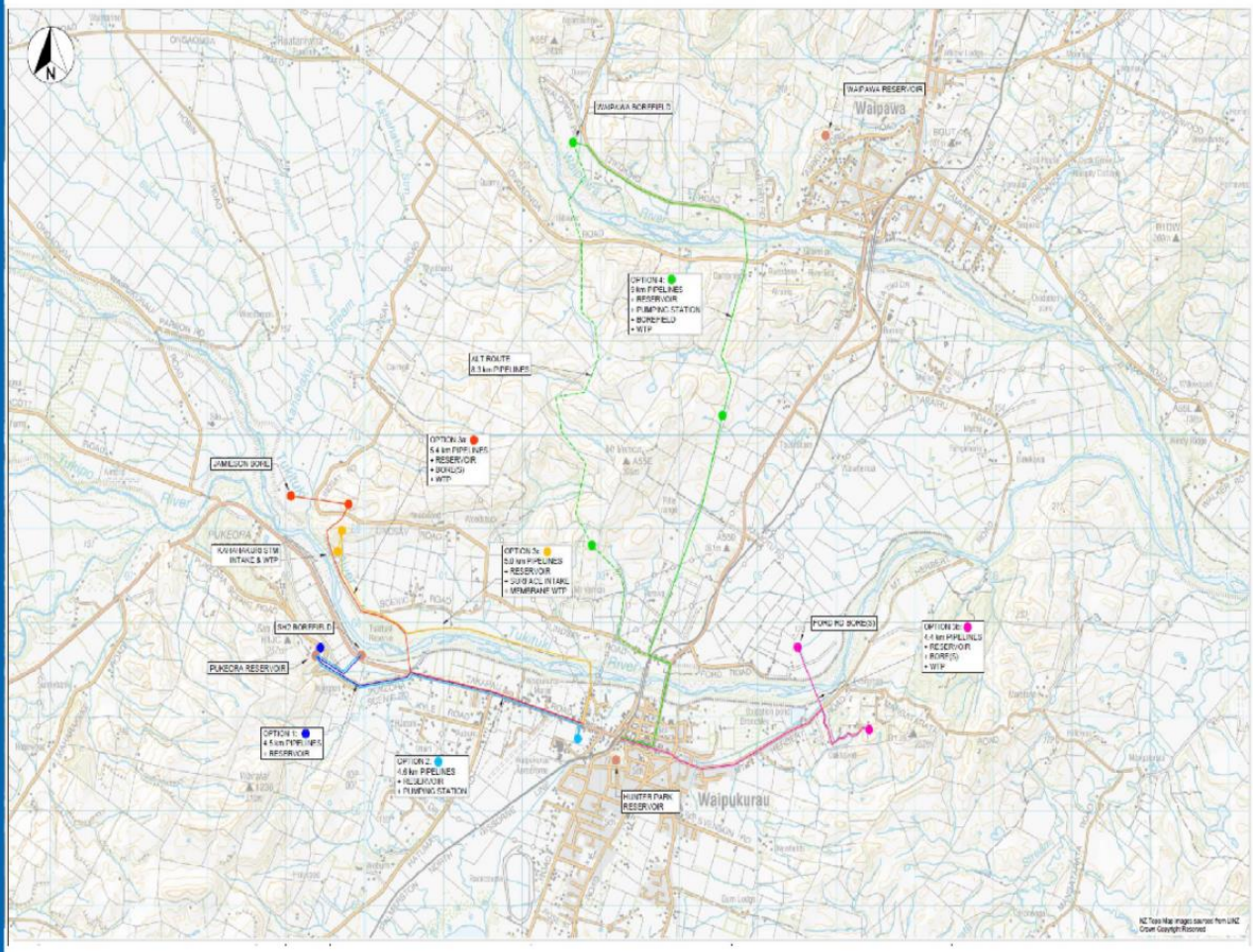
Waipukurau Second Water Supply

Preferred Option Recommendation

23 April 2020

Finance and Infrastructure Committee



Content

- Purpose
- Context
- Background
- Approach/Methodology
- Process
- MCA Outcomes
- Next steps

Purpose

- To remind council of the origins of the project and the budget outlined in LTP 2018.
- To explain the journey to date, and the process to identify the preferred option.
- To outline the preferred option, the benefits, trade-offs and expected project outcome.

- Today we need your input into a discussion that will give us direction on the NEXT Steps for this project…

Context

- 2018 Water AMP – No massive burning platform for change..

- 2018 LTP - A significant project is to provide a second supply for the District's largest township including treatment plant and pumping station and additional reservoir. The new reticulation will provide additional flows for the town to meet demand in particular for enabling industrial development.

Waipukurau Water Supply: Second Supply			
Most Likely Scenario	A project to construction a second supply to Waipukurau including new pump station, treatment plant and reservoir to provided security of supply and increased demand.	2019/20	$5.7m

Context

- Big Water Story
  - Signalled as Key Project – Delivery Pressure
  - We have learnt a lot through our other projects
- Affordability
  - $5.7m in LTP 2018 – doesn't address all problems...
  - Benefits Realisation into Value (Achieves significant improvements in key outcome areas: resilience, consistent levels of services and supporting growth)
- Risk
  - Reservoir/ Trunk Mains Failure
  - Water Usage/ Loss Management
  - Source Resilience
  - Getting ahead of ourselves
  - Other Factors

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Context

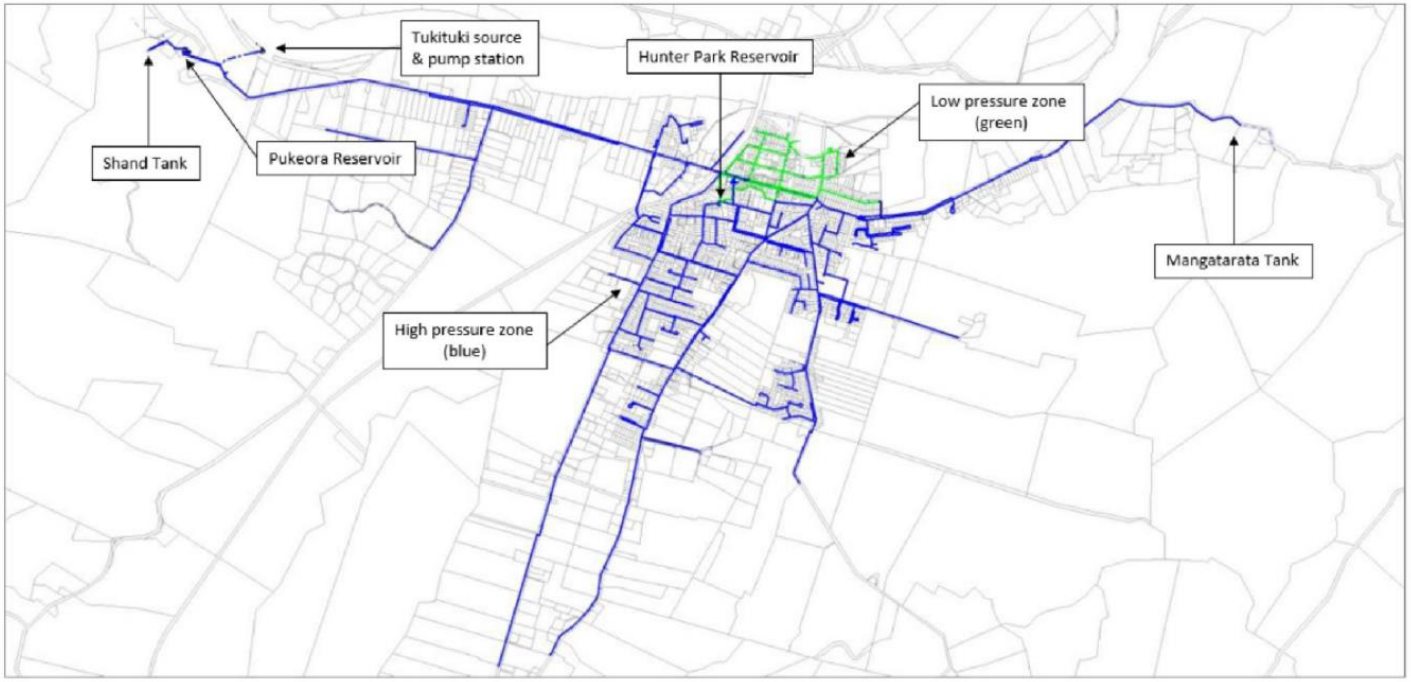
- LTP Cycle
  - Updating Growth Assumptions
  - Asset Managament Plan Updates
  - Spatial Plan in progress
  - Affordability

- 3 Waters Review
  - The unknown

Background

Demand Actual	Avg. per day	Annual (cm3)
Sep 2015 – Aug 2016	3,943 cm3	1,443,339
Sep 2016 – Aug 2017	4,151 cm3	1,510,899
Sep 2017 – Aug 2018	4,224 cm3	1,541,726
Sep 2018 – Aug 2019	4,395 cm3	1,604,074

- The Waipukurau water network



23/04/2020 Waipukurau Second Water Supply 7

Background

What we thought we knew

- In 2016, CHBDC engaged Opus International Consultants to construct a hydraulic model of the water supply. The model identified several issues with Waipukurau's water supply:
  - A lack of strategic storage
  - Risks to security of supply if there are issues with the existing source, reservoir or trunk main
  - Constraints to servicing planned future growth and infill
  - Areas of insufficient fire flow.

- We thought we knew there was water on the Eastern side of Waipukurau to kick the project off and implement the improvements

Background

The exploratory work…

Following the 2016 model and findings, in 2017 works commenced to investigate a second water supply involving a staged investigation that included:

- A hydrological assessment to determine suitable locations to drill a water supply bore.
- Assisting CHBDC to engage a suitable drilling contractor to drill an investigation bore, followed by a production bore if indications were favourable.

Three investigation bores were drilled near the river on the eastern edge of town, each with insufficient yield to be pursued further. CHBDC then **paused** future phases to take stock of the project and revaluate potential water sources and project objectives.

In 2019 CHBDC, went through a robust procurement process and re-engaged WSP to carry out this strategic assessment, review the previous options in the context of the strategic assessment to determine a preferred option and to design the required improvements. With a new team dedicated to this project.

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Background

What we know now

- Lack of resilience creates a risk that the water supply system is compromised – failure of pipeline/ reservoir
- Inability to consistently service demand leads to level of service and compliance failures
- Inability to provide enough water to service the growth of urban areas limits CHBDC's ability to influence development patterns.
  - more about the structure of the network – long 'spine' system – limiting ability to service growth areas
- Parts of the network are nearing the expected service life (in particular the reservoirs) which is a risk to the supply.

What we know now

- Population/ Household Growth Assumptions

Forecast Parameter	2013	2017	2018	2023	2028	2033	2038	2043	2046	2048
Population (Stats NZ)	3900		4220	4340	4430	4470	4450	4410		
Population (Bevin 2017)	4825	5035	5080		5250					5560
Population (CHBDC 2016)	5333								6524 7250	
Household Connections CHBDC LTP (2018-2019)			2172							
Households (Bevin 2017)	1970	2040	2065		2295					2527
People per household (Bevin 2017)	2.5	2.5	2.5		2.3					2.2

What we know now

- Current Water Supply and Demand

Available usage data provided by CHBDC from September 2015 to 2019 (Figure 2-2) indicates the average daily use for Waipukurau is 4,107m³/day. Across 2173 properties, this equates to a daily use of 1.89m³ per connection. This is marginally higher than the targeted level of service.

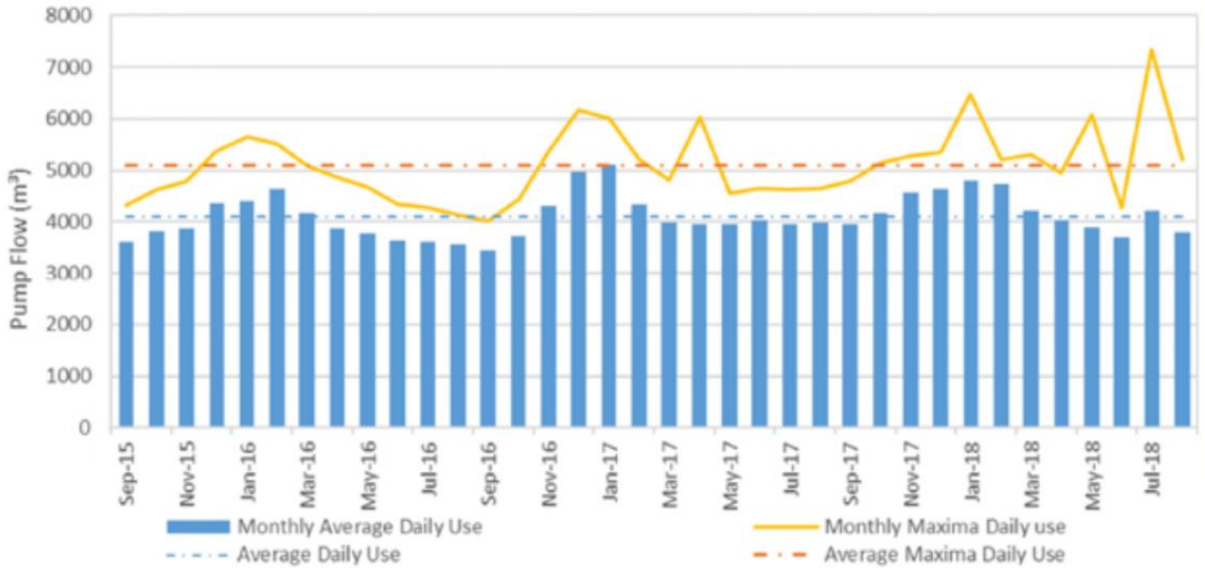

Figure 2-2: Monthly average daily water use and monthly maxima daily water use used at Waipukurau.

Storage	Size	Storage
Pukeora Reservoir	2,700 cm3	8-12 hours
Hunter Park	900 cm3	40 hours
	3,600 cm3	
Supply	**Capacity**	**Consent**
Borefield (Now)	80-100 l/s	100 l/s
Borefield (Post Upgrade)	170-190 l/s	100 l/s
Borefield (Now)		8,640m³/day
Borefield (Post Upgrade)		8,640m³/day
Demand Assumptions	**Connections**	**Use**
1.89cm3 (2015 - 2019)	2,173	4,107m3/d
1.89cm3 (2048)	2,635	4,980m3/d
Demand Actual	**Avg. per day**	**Annual (cm3)**
Sep 2015 – Aug 2016	3,943 cm3	1,443,339
Sep 2016 – Aug 2017	4,151 cm3	1,510,899
Sep 2017 – Aug 2018	4,224 cm3	1,541,726
Sep 2018 – Aug 2019	4,395 cm3	1,604,074

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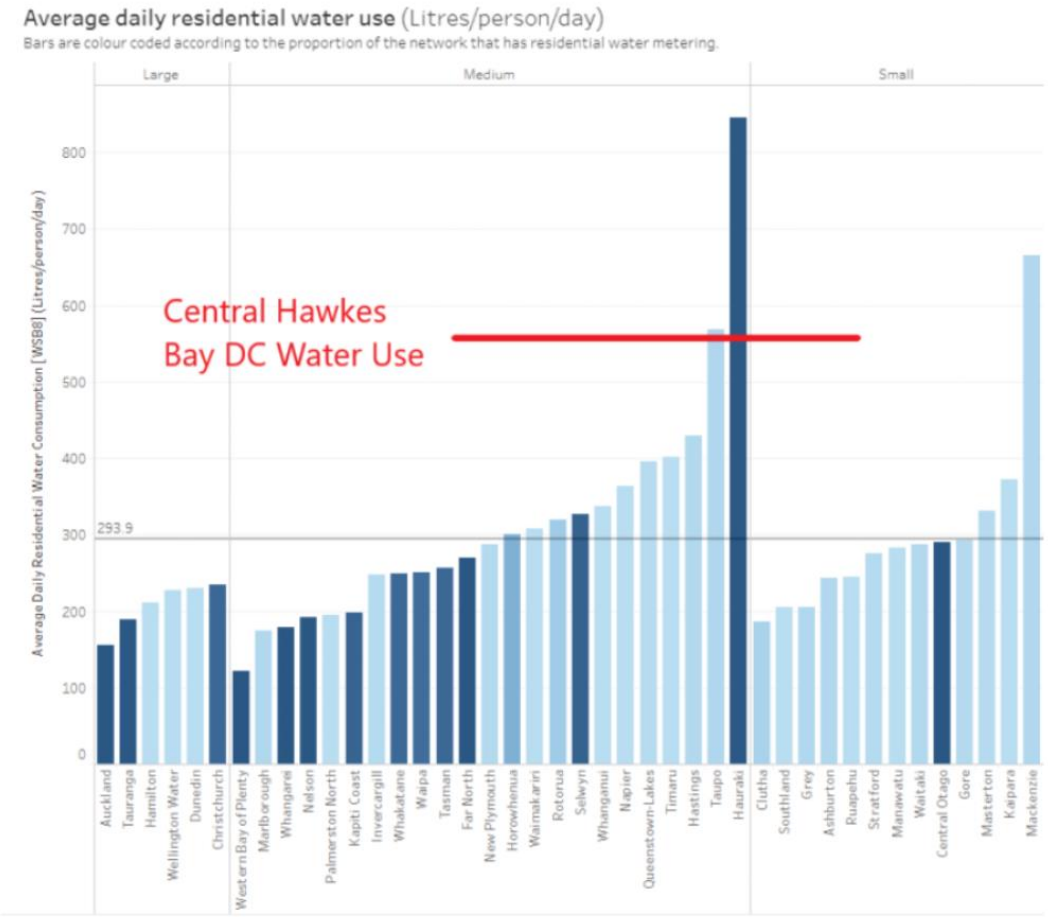
What we know now

- High Water Usage
- Leakage is present
- Water Demand is Increasing
- We are Growing

Source: https://www.waternz.org.nz/residentialefficiency



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What we know now

- Water Supply and Demand
  - The targeted level of service is **1.8m³/ connection/day**. The current average and peak daily use is about **1.89 and 3.0 m³**/property/day respectively.
  - Based on the Bevin 2048 growth forecast (extra 462 connections), the Year 2048 average and peak daily use could increase to 4,743 m³ and 7,980 m³/day respectively.
  - The current consented supply (i.e. 8,640m³/day) should provide sufficient water to meet the increase in demand associated with growth, providing this volume can be abstracted.
  - We need updated growth assumptions.

- It is not as easy as drilling a hole close to the river and finding the right quality and quantity of water.

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What we know now

- Projected Water Supply and Demand

Table 2.2: Future demand projections at 2048 for Waipukurau.

Households (2048)	Targeted level of service and peak daily flow	Average use 2015-2019 and peak daily flow	Peak use over 2015-2019 and peak daily flow
2,635	1.8	1.89	3.0
	4,743 m³	4,980 m³	7,905 m³

- Water Take Consented Allowance
  - Currently CHBDC has consent (WP030775Ta) to abstract a total of up to 100L/s from five wells (5676, 5677, 15107, 15108, and 15409), a combined 7-day volume of 60,480m³ (8,640m³/day). Three wells to be replaced within 6 months.
- Climate Change
  - As a condition of CHBDC resource consent (WP030775Ta), when river flows fall below 2,300L/s at Tapairu Road CHBDC must implement demand management and water conservation measures as set out in the CHBDC Water Management Strategy (2019). The river low-flow trigger had previously been 1,900 L/s but was increased in July 2018 to coincide with minimum flows required for 90% habitat protection for longfin eel.
  - WSPs climate change assessment indicated that river flows may drop below the threshold more often, refer Table 3.3

Table 3.3: Modelled effect of Climate Change on increasing the number of days were flows fall below consented thresholds in the Tukituki Rivet at Tapairu

Summary Statistic	2009-2019	2040-2059	2080-2099
Days below 2,300L/s	18	22	30

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Our Water Source – The Tukituki River

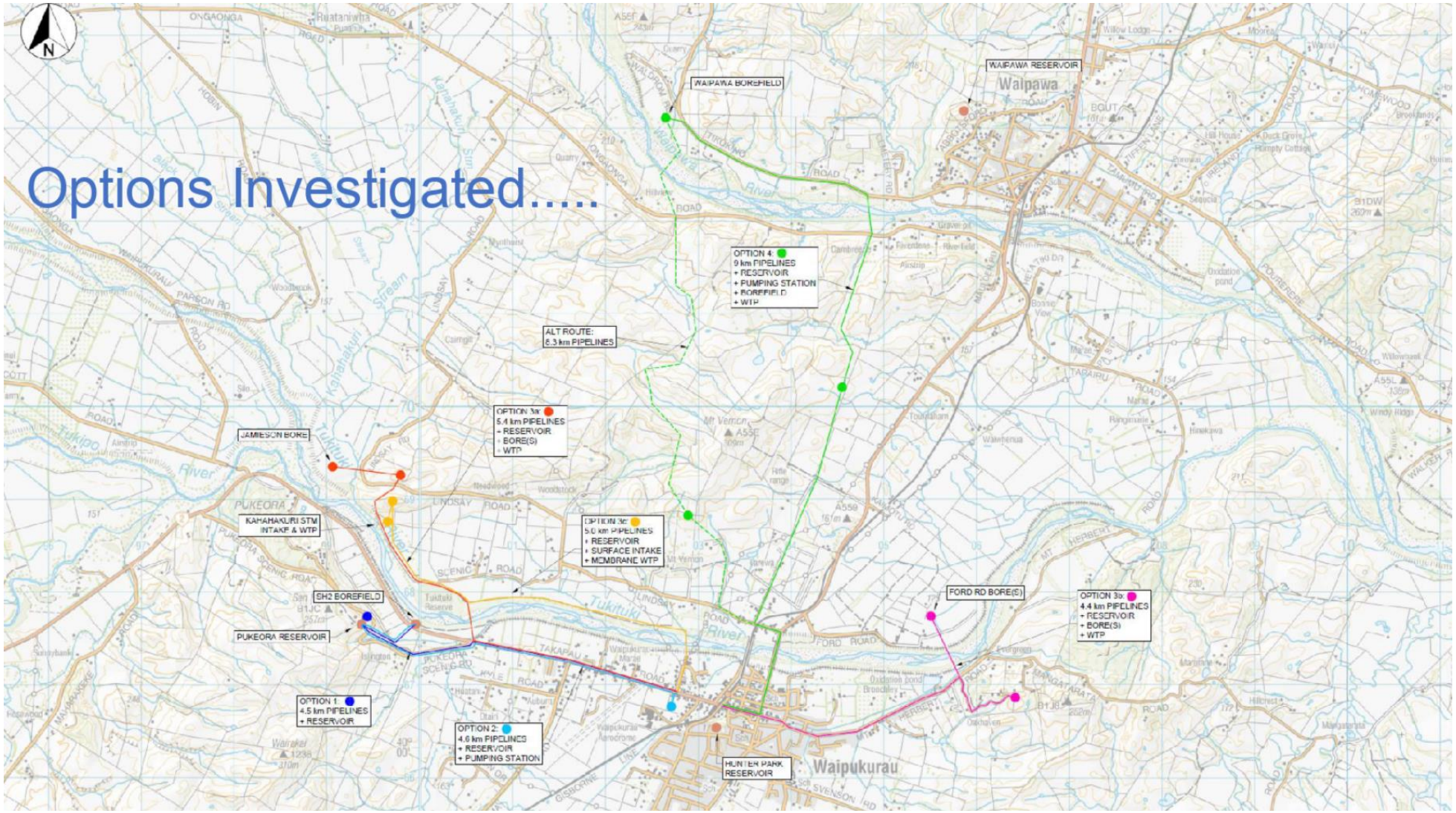
- There are a number of risks associated with the current raw water source connected to the Tukituki River:
  - Contamination such that the water can't be used – either through gradual deterioration (catchment effects) or a one-off event like a contamination spill – unlikely but serious consequences.
  - Flooding of the borefield (overtopping or failure of the stopbank) – would be a significant temporary impact but unlikely.
  - Failure / collapse of the bores following a seismic event – likely in an earthquake but the existing wells are shallow and are therefore relatively quick to redevelop or re-drill.
  - Reduced river thresholds or higher consent restrictions – it is possible that this will occur, however reasonable to expect that water takes for potable water will be given higher priority.
- Adding a new source not connected to the Tukituki would mitigate these risks (eg. Waipawa connection or deep groundwater), but no obvious low risk source has been identified. It is often difficult and expensive to identify and develop a satisfactory source of potable water.

What we know now - Other Risks

- Seismic Risks
- The current system has a moderately high failure risk profile, with a single ended supply, aging infrastructure and a lack of strategic water storage.
- Water Loss and Management – needs work to prolong life of an asset.
- Current Asset Management Plans doesn't support the project
- Future Growth – Spatial Plan Considerations
- Funding Application to CIP being successful

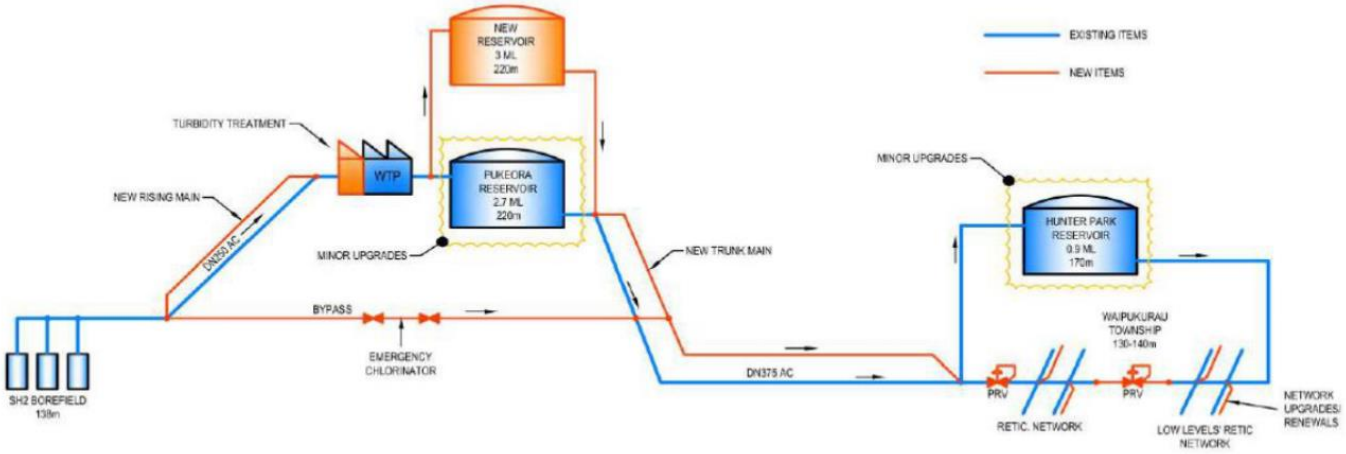
Process

- We essentially went back to the drawing board;
  - To confirm what we needed to achieve for this project to add value and be successful
  - Ensured we considered bigger picture thinking
  - Listened to stakeholders
  - Ensure we considered budget/ funding
  - Clear criteria to assess options against


Options Investigated.....
WAIPAWA BOREFIELD
WAIPAWA RESERVOIR
Waipawa
OPTION 4:
9 km PIPELINES
+ RESERVOIR
+ PUMPING STATION
+ BOREFIELD
+ WTP
ALT ROUTE:
6.3 km PIPELINES
OPTION 3a:
5.4 km PIPELINES
+ RESERVOIR
+ BORE(S)
+ WTP
JAMIESON BORE
KAHAHAKURI STW
INTAKE & WTP
OPTION 3c:
5.0 km PIPELINES
+ RESERVOIR
+ SURFACE INTAKE
+ MEMBRANE WTP
SH2 BOREFIELD
PUKEORA RESERVOIR
FORD RD BORE(S)
OPTION 3b:
4.4 km PIPELINES
+ RESERVOIR
+ BORE(S)
+ WTP
OPTION 1:
4.5 km PIPELINES
+ RESERVOIR
OPTION 2:
4.6 km PIPELINES
+ RESERVOIR
+ PUMPING STATION
HUNTER PARK
RESERVOIR
Waipukurau

Option 1: Enhanced Status Quo

- This option replaces the vulnerable trunk mains and adds storage at Pukeora. The reticulation network is enhanced with the addition of pressure reducing valves to provide more consistent service levels and to provide a secondary low-level supply. An emergency bypass is provided to enable the SH2 borefield to supply directly in the event of a significant failure at the Pukeora WTP and reservoirs.

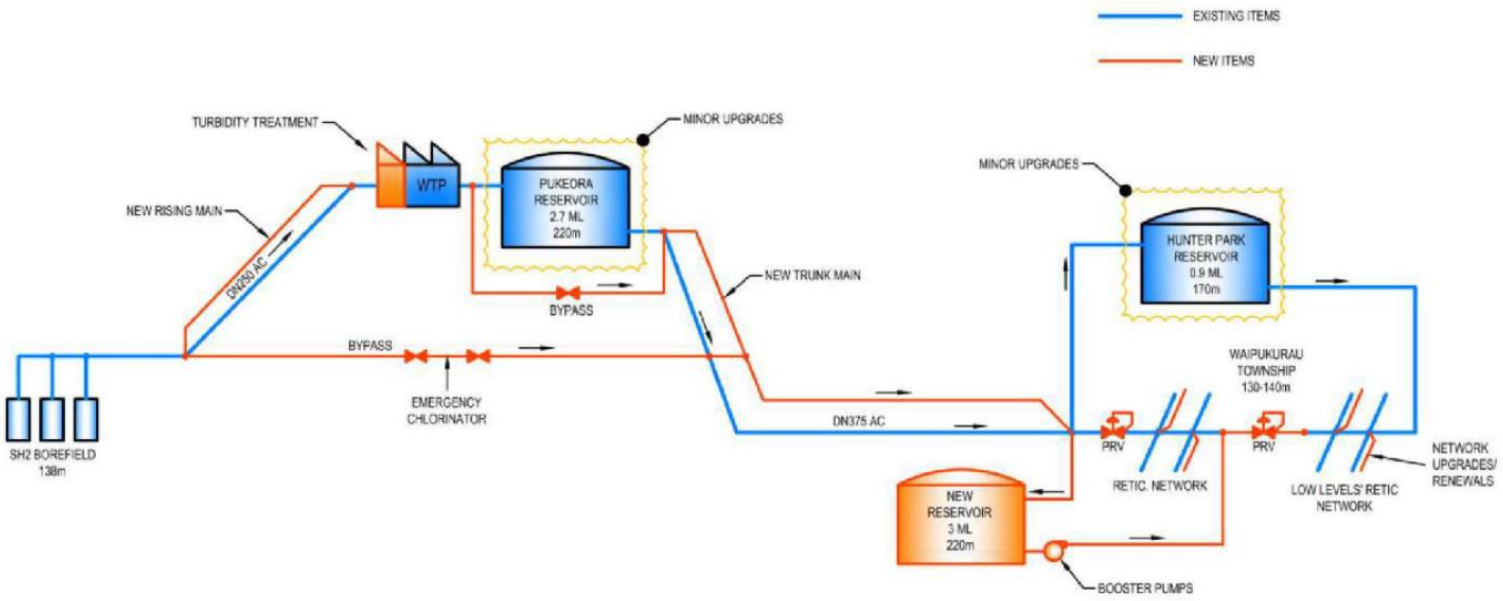


Schematic of Option 1

0

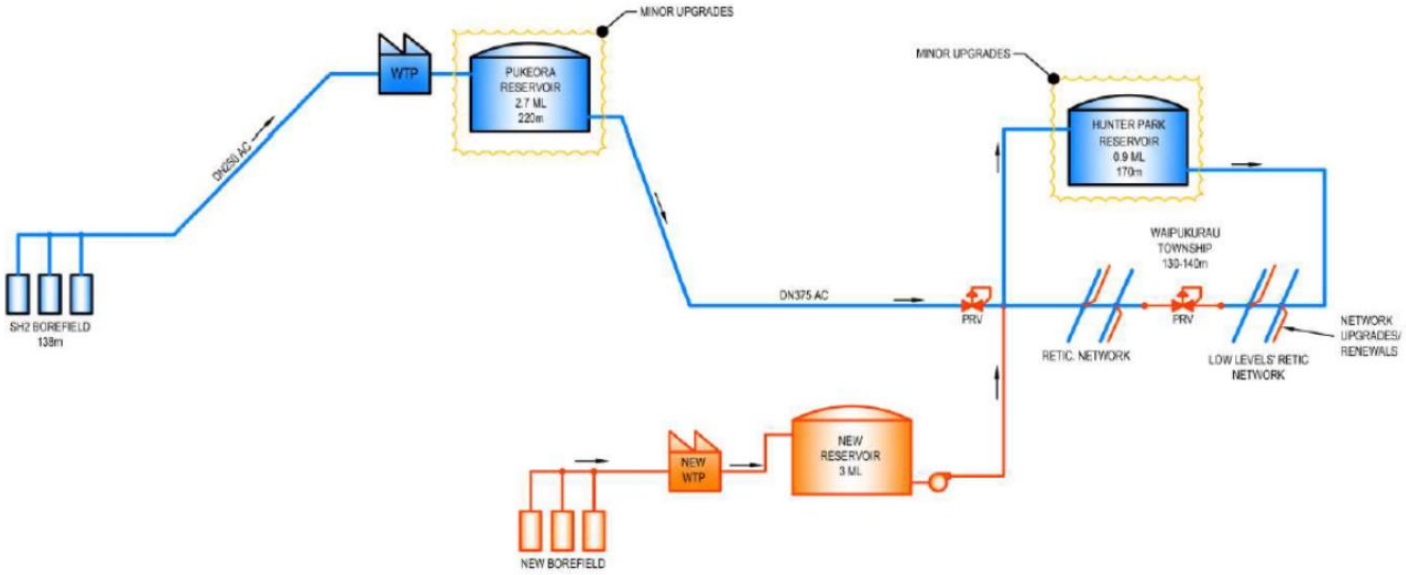
Option 2: Town Storage

- Same as option 1, but Option 2 provides significant storage at a low level within the township. This requires pumping to provide service pressure. It also allows for an injection of supply into other points within the network to improve pressure and for the failure of existing pipeline or reservoirs



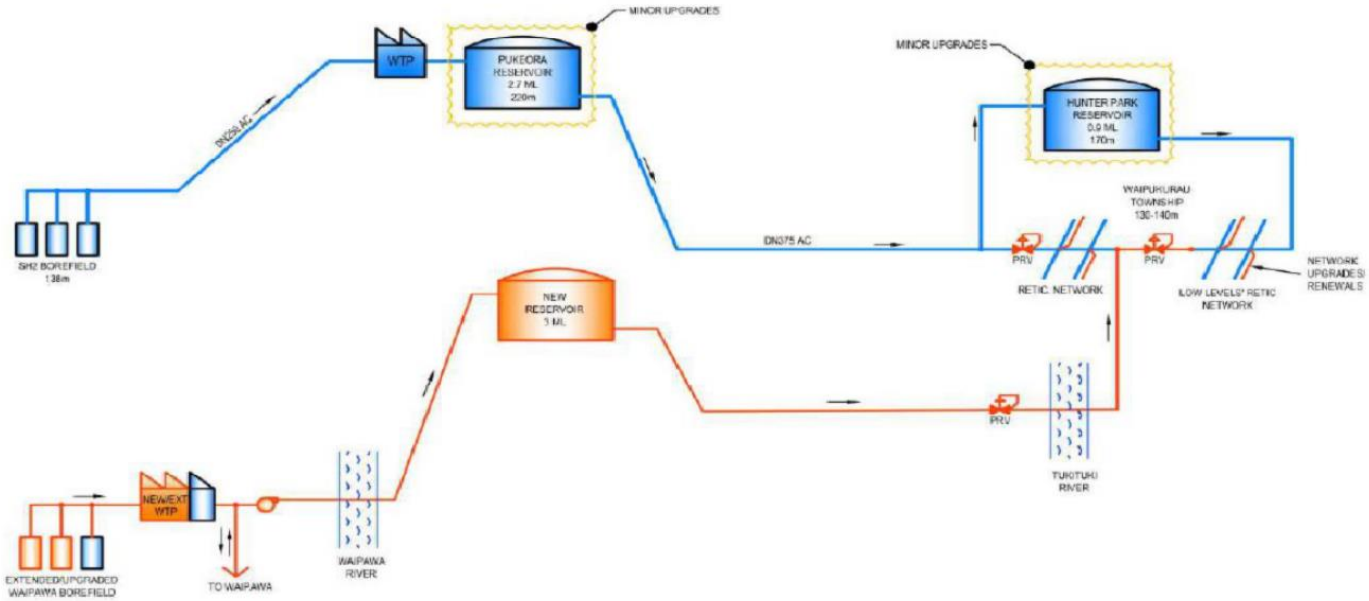
Option 3: Second Supply (three sub-options involving different water sources)

- Three sub-options have been assessed with a second water source from Ford Road (Same Source), Jamiesons Farm (over allocated Aquifer, very Hard Water), and Kahahakuri Stream (High E-coli, and Turbidity Spikes).



Option 4: Waipawa Link

- It requires a long pipeline from the existing Waipawa borefield, and the borefield would need to be developed or extended to provide the sufficient water for Waipukurau which has water demand that is 200-250% higher than Waipawa. We note there may be spare capacity at Waipawa which may reduce the amount of extra capacity required.



Approach / Methodology - Strategic Assessment

- Other factors that are likely to be importance when choosing between options are listed below:
  - Cost – whole of life capital and operating costs
  - Staging - Ability to stage implementation to stagger expenditure
  - Delivery risk – the risks associated with delivering the solution (for example the risk of finding a new water source or the risk of obtaining consents and approvals).

Table 2 - Problems, investment objectives and outcomes sought for Waipukurau's water supply.

Problem Statement	Benefit Statement / Outcome Sought	Investment Objective
Lack of resilience creates a risk that the water supply system is compromised	A more resilient water supply system *(50%)*	• More robust infrastructure with lower risk of damage • Improved network redundancy to reduce reliance on any one component • Increase time available to respond to a component failure
Inability to consistently service demand leads to level of service and compliance failures	*Consistently* compliant Level of Service *(40%)*	• Consistent compliance with DWSNZ (Drinking Water Standards NZ) • Consistent water supply provided at the right quantity and pressure
Inability to provide sufficient water to service the growth of urban areas limits CHBDC's ability to influence development patterns	Support socially and economically sustainable growth in a planned fashion *(10%)*	• Sufficient water available for sustainable growth • Infrastructure that delivers water to areas of desired growth

Approach / Methodology

Known Challenges

1. Little margin between the capacity of the SH2 Borefield/ storage and peak demand.
2. Water restrictions triggered by the Regional Council water take conditions.
3. High per-capita water demand and leakage rates.
4. A single water source and single-thread trunk reticulation pipelines which are vulnerable to seismic and other events which may interrupt supply for an extended period.
5. Treatment that is unable to meet drinking-water standards when the source water is turbid.
6. Aging infrastructure which has suffered from historical under-investment and is rapidly approaching the end of its useful life. In particular, the storage reservoirs are very old (ca. 100 years) and would not meet present-day seismic standards for critical infrastructure.
7. A lack of water storage which does not provide adequate time to respond to major incidents without loss of service.
8. Insufficient fire-fighting water supply to part of town, particularly high-risk industrial areas.
9. Inability to service growth and development in the water supply area.

Approach / Methodology - MCA Criteria

Criteria	Weighting
Resilience The extent to which the option satisfies the following objectives: - More robust infrastructure with lower risk of damage - Improved network redundancy to reduce reliance on any one component - Increase time available to respond to a component failure	25
Consistent Level of Service The extent to which the option satisfies the following objectives: - Consistent compliance with DWSNZ (Drinking Water Standards NZ) - Consistent water supply provided at the right quantity and pressure	20
Support sustainable growth The extent to which the option satisfies the following objectives: - Sufficient water available for sustainable growth - Infrastructure that delivers water to areas of desired growth	10
Cost - Whole of life capital and operating costs - Cost relative to available budget	15
Staging - The extent to which the option can be staged to stagger expenditure	15
Delivery risk - the risks associated with delivering the solution that may lead to delays and or costs. For example risks like; - finding a new water source - obtaining consents - access agreements or land purchase	15
	100

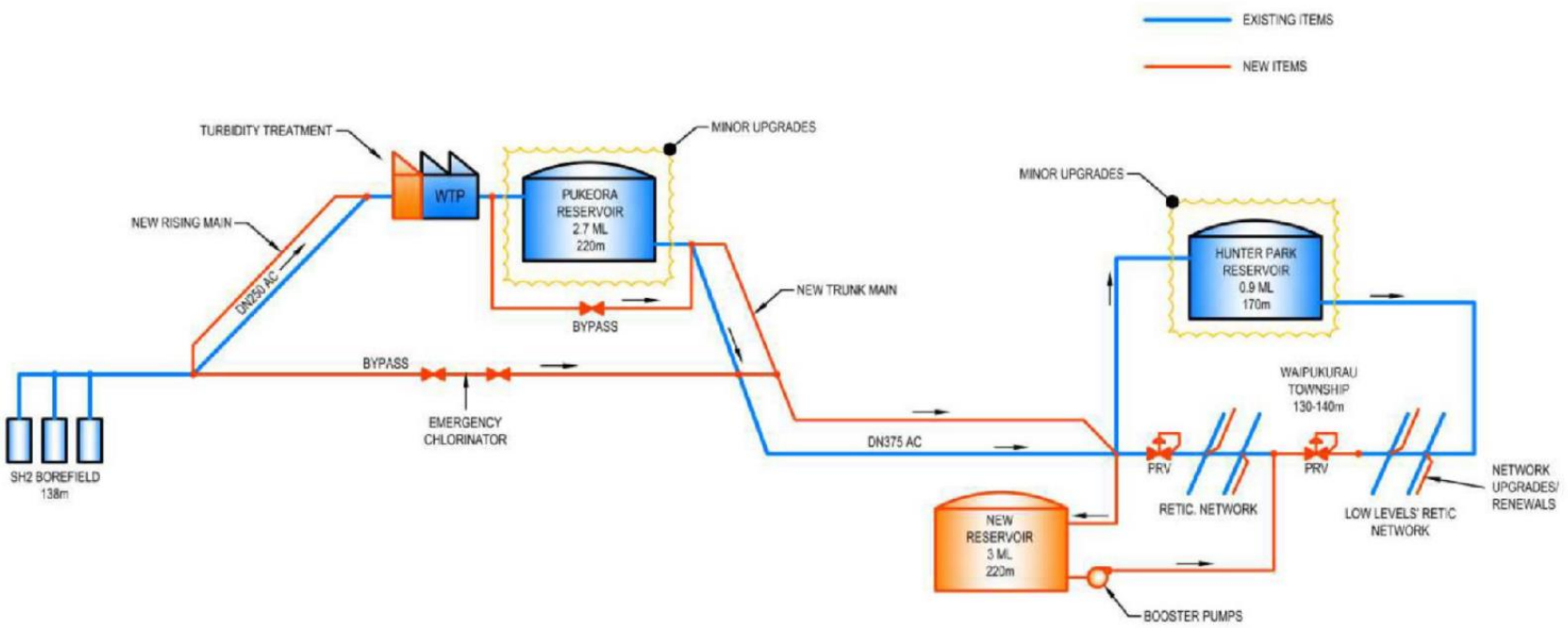
Table 4 : MCA Outcomes (ranked in order of score)

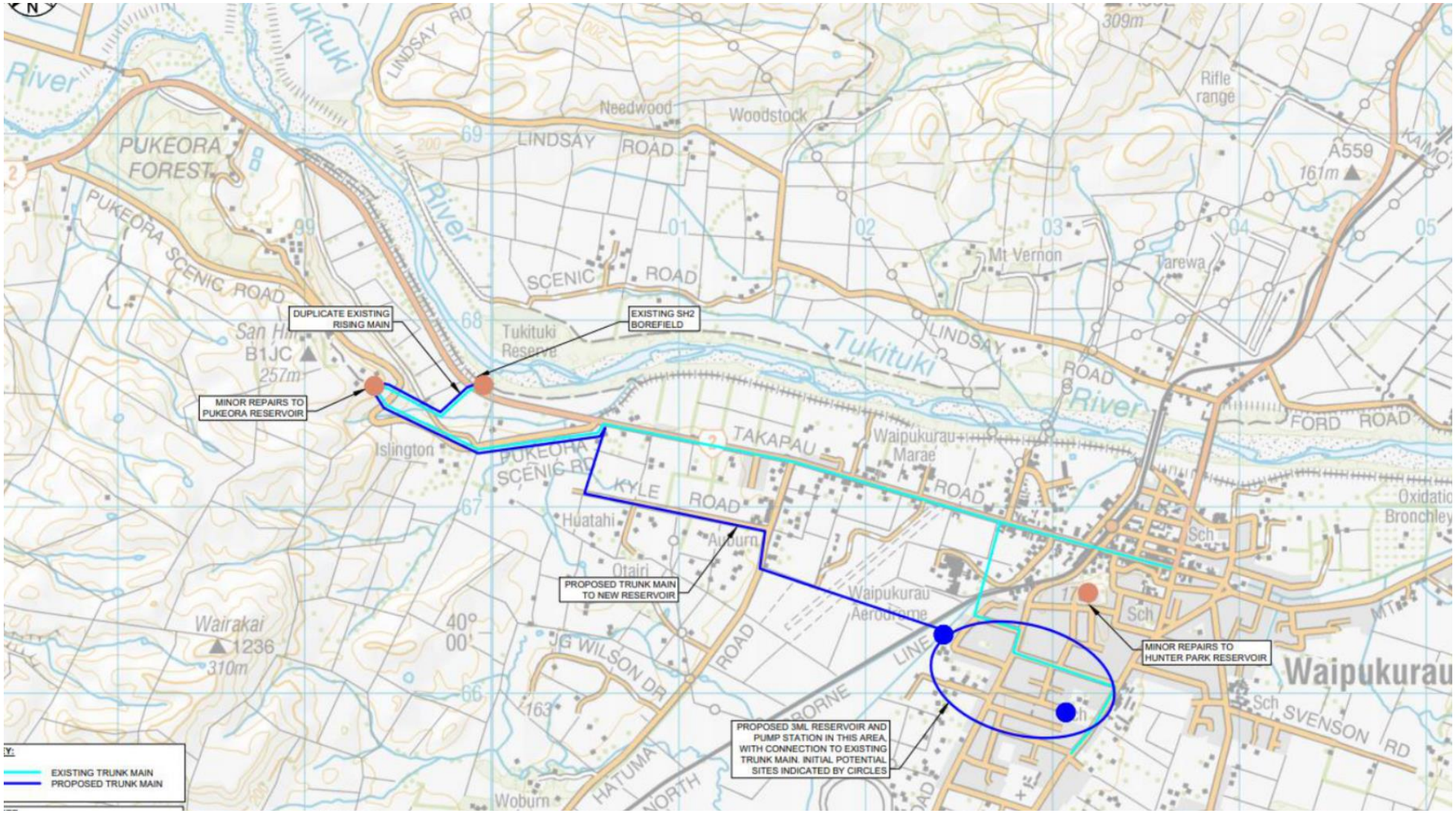
Option	Score
2 – Town Storage	375
4 – Waipawa Link	330
1 – Enhanced Status Quo	320
3c – Kahahakuri Stream	315
3b – Ford Road	290
3a – Jamiesons Farm	285

Table 2 : High Level Capital Cost Estimates

Option 1 – Enhanced Status Quo	Option 2 – Town Storage	Option 3a – Jamieson Farm Supply	Option 3b – Ford Road Supply	Option 3c – Kahahakuri Stream Supply	Option 4 – Waipawa Link
$8.2 M	$7.3 M	$19.7 M	$9.2 M	$13.9 M	$11.8 M

The Preferred Option – **Option 2**




DUPLICATE EXISTING RISING MAIN
EXISTING SH2 BOREFIELD
MINOR REPAIRS TO PUKEORA RESERVOIR
PROPOSED TRUNK MAIN TO NEW RESERVOIR
MINOR REPAIRS TO HUNTER PARK RESERVOIR
PROPOSED 3ML RESERVOIR AND PUMP STATION IN THIS AREA, WITH CONNECTION TO EXISTING TRUNK MAIN. INITIAL POTENTIAL SITES INDICATED BY CIRCLES
EXISTING TRUNK MAIN
PROPOSED TRUNK MAIN
PUKEORA FOREST
PUKEORA SCENIC ROAD
LINDSAY ROAD
SCENIC ROAD
Tukituki River
Needwood
Woodstock
Rifle range
Mt Vernon
Tarewa
A559
161m
B1JC
257m
Tukituki Reserve
LINDSAY ROAD
FORD ROAD
TAKAPAU ROAD
Waipukurau Marae
Islington
KYLE ROAD
Huatahi
Otairi
Waipukurau Aerodrome
Wairakai
1236
310m
JG WILSON DR
HATUMA ROAD
Woburn
SVENSON RD
Waipukurau

The Preferred Option

Benefits	Trade-Offs/ Risks
Adds additional storage, providing additonal buffering at peak times plus enabling longer response times to repair network failures	Still relies on one raw water supply point. Risk of source contamination remains, but low and expensive to mitigate
The town can be served off the new reservoir, allowing the existing reservoirs to be taken off line for maintenance or for eventual replacement (no redundancy for this presently exists)	Source is still on one side of town
Duplicates the current trunk pipelines, allowing some redundancy, plus new pipelines will be more resilient (polyethelene vs current asbestos cement)	Some additonal operating cost (network pump station) but will be minimised through operational control set-up
Reservoir in town reduces reliance on SH2 supply main plus allows for better supply to the growth areas	Seismic Risks
Best value for nearly maximum benefit	

The Preferred Option

- The new reservoir can be located close to/within the town. It is expected that this will provide more cost-effective storage compared to Option 1 although a new pump station is required.
- Pumping is required to provide storage pressure. To reduce operating costs, it is anticipated that only a relatively small area is normally serviced by the reservoir (enough to provide regular turnover), but full pumping capacity is available in the event of a failure in the network.
- A bypass is provided to enable raw water (with possible emergency chlorination) to be supplied to town in the event of an emergency. This will take advantage of the close proximity of the rising main and trunk main at the foot of the hill.
- The critical asbestos cement (AC) rising and gravity trunk pipelines will be replaced.
- Pressure-reducing valves in town will provide flexibility of supply, enabling the Hunter Park reservoir to be upgraded or replaced.
- Additional treatment is required to adequately treat the water during periods of high turbidity.
- We believe that there is scope to consider lower-cost construction options like steel reservoirs and optimize the design further generally to provide better value.

The Preferred Option – Cost Estimate

Waipukarau Water Supply Upgrades - Comparative Cost Estimates

		Option 1 - Enhanced Status Quo				Option 2 - Town Storage			
Item	Description	Unit	Qty	Rate	Amount	Unit	Qty	Rate	Amount
1	SUPPLY								
1.1	Land acquisition	LS			$ -	LS			$ -
1.2	New bores	LS			$ -				$ -
1.3	Headworks civil	LS			$ -				$ -
1.4	Headworks mechanical	LS			$ -				$ -
1.5	Headworks electrical	LS			$ -				$ -
1.6	Rising main	m	710	$ 450	$ 319,500	m	710	$ 450	$ 319,500
1.7	Emergency link	LS	1	$ 30,000	$ 30,000	LS	1	$ 30,000	$ 30,000
2	TREATMENT								
2.1	Land acquisition				$ -				$ -
2.2	Treatment civil				$ -				$ -
2.3	Turbidity removal	LS	1	$ 400,000	$ 400,000	LS	1	$ 400,000	$ 400,000
2.4	Disinfection (UV + Chlorine)				$ -				$ -
2.5	Additional Treatment (Fe/Mn/hardness)				$ -				$ -
3	DISTRIBUTION								
3.1	Land acquisition	LS			$ -	LS	1	$ 400,000	$ 400,000
3.2	Reservoir 3ML	LS	1	$ 4,000,000	$ 4,000,000	LS	1	$ 2,000,000	$ 2,000,000
3.3	Trunk main	m	3600	$ 450	$ 1,620,000	LS	3800	$ 450	$ 1,710,000
3.4	Pumping station	LS			$ -	LS	1	$ 750,000	$ 750,000
3.5	Retic PRVs	ea	2	$ 75,000	$ 150,000	ea	2	$ 75,000	$ 150,000
4	*Subtotal*				*$ 6,519,500*				*$ 5,759,500*
4.1	Design, P&G, Consenting	%	25%	$ 6,519,500	$ 1,629,875	%	25%	$ 5,759,500	$ 1,439,875
	TOTAL CAPEX				$ 8,149,375				$ 7,199,375
5	OPEX								
5.1	Net increase in treatment OPEX	%	5%	$ 400,000	$ 20,000	%	5%	$ 400,000	$ 20,000
5.2	Net increase in energy use	kWh		$ 0.25	$ -	kWh	40000	$ 0.25	$ 10,000
5.3	Net increase pump maintenance	%	1%	$ -	$ -	%	1%	$ 750,000	$ 7,500
	TOTAL OPEX INCREASE				$ 20,000				$ 37,500
	25-YEAR NPV (5% discount rate)				$ 8,431,254				$ 7,727,898

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CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Link to other projects (Current)

- **SH2 Borefield Upgrade** is one peice of this puzzle, adding the borefield resilience and security needed to supply current and future demand
- **Waipukurau Firefighting and Shortfalls** replaces and adds water mains over a 7 year period to increase pressure and add resilience
- **Waipukurau Water Main Renewals** is an ongoing programme to renew the network to improve water loss and improve levels of service

Other Recommendations

- Complete projects
- Inspect and refurb the existing reservoirs
- Update and implement our water conservation and management strategies
- Investigate water meters
- Use the AMP to identify a clear water renewal programme to physically and proactive reduce water leaks and loss

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Summary

- We thought, we knew some stuff, we did a bit of physical work, weren't successful - > Paused -> Reset, and Ensured we were clear on what we wanted to ACHIEVE.
- An ILM, and Strategic Assessment were undertaken to provide clarity on the problem, and the Criteria
- Options were identified, and evaluated against this Criteria.
- We have a Preferred Option that we can deliver within LTP budgets and delivers on nearly all outcomes, but doesn't provide a new SOURCE.
- Contamination and Source Risk Failure is There, But Low, and Expensive to Mitigate.


GO


STOP

Next Steps (If we Pause)

- Await Outcome of Funding Application to CIP/ PDU
- Factor Spatial Plan and Growth Assumptions into the Project
- Direction on whether we need a new source?
  - If yes, do we update the budget as part of LTP 2021 process?
  - If no, do we need to update the project scope/ budget in LTP 2021?
- Complete WPK Firefighting, and SH2 Borefield – and analyse results of these improvements
- Review, and Update Water Management Strategy
- Implement Water Management Strategy Actions incl… Reducing water Usage into Project Basis of Design

Next Steps (If we Proceed)

- Confirm Basis of Design, proceed to Concept Design -> Detailed Design
- Identify Land, Negotiate as Required for Pipeline Route, Reservoir
- Plan and Commence Procurement for Construction
- Construct
  - Pipeline
  - Reservoir
  - Treatment Additions
- Implement Recommendations
- Complete Existing Projects


Questions?
CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL

5.5 KAIRAKAU WATER UPGRADE - OPTIONS REPORT

File Number: **123**

Author: **Darren de Klerk, 3 Waters Programme Manager**

Authoriser: **Monique Davidson, Chief Executive**

Attachments:
1. **Kairakau Water Supply - Options Report ⇩**
2. **LGA 2002 - Sections 130-136 ⇩**

PURPOSE

The matter for consideration by the Council is to endorse the upgrade option recommended for the Kairakau water system to be progressed through to design, community engagement and construction.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report

1) The Finance and Infrastructure Committee identify Option 2 as the preferred option — to upgrade the Kairakau water treatment plant to

- **i) meet Drinking Water Standards for New Zealand 2005 (revised 2018);**
- **ii) remove roof water from supplying potable water;**
- **iii) install restrictors to all properties to control peak demand; and**

2) In identifying Option 2 as the preferred option, note that the Committee will await community and iwi engagement before formerly adopting Option 2.

EXECUTIVE SUMMARY

At the 27th February 2020 Finance and Infrastructure Committee meeting, this committee endorsed the re-allocating of funds to expedite the upgrade of the Kairakau water system, to allow the commencement of a project to upgrade the water supply in Kairakau to meet drinking water standards, supply requirements and ongoing community needs.

The expedition of funding will not have an impact on ratepayers due to the delay in the use of some other capital water funding, allowing no overall impact to the amount of funding that is loaned in the water activity.

Following the February committee meeting, council awarded a design contract to WSP to assist council with initially preparing a funding application to the tourism infrastructure fund (TIF) – which was postponed due to the COVID-19 pandemic, and has since not re-opened. Work then progressed with an options analysis related to the options available for the future of the Kairakau water system.

Four options we identified including ugrading the treatment system to meet DWSNZ through to removing the council community supply altogether and returning the supply to roof rain water collection only, with a variant of offering point of entry supply and adding extra storage.

This report recommends **Option 2** – to upgrade the water treatment plant to meet DWSNZ, relocating the treatment plant and raw water storage tanks to reserve land, and remove the roof water as a potable supply, but, re-purpose the current rain water storage tanks for non-potable use, to manage peaks and in alignment with our current work to implement a new water demand management plan we propose to install restrictors to all properties to control peak demand.

BACKGROUND

Kairakau is a small coastal town in Central Hawke's Bay, approximately 35 km south of Hastings. The town comprises primarily holiday homes, with some permanent residents; and a small camping ground. It is also a popular recreational destination for day visitors. Council's draft water safety plan tells us there are approximately 20 permanent residents in the town, with up to 1,000 residents during peak holiday seasons.

The Kairakau water supply scheme was installed in the mid 1950's, upgraded in the 1970s and expanded in 1993 to include the subdivision in Mananui Street, Kapiti Place and Brodie Place. A new subdivision was added in 2007 on John Ross Place. Originally, the scheme only serviced the camping ground and the adjoining (original) holiday homes as a supplement to roof water collection. Expansion of the scheme occurred as a result of pressure for development in the area.

The scheme currently supplies 83 properties and the camping ground (approximately 20 sites). Water is pumped from two sources at the base of an adjacent hill; a shallow bore off Kapiti Place, and a spring off Brodie Place. Water is stored in raw water tanks, located next to the spring on Kapiti Place, before it is dosed with liquid chlorine and pumped up to four treated water tanks on the hillside above 21 Kapiti Place. Water is fed to the town via gravity mains from three treated water tanks which service the general consumers, and a fourth tank which supplies the campground exclusively. Each property has its own on-site storage tank which is supplied primarily by roof water, and supplemented by the water supply scheme when there is a deficit of roof water.

DISCUSSION

The supply has historically struggled to meet peak demands, and following an event in early January 2020, the bore supply suffered a failure, resulting in only the spring being active to supply the town at an extremely reduced rate.

Following investigations and the re-development of the bore, the bore was brought back into production. Some early investigation work has taken place to determine the supply capacity of these two sources.

Under the current scheme water is drawn from two separate sources, a bore and a spring. It is stored in raw water tanks before it is dosed with chlorine and pumped up to treated water tanks on the side of the hill above the town. It is then fed to the town via gravity mains. Each property has an onsite storage tank which is fed by rainwater and supplemented by Council supply.

In order to supply safe drinking water to the residents which meets the objectives above there are a number of items to be addressed. These are summarised below.

- The current reliable yield of both sources in summer conditions is not well understood. Council has reported that Kairakau historically ran short of water often during summer periods until water restrictions were introduced and the bore was redeveloped.
- In terms of water quality, the bore and spring are considered equivalent to surface water, so treatment is required to meet drinking-water standards.
- According to recent testing, the raw water is very hard (over 300 mg/l as caco3) with E. coli present, but without long-term data it is hard to determine if this is representative of the typical water quality. Also, there is no data available regarding the turbidity of the water which may affect the treatment upgrades required.
- There is no continuous monitoring of parameters to assess compliance with DWSNZ, nor an alarm system to indicate faults or failures of the supply.
- The location of the raw water tanks is on private property which presents an ongoing access risk, and the bore and treated water tank sites are not currently fenced off from the public which makes them more vulnerable to tampering and/or vandalism.

- Connections to individual properties have an unrestricted supply controlled by a ballcock in the tank, which may result in high peak demands which could overwhelm the operating storage volume.
- Individual tanks are connected to rain water along with Council supply. Roof water is subject to contamination from sources such as bird and possum droppings, paint, as well as sea spray from the adjacent coast.

Based on this analysis, four options have been identified and considered to upgrade the Kairakau water supply;

- **Option 1:** Upgrade water treatment plant to meet DWSNZ; retain roof water as potable supply; install restrictors to all properties to control peak demand.
- **Option 2:** Upgrade water treatment plant to meet DWSNZ; **remove** roof water; install restrictors to all properties to control peak demand. - possibly add bore and storage to meet increased peak demands (To be further investigated)
- **Option 3:** Decommission existing supply and put all properties on roof water only.
- **Option 4:** Decommission existing supply and put all properties on roof water only including adding additional storage and adding point-of-entry treatment.

RISK ASSESSMENT AND MITIGATION

Risk remains with this site in its current state, through the following key areas;

- Ability to supply consistently during peak periods
- Visibility on the system through lack of automation and transparency.
- The basic treatment process and the robustness of the manual processes
- Current compliance with the drinking water standards.

Below is an outline of the risk associated with each Option;

Option 1 has risk involved with maintaining the rain water as a potable source of supply, and the risk that council does not treat this water, which then blends in with council potable supply. If there ever was contamination or sickness, Council may be at risk of proving we have everything reasonably possible to have mitigated this risk.

Option 2 has risk involved with the proposed use of reserve land for the new water treatment plant and storage system, but overall meets the future requirements.

Option 3 and 4 have significant risk involved with the removal of a potable water from the properties and the town. The process will require public consultation as outlined in Section 131 of the Local Government Act 2002, Sections 130 and 134 also apply. It is anticipated the cost savings based on whether option 3 or 4 is progressed would not outweigh the benefits and public / drinking water standard risk associated.

FOUR WELLBEINGS

This project aligns well with the four wellbeings, and officers anticipate this upgrade will add to value to each of the four wellbeings. Through the four wellbeings, Council places an intergenerational approach to improving quality of life outcomes in our towns. Largely aligned with our Project Thrive vision.

DELEGATIONS OR AUTHORITY

The options presented align with current delegations and with current funding as set in the Long Term Plan 2018.

The project has been brought to Committee for endorsement due to the request in February 2020 to reallocate the budget to this financial year, and at the request of the Committee to have an overview

of the options identified and investigated prior to proceeding with a preferred option to design and implementation.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of some significance, and engagement has started with the community during the supply outage events via numerous letters and Facebook updates.

Engagement with local iwi will take place early in the design phase to ensure we align and meet any cultural requirements. Upon endorsement of an option, Council officers will commence engagement planning alongside the design works, to ensure the community is involved and has the ability provide input as the project develops.

OPTIONS ANALYSIS

- **Option 1:** Upgrade water treatment plant to meet DWSNZ; **retain** roof water; install restrictors to all properties to control peak demand.
- **Option 2:** Upgrade water treatment plant to meet DWSNZ; **remove** roof water; install restrictors to all properties to control peak demand. - possibly add bore and storage to meet increased peak demands (To be further investigated)
- **Option 3:** Decommission existing supply and put all properties on roof water only.
- **Option 4:** Decommission existing supply and put all properties on roof water only; add point-of-entry treatment and additional storage.

	Option 1	**Option 2**	**Option 3**	**Option 4**
	Upgrade water treatment plant to meet DWSNZ; **retain** roof water for potable supply; install restrictors to all properties to control peak demand.	Upgrade water treatment plant to meet DWSNZ; **remove** roof water from potable supply; install restrictors to all properties to control peak demand.	Decommission existing supply and put all properties on roof water only.	Decommission existing supply and put all properties on roof water only; add point-of-entry treatment and additional storage.
Financial and Operational Implications	Able to deliver within set budgets. Improves operations through transparency and automation in system.	Able to deliver within set budgets. Improves operations through transparency and automation in system.	Within budgets, but not delivering an outcome for the community.	Within budgets, but not delivering an outcome for the community.
Long Term Plan and Annual Plan Implications	No major LTP implications.	No major LTP implications.	Inconsistent with LTP project work.	Inconsistent with LTP project work.

Promotion or Achievement of Community Outcomes	Achieves community outcomes for reliable supply	Achieves community outcomes for reliable and safe supply	Does not achieve community outcomes, as council moves away from the role of supplying water.	Does not achieve community outcomes, as council moves away from the role of supplying water.
Statutory Requirements	Within statutory requirements – working in with the Reserves Act. Some concern with ability to meet Health Act.	Within statutory requirements – working in with the Reserves Act.	Risk with Statutory Requirements – in particular Section 130 and Section 131 of the LGA 2002.	Risk with Statutory Requirements – in particular Section 130 and Section 131 of the LGA 2002
Consistency with Policies and Plans	Consistent with Policy and Plans.	Consistent with Policy and Plans.	Inconsistent with THRIVE values of durable infrastructure.	Inconsistent with THRIVE values of durable infrastructure.

Recommended Option

This report recommends **Option 2** to **upgrade the water treatment plant to meet DWSNZ; remove roof water from supplying potable water; install restrictors to all properties to control peak demand** for addressing the matter.

NEXT STEPS

To commence design works on the option which will include engagement with Iwi, and with the local community.

Works will also commence on securing the land required for the new treatment plant.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report

1) **The Finance and Infrastructure Committee identify Option 2 as the preferred option — to upgrade the Kairakau water treatment plant to**

    i) **meet Drinking Water Standards for New Zealand 2005 (revised 2018);**
    ii) **remove roof water from supplying potable water;**
    iii) **install restrictors to all properties to control peak demand; and**

2) **In identifying Option 2 as the preferred option, note that the Committee will await community and iwi engagement before formerly adopting Option 2.**

Project Number: 3-C2144.01

Kairakau Water Supply

Options Assessment

19 May 2020

CONFIDENTIAL

Contract #C-1069

wsp

150 YEARS IN AOTEAROA

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01	01/05/2020	S Glenn	G Birdling	D Gardiner	First Issue
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Revision Details

Revision	Details

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Executive Summary

Central Hawke's Bay District Council (CHBDC) has engaged WSP to undertake an assessment of potential upgrade options to the Kairakau water supply. The objectives of this upgrade are to:

- Provide a safe water supply for residents that meets regulatory requirements.
- Provide a water supply which balances reliability, cost-effectiveness, and ease of operation.
- Increase the resilience of the supply and any benefits to the surrounding area generally, e.g. facilitating future growth.

The purpose of this report is to present our assessment, and to provide recommendations and cost estimates for the proposed upgrades.

Kairakau is a small coastal town in the Hawke's Bay, and comprises of primarily holiday homes with approximately 20 permanent residents and a camping ground. It can have up to 1,000 residents during peak holiday season.

Under the current scheme water is drawn from two separate sources, a bore and a spring. It is stored in raw water tanks before it is dosed with chlorine and pumped up to treated water tanks on the side of the hill above the town. It is then fed to the town via gravity mains. Each property has an onsite storage tank which is fed by rainwater and supplemented by Council supply.

In order to supply safe drinking water to the residents which meets the objectives above there are a number of items to be addressed. These are summarised below.

- The current reliable yield of both sources in summer conditions is not well understood. Council has reported that Kairakau historically ran short of water often during summer periods until water restrictions were introduced and the bore was redeveloped.
- In terms of water quality, the bore and spring are considered equivalent to surface water, so treatment is required to meet drinking-water standards.
- According to recent testing, the raw water is very hard (over 300 mg/L as $CaCO_3$) with *E. Coli* present, but without long-term data it is hard to determine if this is representative of the typical water quality. Also, there is no data available regarding the turbidity of the water which may affect the treatment upgrades required.
- There is no continuous monitoring of parameters to assess compliance with DWSNZ, nor an alarm system to indicate faults or failures of the supply.
- No site inspection has occurred to date to confirm the condition of the existing infrastructure. Our understanding is that there are some upgrades required to the spring well head and concrete treated water tank.
- The location of the raw water tanks is on private property which presents an ongoing access risk, and the bore and treated water tank sites are not currently fenced off from the public which makes them more vulnerable to tampering and/or vandalism.
- Connections to individual properties have an unrestricted supply controlled by a ballcock in the tank, which may result in high peak demands which could overwhelm the operating storage volume.
- Individual tanks are connected to rain water along with Council supply. Roof water is subject to contamination from sources such as such as bird and possum droppings, paint, as well as sea spray from the adjacent coast.

Based on this, four options have been identified and considered to upgrade the Kairakau water supply. These are:

- **Option 1:** Upgrade water treatment plant to meet DWSNZ; retain roof water; install restrictors to all properties to control peak demand.

- **Option 2:** Upgrade water treatment plant to meet DWSNZ; remove roof water; possibly add bore and storage to meet increased peak demands; install restrictors to all properties to control peak demand.
- **Option 3:** Decommission existing supply and put all properties on roof water only.
- **Option 4:** Decommission existing supply and put all properties on roof water only; add point-of-entry treatment and storage.

During preparations of this report Council suggested an option for a new water source on Te Apiti Road be investigated. Based on the data available there is enough water available to meet projected demand therefore we have not looked at this option. However, there remains some uncertainty over the reliable summer yield form the sources, and the contribution from rainwater. If there is insufficient water supply from these two sources the option of a new bore could be considered in the future.

In our view, Option 1 goes against the principles of safe drinking water and Option 3 does not meet the project objective of providing safe drinking-water for the community. There are significant uncertainties regarding the implementation of Option 4, as this requires the LGA consultative process to be followed; followed by ongoing maintenance of the point-of-entry treatment devices.

Based on the initial cost estimate, it is recommended Council proceed with Option 2 at an estimated cost of $466,000 (or $536,000 if additional storage and bore are required).

1 Introduction

1.1 General

Central Hawke's Bay District Council (CHBDC) has engaged WSP to undertake an assessment of potential upgrade options to the Kairakau water supply. The objectives of this upgrade are to:

- Provide a safe water supply for residents that meets regulatory requirements.
- Provide a water supply which balances reliability, cost-effectiveness, and ease of operation.
- Increase the resilience of the supply and any benefits to the surrounding area generally, e.g. facilitating future growth.

The purpose of this report is to present our assessment, and to provide recommendations and cost estimates for the proposed upgrades.

1.2 Background

Kairakau is a small coastal town in the Hawke's Bay, approximately 35 km south of Hastings. The town comprises primarily holiday homes, with some permanent residents; and a small camping ground. It is also a popular recreational destination for day visitors. Council's draft water safety plan tells us there are approximately 20 permanent residents in the town, with up to 1,000 residents during peak holiday seasons.

2 Current Scheme

2.1 Background

The Kairakau water supply scheme was installed in the mid 1950's, upgraded in the 1970s and expanded in 1993 to include the subdivision in Mananui Street, Kapiti Place and Brodie Place. A new subdivision was added in 2007 on John Ross Place. Originally, the scheme only serviced the camping ground and the adjoining (original) holiday homes as a supplement to roof water collection. Expansion of the scheme occurred as a result of pressure for development in the area.

The scheme currently supplies 83 properties and the camping ground (approximately 20 sites). Water is pumped from two sources at the base of an adjacent hill; a shallow bore off Kapiti Place, and a spring off Brodie Place. Water is stored in raw water tanks, located next to the spring on Kapiti Place, before it is dosed with liquid chlorine and pumped up to four treated water tanks on the hillside above 21 Kapiti Place. Water is fed to the town via gravity mains from three treated water tanks which service the general consumers, and a fourth tank which supplies the campground exclusively. Each property has its own on-site storage tank which is supplied primarily by roof water, and supplemented by the water supply scheme when there is a deficit of roof water.

Figure 2-1 : Location of Key Kairakau Water Supply Elements

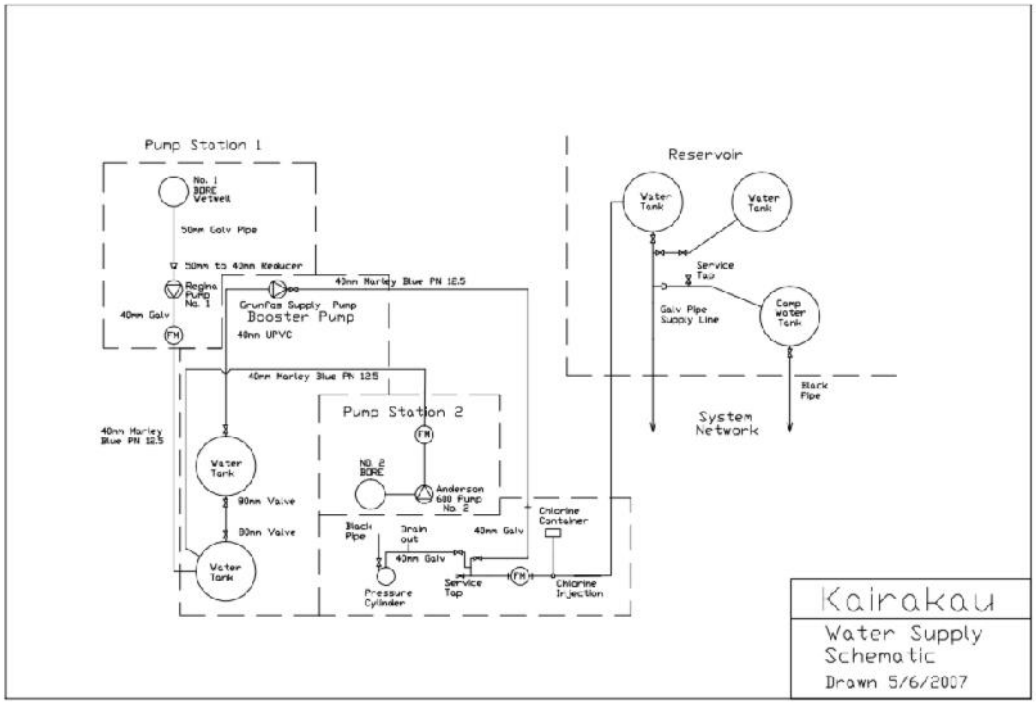


Figure 2-2 : Schematic of Kairakau Water Supply

2.2 Current Usage

Water consumption from the scheme is measured by water meters. This data is summarised for the past two years in the table below.

Table 2-1 : Water usage data for Kairakau for 2017/18 and 2018/19

Year	Avg Daily Demand (m^3/day)	Avg Summer Demand – Dec -Feb (m^3/day)	Avg Daily Demand During Peak Month (Jan) (m^3/day)	Total Year Demand (m^3)
2017/2018	20	32	42	7,215
2018/2019	28	35	36	10,267
Average	24	34	39	8,741

This level of water consumption is low for a residential area. Based on typical figures, we would expect a peak daily water consumption in the order of 50 m^3/day for a town this size.

There are a number of reasons which may explain Kairakau's low water consumption:

- All properties have on site storage which are also fed by rainwater.
- There is a high proportion of holiday homes which are unoccupied most of the year.
- Water restrictions are usually applied from early December until after Easter.

The volume of rainwater contributing to the supply at each individual property is unknown and is likely to be highly variable. We estimate that the rainwater contribution to the system is in the order of 20% of the current total usage.

Based on rainwater contribution of approximately 20%, a more reasonable estimate of daily demands is summarised in the table below.

Table 2-2 : Estimated average water demand for Kairakau for 2017/18 and 2018/19 including estimated rainwater collection

Year	Avg Daily Demand (m^3/day)	Avg Summer Demand – Dec -Feb (m^3/day)	Avg Daily Demand During Peak Month (Jan) (m^3/day)	Total Year Demand (m^3)
Average	29	41	47	10,489

One objective of an upgrade project is to facilitate some growth without compromising the reliability of the supply. Allowing for a growth factor of 20%, the estimated daily demands are summarised in the table below.

Table 2-3 : Estimated average water demand for Kairakau for 2017/18 and 2018/19 including a growth factor of 20%

Year	Avg Daily Demand (m^3/day)	Avg Summer Demand – Dec -Feb (m^3/day)	Avg Daily Demand During Peak Month (Jan) (m^3/day)	Total Year Demand (m^3)
Average	35	49	56	12,589

3 Issues and Options

3.1 Sources - Bore and Spring

The catchment which feeds the aquifer that the bore and spring draw water from has not been studied in depth by Council and is not well documented. A previous assessment of the catchment indicates it is pastoral and stocking rates low enough to be classed within the 4-log credit category. Council has a regime in place where it carries out annual testing of the raw water, and the latest results from November 2019 show that the raw water is very hard and contains low levels of *E. coli*.

The bore and pump station are located at the bottom of the hill on Council reserve off Kapiti Place, as indicated in Figure 2-1. Access to the bore is through Council reserve and the site is currently not fenced off, meaning it can be accessed by the general public.

The bore is consented to take up to 605 m^3 over a 7-day period at a maximum rate of 1 L/s. The bore was redeveloped in January 2020, and information available suggests that it has a sustainable yield of 0.7 L/s.

Figure 3-1 : Existing bore and pump shed

The spring, raw water tanks and pump station are located on an area of land behind 13 Brodie Place as indicated in Figure 2-1. The spring and pump station are located on Council land, but the raw water tanks are located on private property currently leased by Council. Access to the site is through private land and the site is currently fully fenced. The apron around the spring does not look to be in a good condition which may allow contamination into the supply.

Similarly to the bore, the spring has consent to take up to 420 m^3 in a seven-day period at a maximum rate of 0.7 L/s. A step drawdown test was undertaken for the spring in January 2020 and it indicated that the spring can be pumped reliably at a rate of up to 1.2 L/s.

In order to meet the projected average daily demand of 56 m^3/day during the peak month of January (including estimated rainwater collection and a 20% growth factor), the spring and bore would both need to operate for approximately 12 hours at a rate of 0.7 L/s (total of 1.4 L/s).

Figure 3-2 : Existing spring

Based on the data available there is enough water available to meet demand. However, there remains some uncertainty over the reliable summer yield form the sources, and the contribution from rainwater. If there is insufficient water supply from these two sources an additional bore may be required.

3.1.1 Issues with current source

- The current reliable yield of both sources in summer conditions is unknown. Council has reported that Kairakau historically ran short of water often during summer periods until water restrictions were introduced and the bore was redeveloped.
- In terms of water quality, the bore and spring are considered equivalent to surface water, so treatment is required to meet drinking-water standards.
- According to recent testing, the raw water is very hard (over 300 mg/L as $CaCO_3$) with *E. Coli* present, but without long-term data it is not known if this is representative of the typical water quality.
- The turbidity of the existing water sources is not known, and this may affect the treatment requirements.
- The bore head and spring well head have not been assessed to determine if they provide satisfactory protection from surface contaminants or the ingress of shallow groundwater. The bore was recently refurbished, but the available photographs suggest that there is some upgrade work required at the spring.
- The bore site is not currently fenced allowing access to the general the public.

3.1.2 Options for consideration

- Confirm the reliable yield of current sources in summer conditions.
- Confirm the treatment requirements to meet Drinking Water Standards New Zealand (DWSNZ), and upgrade treatment plant accordingly to provide community with safe drinking water. Council's previous assessment of the catchment indicated that 4-log credits may be required; following DWSNZ changes in 2018 this can be reduced to 2 credits if the wellheads are considered secure. Alternatively, we recommend that protozoa monitoring is undertaking which will almost certainly confirm a 3-log requirement which could be met using UV disinfection alone.

- Improve the security of the sources by fencing off key components and ensuring stormwater cannot enter.
- Decommission the supply and place town on rainwater tanks with potential for point-of-entry treatment and additional on-property storage.

3.2 Storage

There are four 25 m^3 tanks which store raw water from both the spring and the bore, giving a nominal 100 m^3 of raw water storage in total. The raw water tanks are located next to the spring, on private land leased by council, and access to them is through private land. The site is fully fenced, albeit with a low level of security.

Figure 3-3 : Raw water tanks, spring and pumping station

There are four treated water tanks including three 25 m^3 plastic tanks located on the side of the hill above 21 Kapiti Place which service general consumers, and one 20 m^3 concrete tank which is located nearby but further down the hill, and which feeds the campground exclusively. Access is limited, via a narrow farm track and the site is currently not fenced off. These tanks give a nominal 95 m^3 of treated water storage, however one of the plastic tanks has been damaged so only two of the plastic tanks are operational, meaning currently there is only a nominal 70m^3 of treated storage.

Figure 3-4 : Damaged treated water tank

Figure 3-5 : Concrete treated water tank which supplies campground

The current combined storage capacity is nominally 170m³ and based on current usage data it would provide just over three days' worth of storage during peak summer demand in January. If the damaged treated water tank is replaced this will increase the nominal storage capacity to 195 m³.

3.2.1 Issues with current storage

- Maximum storage capacity is not being utilised as one of the treated water tanks is damaged.
- The condition of the concrete tank is unknown so the reliability of it is unknown.
- The location of the raw water tanks is on private property which could cause Council issues in the future if the lease is not renewed and land can't be acquired.

- Historically Kairakau has run out of storage during the summer months until water restrictions were introduced, and the bore was upgraded. It is not known whether the storage will be sufficient to meet peak demand.

3.2.2 Options for consideration

- Replace damaged treated water tank to maximum existing storage capacity.
- Assess condition of concrete tank and repair/replace if necessary to provide security for treated water.
- Relocate raw water tanks onto Council reserve next to the bore site so council can be assured they will not have to acquire land or relocate in the future.
- If Kairakau does continue to run out of storage during peak demand, additional storage can be added.

3.3 Pumping Stations and Rising Mains

A site visit has not been undertaken so the condition of the pumping stations at the bore and spring are unknown.

The condition of the rising mains connecting this infrastructure is also unknown, however Council's online GIS indicates the following:

- Bore to raw water tanks: 40 MDPE rising main.
- Spring to raw water tanks: 50 MDPE rising main.
- Raw water tanks to treated water tanks: 40 MDPE rising main.

3.3.1 Issues with current pumping stations and mains

- The condition of existing pump stations and pumping mains are unknown.

3.3.2 Options for consideration

- Investigate condition of current infrastructure to determine its working condition and any upgrades that may be required so the system can operate more efficiently.

3.4 Treatment

Currently, water from the raw water tanks is chlorinated before it is pumped up the hill to the treated water reservoirs. Water is chlorinated by a peristaltic dosing pump using a sodium hypochlorite solution. The set dosing rate is calculated by the operator.

3.4.1 Issues with current treatment

- Current treatment for this supply does not comply with DWSNZ due to insufficient treatment log credits for protozoa removal, therefore it is a public health risk.
- Currently the chlorine dosing system is operated as a volumetric dosing rate set by the operator and there is no system to continuously monitor the level of chlorine in the water and alert the operator if it is insufficient.
- Dosing using high-strength hypochlorite solution is often unreliable due to gas-locking, and the solution strength degrades rapidly so is difficult to maintain an accurate dose.

3.4.2 Options for consideration

- Treatment plant upgrade to meet DWSNZ to provide the community with safe drinking water.
- Should chlorine be used for treatment the dosing system should be upgraded to an automated system with alarm, which adjusts dosing rate based on FAC. The use of low strength (1%) hypochlorite will improve the reliability of the dosing system.

3.5 Monitoring

Council carries out sampling of water quality throughout the system, but it does not meet DWSNZ requirements and the supply is unregistered.

3.5.1 Issues with current monitoring

- Currently does not comply with DWSNZ. No continuous monitoring of parameters to assess compliance with DWSNZ or alarm system to indicate if the water is not safe to drink.

3.5.2 Options for consideration

- Online, continuous monitoring of water quality parameters for selected treatment process as set out in DWSNZ. This will confirm water is safe to drink and enable maintenance interventions before supply to properties is affected.

3.6 Reticulation

Water is feed to Kairakau through gravity mains from the treated water tanks. The condition of the reticulation mains is unknown but Council's GIS system indicate that there are a combination of galvanised iron and PVC pipes.

Each property has an on-site tank ranging in size from 1,200 L – 3,000 L. These tanks are fed with roof water and an on-demand supply from Council via a ballcock. Council's requirements for these tanks are that there are to be no connections between the main and the tanks, and the properties are to be fed solely from these tanks with a customer-supplied pump system.

3.6.1 Issues with current reticulation

- The condition of infrastructure is unknown so areas where the pipe is in poor condition and/or where there is excessive leakage are not known.
- The flow to each property is unrestricted, so peak-hour demands may draw storage levels down rapidly.
- Tanks are connected to rainwater along with the Council supply. Roof water is subject to contamination from bird and possum droppings, paint, wind-blown material, and sea-spray (we note that one resident reported a "salty taste" to the water).

3.6.2 Options for consideration

- Identify critical areas where pipe upgrades are required to improve reliability of the reticulation system.
- Assess the leakage rates and undertake further leak detection if required to identify high leakage areas. Repair or replace leaking pipelines to decrease water lost through leakage.
- Install flow restrictors on properties to limit the peak flowrate into each property. This will reduce the risk of exceeding scheme capacity during peak demand times and provide equitable distribution of water to all properties.
- Disconnect property tanks from their rainwater source to reduce the risk of contaminated water entering the on-property water supply system.

4 Upgrade Options

Four options have been considered to upgrade the Kairakau water supply. These are:

- **Option 1:** Upgrade water treatment plant to meet DWSNZ; retain roof water; install restrictors to all properties to control peak demand.
- **Option 2:** Upgrade water treatment plant to meet DWSNZ; remove roof water; add bore and storage to meet increased peak demands (if required); install restrictors to all properties to control peak demand.
- **Option 3:** Decommission existing supply and put all properties on roof water only.
- **Option 4:** Decommission existing supply and put all properties on roof water only; add point-of-entry treatment and storage.

4.1 Outline of options

4.1.1 Option 1 & 2 – Upgrade of water treatment plant to meet DWSNZ,

Option 1 and 2 require an upgrade to the existing treatment plant to meet DWSNZ.

The extent of the upgrades required to meet DWSNZ and provide safe drinking water to the community needs to be confirmed. A key consideration is the log credit requirements for protozoa treatment of the supply. There are three possibilities:

- **2-log credits:** Upgrade the bore and spring wellheads to meet borehead security criterion 2 in the DWSNZ. This requires that the bore head and spring well head provide satisfactory protection from the ingress of surface water and contaminants, and the casing must not allow ingress of shallow groundwater.

  This will require investigation to determine if the refurbished bore meets this criterion and the extent of work required for the spring to meet this criterion.

  If this option is met, the most cost-effective protozoa control option is UV disinfection.
- **3-log credit criterion:** If the boreheads cannot meet security criterion 2, then regular protozoa monitoring can be used to determine the log credit requirement. Cryptosporidium monitoring over a 12-month period which indicates <0.75 oocysts per 10 litres.
- **4-log credit criterion:** If 4 log credits are required, then two barriers are required. In addition to UV, a validated 1 micron cartridge filter or similar device is also required to provide 4 log credits.

UV disinfection is the recommended treatment approach as it is cost effective, reliable and easy to operate and provides 3 log credits. In order to use UV disinfection, the turbidity of the water must not exceed 1 NTU for more than 5% of the time; and not exceed 2 NTU at any time. If the existing supply cannot meet this requirement, then additional filtration to reduce turbidity will be required. For a 2 or 3 log credit WTP, this does not need to be a validated filter, and it does not form part of the compliance monitoring requirements.

A 4 log WTP requires a second treatment stage. For a very small WTP such as this, a cartridge filter is usually the most cost-effective option. It is required to be validated to meet the DWSNZ requirements and provide the additional 1 log protection. In a 4 log WTP, the cartridge filter needs to be operated, monitored, and maintained in accordance with DWSNZ requirements.

It is recommended that a cartridge filter is included as a provisional item in case turbidity mitigation is required in any case.

A new chlorine dosing system will also be provided. This will use a dosing pump to deliver 1% sodium hypochlorite solution into the water using an automated dosing system to maintain a consistent dose. This will provide systemic protection against recontamination in the network (including some mitigation of contamination from roof water collection if this remains).

The treatment plant will require a new building (simple colour steel shed) which we expect can be located on Council land next to the bore. Water will be pumped from the two sources into the raw water tanks (as the current scheme is), before it is treated and pumped up to the existing treated water tanks on the side of the hill. It will then be distributed to the community through the existing gravity mains.

We suggest that the water treatment plant is designed for a flow rate of at least 2 L/s. This will have little impact on the cost of the upgrades but will give capacity to provide for future growth.

In order to meet the monitoring requirements of the drinking water standards, a number of parameters must be monitored and recorded. For a UV and cartridge filtration treatment system with chlorination, these parameters include flow, turbidity, UV intensity, UVT, lamp outage, filter differential pressure, and free available chlorine. Some of this monitoring needs to be continuous (recorded at 1 minute intervals), and additional monitoring of things like tank levels, bore levels and pump operation/fault will facilitate improved operation and management of the supply. A data path for this monitoring system back to Council needs to be identified and confirmed, and this requires further investigation.

In addition to the plant upgrade there are a number of other items to be included which will increase the overall reliably and operation of the system. These are:

- Replace the damaged treated water tank to maximise storage capacity.
- Assess the condition of the concrete tank and repair/replace if necessary. This will increase the reliability of the tank
- Assess the condition of pump stations and pumping mains and upgrade where required.
- Fully fence the bore site and treated water tank site to prevent unauthorised access and protect assets from vandalism.

There are also a number of additional items which the Council should consider including as part of this upgrade. These are:

- Identify critical areas where pipe upgrades are required to improve reliability of the reticulation system.
- Assess the leakage rates and undertake further leak detection if required to identify high leakage areas. Repair or replace leaking pipelines to decrease water lost through leakage.
- Relocate the existing raw water tanks onto council land.

Figure 4-1 : Map of proposed location of new treatment plant and raw water tanks

Figure 4-2 : Indicative layout of new treatment building and relocated raw water tanks

4.1.2 Option 1 – Retain roof water

For this option roof water supply will be retained on each property. This will mean that demand on the Council supply remains similar in the short term. However, Council will still need to confirm that the current yield of the bore and spring are sufficient. Additional growth will increase the demand.

Although Council is providing a safe water supply to property boundaries, the supply to houses within the property is still subject to potential contamination from the roof water collected into tanks and plumbed into the supply. e.g. contamination from possum and bird droppings, lead based paint, or spray/dust deposited on the roof. This can compromise the safety of the drinking water to the extent that it would no longer meet the Ministry of Health's DWSNZ. Houses not supplied with potable drinking water will not meet the Building Act nor Health Act requirements and allowing for water delivered to the property to be subsequently contaminated is against the principles for safe drinking water.

Continued chlorination of the existing supply provides some level of mitigation against on-property contamination but does not meet DWSNZ requirements.

4.1.3 Option 2 – Remove roof water; possibly add a new bore and storage to meet increased peak demands

By removing roof water consumers will have safe drinking-water as the health risk from contaminants entering their domestic system from roof water is eliminated.

One of the issues that will likely arise from removing the roof water is that demand on the Council supply will increase. The extent of this increase is unknown, but likely to be in the order of 20%. There is the possibility that the spring and bore cannot meet this increased peak demand and an additional water source will be needed. If this was installed in conjunction with increased water storage, the scheme will have greater capacity to meet peak demands. Alternatively, installing flow restrictors on properties is an effective way to control the peak demand, giving certainty that there will be sufficient water available to all properties.

Another issue that may arise from the removal of the roof water is the dissatisfaction of customers due to the hardness of the water now that it is not with rain water, although the reported "salty taste" to the water will likely go away. Hardness is an aesthetic concern only, and not a health issue, but it may reduce the life of water heating elements and the effectiveness of soaps.

4.1.4 Option 3 – Decommission existing supply and put all properties on roof water only

This option is for Council to decommission the supply and move all properties to roof water supply only. One of the issues that will likely arise from this is a shortfall in demand. The contribution of rainwater to the system is unknown but it is unlikely that it will meet the full demand for each property, and it will probably be highly variable. We believe this is why the Council supply was originally developed.

Another issue is this is unlikely to be received well by the community given they currently have an on-demand council supply. Section 131 of the Local Government Act (LGA) regulates how a public water supply can be shut down. This process can be protracted if challenged.

The specific requirements to close down a small water source are:

1. The supply must service 200 or fewer persons who are ordinarily resident in the district, region, or other subdivision.
2. The Council must have consulted on the proposal with the Medical Officer of Health for the District.
3. Council must the make the following information publicly available in a balanced and timely manner:

(i) The views of the Medical Officer of Health; and

(ii) The information it received in the course of undertaking a review of the effects of the closure, and an assessment of the costs of providing an appropriate alternative service (Section 134(a) and (b) of LGA).

4. The proposal must be supported in a binding referendum by at least 75% of the votes cast.

While this LGA process is being undertaken, Council will still be under pressure to meet DWSNZ requirements.

In our view, this option does not meet the project objective of providing safe drinking-water for the community.

4.1.5 *Option 4 – Decommission existing supply and put all properties on roof water only; provide point of entry treatment and storage*

This option is for Council to decommission the supply and move all properties to roof water supply only and provide point-of-entry treatment at each dwelling. This would involve works on individual properties. Each property would need to have their storage requirements assessed and larger tanks may need to be installed at some properties. Equality would likely become an issue in this case so an option for council could be to contribute a sum of money to each property that can be put towards a new tank.

This option would also need to follow the LGA consultative process outlined in Option 3.

The ongoing maintenance of the treatment devices is an issue that would need to be resolved – if Council were to retain a role in this, then access arrangements etc. would need to be agreed for all properties.

The operation of the camping ground would also need to be considered under this option as rainwater harvesting may not be viable in which case would Council still supply the camping ground with water and would it be a non-potable supply.

5 Costing

A preliminary estimate of the costing is outlined below. A full breakdown is included in Appendix A.

These costing options are CAPEX costs only and do not include ongoing maintenance costs, any consenting requirements, land costs and professional fees. All costing is GST exclusive.

Table 5-1 : Preliminary costing for Option 1

Option 1: Upgrade water treatment plant to meet DWSNZ; retain roof water; install restrictors to all properties to control peak demand.	
Preliminary and General	$50,000
Treatment plant upgrade	$242,000
Installation of restrictors on all properties	$63,000
Relocate raw water tanks	$20,000
Upgrade chlorine dosing system	$20,000
Contingency	$50,000
TOTAL	**$445,000**

Table 5-2 : Preliminary costing for Option 2

Option 2: Upgrade water treatment plant to meet DWSNZ; remove roof water; possibly add bore and storage to meet increased peak demands; install restrictors to all properties to control peak demand.	
Preliminary and General	$50,000
Treatment plant upgrade	$242,000
Installation of restrictors on all properties	$63,000
Relocate raw water tanks	$20,000
Upgrade chlorine dosing system	$20,000
Disconnect houses from rainwater tanks (plumbing)	$21,000
Contingency	$50,000
Subtotal	**$466,000**
Additional Storage (provisional)	$20,000
Additional Bore (provisional)	$50,000
TOTAL	**$536,000**

Notes:

1. The treatment plant upgrade includes civil, mechanical, electrical and testing and commissioning. Included as provisional items are the cartridge filters, replacing the damaged treated water tank and remedial work on the concrete tank.

2. The costing assumes a simple facility consistent with the size of the township, including a colorsteel building, plastic tanks, basic siteworks and gravel entry.

3. The cost of additional bore would be largely dependent on how deep it is and how far away it is located. This estimate is based on it being similar in depth to the existing bores and located within 200m of the treatment building.

Table 5-3 : Preliminary costing for Option 3

Option 3: Decommission existing supply and put all properties on roof water only. 83 properties + campground.	
Preliminary and General	$12,000
Disconnect each property from Council supply (excavate, plug service, reinstatement in grass - $600/property)	$51,000
Contingency	$10,000
TOTAL	**$73,000**

Table 5-4 : Preliminary costing for Option 4

Option 4: Decommission existing supply and put all properties on roof water only; add point of entry treatment and storage. 83 properties.	
Preliminary and General	$60,000
Disconnect each property from Council supply (excavate, plug service, reinstatement in grass - $600/property)	$50,000
Treatment at each property (filter & plumbing on each property - $1,100/property)	$92,000
New tank on each property (tank & installation - $4,000/property)	$332,000
Campground – disconnect from Council supply (as above), treatment (as above) and two new 30m^3 storage tanks.	$19,000
Contingency	$40,000
TOTAL	**$593,000**

6 Recommendations

We recommend that:

1. Council monitors the yield of the bore and spring during summer to confirm there is enough water available to meet demand. If it looks like it is not enough a subsequent project should be to investigate adding an additional bore and/or storage.
2. The existing water treatment plant is upgraded to meet DWSNZ requirements.
3. Flow restrictors are installed on each property connection, and the roof water supply disconnected.
4. Security of sites is improved by fencing off key components.
5. Damaged treated water tank is replaced to maximise storage capacity.
6. Concrete tank is assessed and repaired/replaced if required to improve security of treated water.
7. Raw water tanks are relocated to Council land to eliminate access risk.
8. Council identify areas where pipe upgrades are required.
9. Council assess the leakage rates on reticulation and undertake further leak detection if required to identify high leakage areas.

Disclaimers and Limitations

This report ('**Report**') has been prepared by WSP exclusively for [Central Hawke's Bay District Council] ('**Client**') in relation to [Kairakau Water Supply Upgrade] ('**Purpose**') and in accordance with the [Short form Agreement with the Client dated 12/03/2020]. The findings in this Report are based on and are subject to the assumptions specified in the Report. WSP accepts no liability whatsoever for any reliance on or use of this Report, in whole or in part, for any use or purpose other than the Purpose or any use or reliance on the Report by any third party.

In preparing the Report, WSP has relied upon data, surveys, analyses, designs, plans and other information ('**Client Data**') provided by or on behalf of the Client. Except as otherwise stated in the Report, WSP has not verified the accuracy or completeness of the Client Data. To the extent that the statements, opinions, facts, information, conclusions and/or recommendations in this Report are based in whole or part on the Client Data, those conclusions are contingent upon the accuracy and completeness of the Client Data. WSP will not be liable in relation to incorrect conclusions or findings in the Report should any Client Data be incorrect or have been concealed, withheld, misrepresented or otherwise not fully disclosed to WSP.

Appendix A
Preliminary Costing

Options 1 & 2 - Upgrade water treatment plant to meet DWSNZ

ITEM	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
Treatment Plant Upgrade					
1	**Civil**				
1.1	Access including fence and gate	LS	1	$ 5,000.00	$ 5,000.00
1.2	Treatment building 6x4m	LS	1	$ 30,000.00	$ 30,000.00
1.3	Site pipelines	LS	1	$ 10,000.00	$ 10,000.00
1.4	Backwash disposal	LS	1	$ 25,000.00	$ 25,000.00
1.5	Refurbish spring including apron and new casing	LS	1	$ 6,500.00	$ 6,500.00
					$ 76,500.00
2	**Mechanical**				
2.1	Booster pumps	LS	1	$ 12,000.00	$ 12,000.00
2.2	UV Plant	LS	1	$ 15,000.00	$ 15,000.00
2.3	Pipework and valves	LS	1	$ 10,000.00	$ 10,000.00
2.4	Flowmeters	ea	2	$ 8,500.00	$ 17,000.00
2.5	Pressure transmitters	ea	3	$ 3,000.00	$ 9,000.00
					$ 63,000.00
3	**Electrical**				
3.1	New control panel	LS	1	$ 60,000.00	$ 60,000.00
3.2	Site wiring	LS	1	$ 10,000.00	$ 10,000.00
3.3	Programming	LS	1	$ 5,000.00	$ 5,000.00
					$ 75,000.00
4	**Testing and Commissioning**				
4.1	Subsystem Testing	LS	1	$ 5,000.00	$ 5,000.00
4.2	Systemic testing	LS	1	$ 2,000.00	$ 2,000.00
4.3	Commissioning	LS	1	$ 2,000.00	$ 2,000.00
4.4	As-built information	LS	1	$ 1,000.00	$ 1,000.00
					$ 10,000.00
5	**Provisional**				
5.1	Cartridge filters	LS	1	$ 10,000.00	$ 10,000.00
5.2	Replace treated water tank - 25m3 plastic	LS	1	$ 4,000.00	$ 4,000.00
5.3	Concrete tank remedial work	LS	1	$ 3,000.00	$ 3,000.00
					$ 17,000.00
				Total	**$ 241,500.00**
6	**Other**				
6.1	Installation of restrictors on all properties	ea	83	$ 750.00	$ 62,250.00
6.2	Relocate raw water tanks	LS	1	$ 20,000.00	$ 20,000.00
6.3	Upgrade Chlorine Dosing system	LS	1	$ 20,000.00	$ 20,000.00
6.4	Disconnect houses from rain water tanks - plumbing	ea	83	$ 250.00	$ 20,750.00
6.5	Additional Storage				
6.5.1	Tanks x2	LS	1	$ 16,000.00	$ 16,000.00
6.5.2	Pipework	LS	1	$ 4,000.00	$ 4,000.00
				Subtotal Storage	*$ 20,000.00*
6.6	Additional Bore				
6.6.1	Drill bore, install casing, bore head, concrete apron	LS	1	$ 10,000.00	$ 10,000.00
6.6.2	Pump	LS	1	$ 8,000.00	$ 8,000.00
6.6.3	Site pipework	LS	1	$ 6,000.00	$ 6,000.00
6.6.4	Site security + Miscellaneous	LS	1	$ 10,000.00	$ 10,000.00
6.6.5	Pipework to raw water tanks (40MDPE rising main)	m	200	$ 80.00	$ 16,000.00
				Subtotal Bore	*$ 50,000.00*
7	**Contingency**	CS	1	$ 50,000.00	**$ 50,000.00**

	Option 1 - Upgrade water treatment plant to meet DWSNZ; retain roof water; install restrictors to all properties to control peak demand.				
	Preliminary and General				$ 50,000.00
	Treatment Plant upgrade				$ 242,000.00
	Installation of restrictors on all properties				$ 63,000.00
	Relocate raw water tanks				$ 20,000.00
	Upgrade Chlorine Dosing system				$ 20,000.00
	Contingency				$ 50,000.00
				TOTAL OPTION 1	**$ 445,000.00**
	Option 2 - Upgrade water treatment plant to meet DWSNZ; remove roof water; possibly add bore and storage to meet increased peak demands; install restrictors to all properties to control peak demand.				
	Preliminary and General				$ 50,000.00
	Treatment Plant upgrade				$ 242,000.00
	Installation of restrictors on all properties				$ 63,000.00
	Relocate raw water tanks				$ 20,000.00
	Upgrade Chlorine Dosing system				$ 20,000.00
	Disconnect houses from rain water tanks - plumbing				$ 21,000.00
	Contingency				$ 50,000.00
				Subtotal	$ 466,000.00
	Additional Storage				$ 20,000.00
	Additional Bore				$ 50,000.00
				Subtotal	$ 70,000.00
				TOTAL OPTION 2	**$ 536,000.00**

Options 3 & 4 - Decommission Council Supply

ITEM	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
1	**General**				
1.1	Disconnect each property from mains (digging, capping main, rei	ea	83	$ 600.00	$ 49,800.00
1.2	Campground	ea	1	$ 600.00	$ 600.00
				Total	**$ 50,400.00**
2	**Individual Properties**				
2.1	*Properties treatment and storage*				
2.1.1	Treatment filter	ea	83	$ 600.00	$ 49,800.00
2.1.2	New 25m3 tank on each property	ea	83	$ 4,000.00	$ 332,000.00
2.1.3	Plumbing	ea	83	$ 500.00	$ 41,500.00
				Subtotal properties	$ 423,300.00
2.2	*Campground*				
2.2.1	Treatment filter	ea	1	$ 1,000.00	$ 1,000.00
2.2.2	New 30m3 tanks (x2) (tanks, prep, foundation)	ea	2	$ 8,000.00	$ 16,000.00
2.2.3	Plumbing	ea	1	$ 2,000.00	$ 2,000.00
				Subtotal campground	$ 19,000.00
3	**Contingency**	CS	1	$ 10,000.00	**$ 10,000.00**
	Option 3: Decommission existing supply and put all properties on roof water only.				
	Preliminary and General				$ 12,000.00
	Disconnect each property from mains (digging, capping main, reinstatement)				$ 51,000.00
	Contingency				$ 10,000.00
				TOTAL OPTION 3	**$ 73,000.00**
	Option 4: Decommission existing supply and put all properties on roof water only; add point of entry treatment and storage.				
	Preliminary and General				$ 60,000.00
	Disconnect each property from mains (digging, capping main, reinstatement)				$ 50,000.00
	Treatment and plumbing				$ 92,000.00
	Storage - new tank				$ 332,000.00
	Campground				$ 19,000.00
	Contingency				$ 40,000.00
				TOTAL OPTION 4	**$ 593,000.00**

Appendix B
Copy of Bore and Spring Resource Consents

BORE

Consent No. WP090153T

Kapiti

HAWKE'S BAY
REGIONAL COUNCIL

RESOURCE CONSENT
Water Permit

In accordance with the provisions of the Resource Management Act 1991, and subject to the attached conditions, the Hawke's Bay Regional Council (the Council) grants a resource consent for a discretionary activity to:

Central Hawkes Bay District Council
PO Box 127
Waipawa 4240

to take water from well no. 3130 (100 mm diameter) to provide a public water supply at Kairakau Beach.

LOCATION

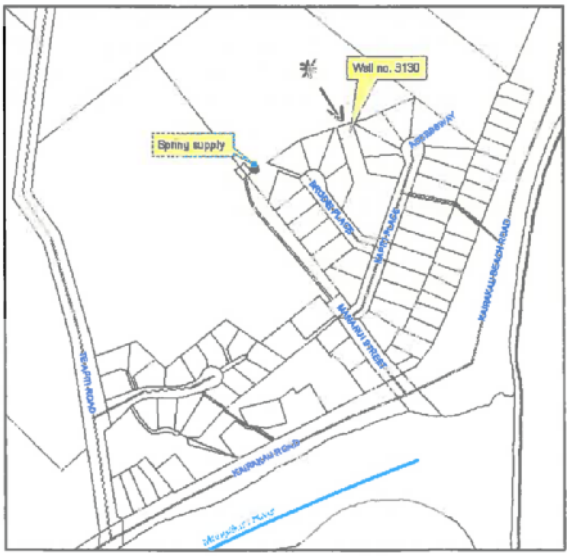
Address of site
Brodie Place, Kairakau Beach

Legal description
Site of take: Lot 29 DP 20914
Site of use: Various

Map reference
Well 3130: V22 2845486 6132787

CONSENT DURATION
This consent is granted for a period expiring on 31 May 2029.

LAPSING OF CONSENT
This consent shall lapse in accordance with s.125 on 31 May 2014 if it is not exercised before that date.



Yolanda Morgan
RESOURCE MANAGEMENT GROUP
Under authority delegated by Hawke's Bay Regional Council.
24th November 2009

CONDITIONS

1. The rate of taking shall not exceed 1 litre per second.

2. The volume taken shall not exceed 605 cubic metres in any 7-day period (i.e. at the maximum rate authorised in condition 1, taking should normally be less than, and never exceed 168 hours per week).

3. A water measuring device shall be installed prior to the exercise of this consent, and maintained to measure the volume of water taken to an accuracy of +/- 5%. The device shall be installed at the point of take and in accordance with the manufacturer's specifications.

4. If any type of water measuring device other than a water meter is to be installed, the consent holder shall demonstrate to the Council (Manager Compliance), prior to installation, that the device will meet the required accuracy criteria once installed and at all times when water is being taken.

5. If a water meter is installed it shall have an international accreditation or equivalent New Zealand calibration endorsement for use with an electronic recording device.

6. The meter must be supplied from a manufacturer compliant with Australian Standard/New Zealand Standard (AS/NZS) 9001 – Quality Management Systems.

7. For the purpose of testing the accuracy of a water measuring device using a portable flow meter, all water taken shall pass through a straight length of pipe. The straight length of pipe should be immediately before or after the water measuring device. The length of the pipe shall be no shorter than the equivalent of 15 times the pipe diameter or a shorter length with approval from Council (Manager Compliance) (See advice note 2).

8. The water measuring device, installed as required by condition 3, must be capable of interfacing with a data storage device, that can either:

   a) record the volume of water used every 15 minutes; or

   b) record a date/time stamp every 10m3 of water taken.

9. From the date the consent is first exercised the water measuring device shall be read at 7-day intervals throughout each year.

10. The consent holder shall provide the Council with a record of:

    a) the meter reading (in cubic metres).

    b) the volume of water taken in each 7-day period (in cubic metres).

    c) the date and time of each reading.

11. For the period 1 October to 31 May each year, the consent holder shall provide the information listed in condition 11 no later than 7 days after the end of each month. (See advice note).

12. For the period 1 June to 30 September, the consent holder shall provide the information listed in condition 11 no later than 7 days after the 30 September.

13. The consent holder shall undertake all operations in accordance with any drawings, specifications, statements of intent and other information supplied as part of the application for this resource consent. In the event that there is conflict between the information supplied with the application and any consent condition(s), the condition(s) shall prevail.

REVIEW OF CONSENT CONDITIONS BY THE COUNCIL

The Council may review conditions of this consent pursuant to sections 128, 129, 130, 131 and132 of the Resource Management Act 1991. The actual and reasonable costs of any review undertaken will be charged to the consent holder, in accordance with s.36(1) of the Resource Management Act.

Times of service of notice of any review: During the month of May, of any year.

Purposes of review:

To deal with any adverse effect on the environment which may arise from the exercise of this consent, which it is appropriate to deal with at that time or which became evident after the date of issue.

To modify any monitoring programme, or to require additional monitoring if there is evidence that current monitoring requirements are inappropriate or inadequate.

To ensure that the volume of water authorised by the consent is consistent with actual water needs and is physically able to be taken.

To require, if necessary, the installation of a backflow prevention device to ensure that no contaminant can enter the aquifer through the bore.

REASONS FOR DECISION

The activity will have minor actual or potential adverse effects on the environment and is not contrary to any relevant plans or policies. The activity is also consistent with the purpose and principles of the Resource Management Act 1991.

ADVICE NOTES

Water meter installation

1. Fittings required on well headworks such as water meters and backflow preventers require straight lengths of pipe either side in order to function properly. Please refer to the manufacturer's specifications for the specific dimensions necessary for each device before any modifications are made to well headworks.
2. The required length of pipe for compliance testing of water measuring device accuracy should, preferably, be above ground and located immediately 'upstream' of the water measuring device. If this is not practical, the length of pipe could be located below ground or immediately 'downstream' of the water measuring device and other fittings. If located underground, the consent holder will be required to excavate a hole around the pipe on receiving notice of any compliance testing.

Water take records

3. Where no water is taken over a long period (say more than 3 months) the Manager Regulation may authorise that records be provided at intervals exceeding one month.

Wellhead construction

4. To minimise the risk of contaminants entering groundwater, well headworks are required to be constructed to ensure that there are no openings through which contaminants might enter the well. This would include ensuring that there are no gaps around pipework and cables at the wellhead.

MONITORING NOTE

Routine monitoring

Routine monitoring inspections will be undertaken by Council officers at a frequency of no more than once every year to check compliance with the conditions of the consent. The costs of **any** routine monitoring will be charged to the consent holder in accordance with the Council's Annual Plan of the time.

Non-routine monitoring

"Non routine" monitoring will be undertaken if there is cause to consider (e.g. following a complaint from the public, or routine monitoring) that the consent holder is in breach of the conditions of this consent. The cost of non-routine monitoring will be charged to the consent holder in the event that non-compliance with conditions is determined, or if the consent holder is deemed not to be fulfilling the obligations specified in section 17(1) of the Resource Management Act 1991 (RMA) shown below.

Section 17(1) of the RMA 1991 states:

> *Every person has a duty to avoid, remedy, or mitigate any adverse effect on the environment arising from an activity carried on, by or on behalf of that person, whether or not the activity is in accordance with a rule in a plan, a resource consent, section 10, section 10A, or section 20.*

Consent Impact Monitoring

In accordance with section 36 of the RMA (which includes the requirement to consult with the consent holder) the Council may levy additional charges for the cost of monitoring the environmental effects of this consent, either in isolation or in combination with other nearby consents. Any such charge would generally be set through the Council's Annual Plan process.

DEBT RECOVERY

It is agreed by the consent holder that it is a term of the granting of this resource consent that all costs incurred by the Hawke's Bay Regional Council for, and incidental to, the collection of any debt relating to the monitoring of this resource consent shall be borne by the consent holder as a debt due to the Council, and for that purpose the Council reserves the right to produce this document in support of any claim for recovery.

CONSENT HISTORY

Consent No. (Version)	Date	Event	Relevant Rule Number	Plan
WP090153T	24/11/09	Consent initially granted	55	Regional Resource Management Plan
			34	Proposed Regional Coastal Environment Plan

SPRING/well

Consent No. WP090166T

BRODIE

HAWKE'S BAY
REGIONAL COUNCIL

RESOURCE CONSENT
Water Permit

In accordance with the provisions of the Resource Management Act 1991, and subject to the attached conditions, the Hawke's Bay Regional Council (the Council) grants a resource consent for a discretionary activity to:

Central Hawke's Bay District Council
PO Box 127
Waipawa 4240

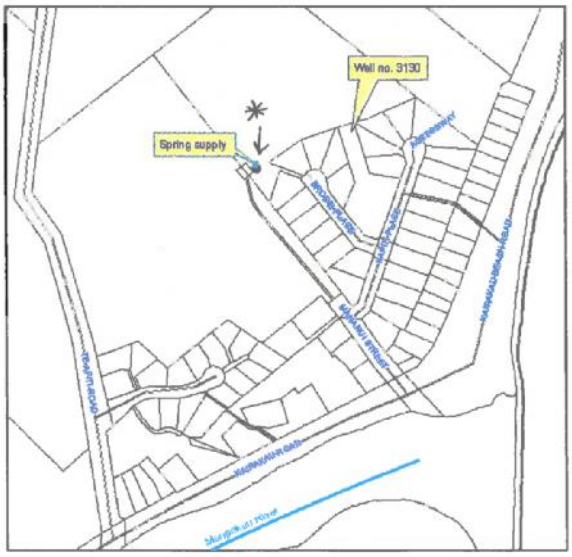
to take water from a shallow spring fed well to provide a public water supply at Kairakau Beach.

LOCATION

Address of site
Brodie Place (off Kapiti Place) ,
Kairakau Beach

Legal description
Site of take: Lot 30 DP20914 BLK IV Waimarama SD
Site of use: Various

Map reference
V22 2845391 6132741



CONSENT DURATION

This consent is granted for a period commencing and expiring on 31 May 2029.

LAPSING OF CONSENT

This consent shall lapse in accordance with s.125 on 31 May 2014 if it is not exercised before that date.

Yolanda Morgan
RESOURCE MANAGEMENT GROUP
Under authority delegated by Hawke's Bay Regional Council.
20 November 2009

CONDITIONS

1. The rate of taking shall not exceed **0.7 litres per second**.

2. The volume taken shall not exceed **420 cubic metres in any 7-day period** (i.e. at the maximum rate authorised in condition 1, taking should normally be less than, and never exceed 167 hours per week).

3. The consent holder shall undertake all operations in accordance with any drawings, specifications, statements of intent and other information supplied as part of the application for this resource consent. In the event that there is conflict between the information supplied with the application and any consent condition(s), the condition(s) shall prevail.

REVIEW OF CONSENT CONDITIONS BY THE COUNCIL

The Council may review conditions of this consent pursuant to sections 128, 129, 130, 131 and132 of the Resource Management Act 1991. The actual and reasonable costs of any review undertaken will be charged to the consent holder, in accordance with s.36(1) of the Resource Management Act.

Times of service of notice of any review: During the month of May, of any year.

Purposes of review:

To deal with any adverse effect on the environment which may arise from the exercise of this consent, which it is appropriate to deal with at that time or which became evident after the date of issue.

To require the adoption of the best practicable option to remove or reduce any effects on the environment.

To require the installation and reading of a water-measuring device.

To modify any monitoring programme, or to require additional monitoring if there is evidence that current monitoring requirements are inappropriate or inadequate.

To ensure that the volume of water authorised by the consent is consistent with actual water needs and is physically able to be taken.

REASONS FOR DECISION

The activity will have minor actual or potential adverse effects on the environment and is not contrary to any relevant plans or policies. The activity is also consistent with the purpose and principles of the Resource Management Act 1991.

MONITORING NOTE

Routine monitoring

Routine monitoring inspections will be undertaken by Council officers at a frequency of no more than once every 2 years to check compliance with the conditions of the consent. The costs of **any**

routine monitoring will be charged to the consent holder in accordance with the Council's Annual Plan of the time.

Non-routine monitoring

"Non routine" monitoring will be undertaken if there is cause to consider (e.g. following a complaint from the public, or routine monitoring) that the consent holder is in breach of the conditions of this consent. The cost of non-routine monitoring will be charged to the consent holder in the event that non-compliance with conditions is determined, or if the consent holder is deemed not to be fulfilling the obligations specified in section 17(1) of the Resource Management Act 1991 (RMA) shown below.

Section 17(1) of the RMA 1991 states:

> *Every person has a duty to avoid, remedy, or mitigate any adverse effect on the environment arising from an activity carried on, by or on behalf of that person, whether or not the activity is in accordance with a rule in a plan, a resource consent, section 10, section 10A, or section 20.*

Consent Impact Monitoring

In accordance with section 36 of the RMA (which includes the requirement to consult with the consent holder) the Council may levy additional charges for the cost of monitoring the environmental effects of this consent, either in isolation or in combination with other nearby consents. Any such charge would generally be set through the Council's Annual Plan process.

Debt Recovery

It is agreed by the consent holder that it is a term of the granting of this resource consent that all costs incurred by the Hawke's Bay Regional Council for, and incidental to, the collection of any debt relating to the monitoring of this resource consent shall be borne by the consent holder as a debt due to the Council, and for that purpose the Council reserves the right to produce this document in support of any claim for recovery.

CONSENT HISTORY

Consent No. (Version)	Date	Event	Relevant Rule Number	Relevant Rule Plan
WP090166T	24/11/2009	Consent initially granted.	55	Regional Resource Management Plan
			34	Proposed Regional Coastal Environment Plan

Appendix C
Copy of Bore and Spring Raw Water Testing Results

watertesting HAWKES BAY

Water Testing Hawkes Bay (2016) Ltd

Central Hawkes Bay District Council
PO Box 127
Waipawa
4240

Attention: Karen Bothwell

Results Report

Batch Number: 19/16909
Issue: 1
14 November 2019

Sample	Site	Map Ref.	Date Sampled	Date Received	Order No.
19/16909-01	Potable Water		04/11/2019 09:30	04/11/2019 15:38	0

Notes: Kairakau Kapiti Pl Bore

	Test Code	Result	Units	Test Date	Comments	Validated By
H-1004	Temperature on arrival	7.7	Deg C	04/11/2019		Rowena Houghton KTP
H-M0414	Total Coliforms	78.2	MPN/100mL	04/11/2019	DWSNZ test	Gurpreet Kaur KTP
H-M0415	E. coli	1.0	MPN/100mL	04/11/2019	Fails MAV Limit of 0	Gurpreet Kaur KTP
HS-0002	Suspended Solids - Total	< 5 **	g/m³			Eurofins Wg Import
HS-0040	Total (NP) Organic Carbon	0.9 **	g/m³			Eurofins Wg Import
HS-0052	Alkalinity - Total	280 **	g CaCO3/m³			Eurofins Wg Import
HS-0055	Conductivity at 25°C	85.6 **	mS/m			Eurofins Wg Import
HS-0602	Chloride	79.0 **	g/m³			Eurofins Wg Import
HS-0604	Bromide	0.25 **	g/m³			Eurofins Wg Import
HS-0605	Nitrate - Nitrogen	0.75 **	g/m³			Eurofins Wg Import
HS-0607	Sulphate	26.7 **	g/m³			Eurofins Wg Import
HS-0701	Fluoride	0.098 **	g/m³			Eurofins Wg Import
HS-0755B	Filtered Absorbance at 254 nm	0.03 **				Eurofins Wg Import
HS-1769	Iron - Total	0.026 **	g/m³			Eurofins Wg Import
HS-6043	Total Hardness	285 **	g CaCO3/m³			Eurofins Wg Import
HS-6603	Arsenic - Total	< 0.002 **	g/m³			Eurofins Wg Import
HS-6607	Boron - Total	0.06 **	g/m³			Eurofins Wg Import
HS-6608	Cadmium - Total	< 0.001 **	g/m³			Eurofins Wg Import
HS-6610	Calcium - Total	100 **	g/m³			Eurofins Wg Import
HS-6618	Lead - Total	0.003 **	g/m³			Eurofins Wg Import
HS-6620	Magnesium - Total	8.5 **	g/m³			Eurofins Wg Import
HS-6621	Manganese - Total	< 0.001 **	g/m³			Eurofins Wg Import
HS-6626	Potassium - Total	2.50 **	g/m³			Eurofins Wg Import
HS-6631	Sodium - Total	63.1 **	g/m³			Eurofins Wg Import
P1855B	Aqueous Total Metal Digestion	Completed **				Eurofins Wg Import

Comments:

** See attached Subcontracting Laboratory document

Sampled by customer using WTHB approved containers.

All samples analysed as we receive them. Delivery was within the correct time and/or temperature condition

Comments on Individual Test Results

Total Coliforms

Coliforms are a broad class of bacteria found in our environment, not all of which present a risk to public health. Total coliforms include bacteria that are found

in the soil, in water that has been influenced by surface water, and in human or animal waste. The DWSNZ does not include a Maximum Value for total coliforms and a high total coliform reading does not necessarily pose a risk to human health. However, total coliforms are a useful indicator of drinking-water quality and may detect abnormalities and changes in quality over time.

E. coli

In the DWSNZ E. coli is used as an indicator organism for contamination of drinking water by faecal material. It is impractical to monitor water supplies for all potential human pathogens. Additionally, to be considered safe to drink the DWSNZ determine that water must not exceed Maximum Acceptable Values (MAV) for a range of chemicals. The standards also give Guideline Values (GV) for other chemicals, which if exceeded may impact on the taste, odour and colour of the water, but have no direct impact on the water safety.

Test Methodology:

Test	Methodology	Detection Limit
Total Coliforms	APHA 23rd Edition Method 9223B by Colilert Quantitray	1 MPN/100mL
E. coli	APHA 23rd Edition Method 9223B by Colilert Quantitray	1 MPN/100mL
Suspended Solids - Total	APHA 23rd Edition Online Method 2540 D	3 g/m³
Total (NP) Organic Carbon	Total Non-Purgeable Organic Carbon using TOC analyser. APHA 23rd Edition Online 5310B,C, ASTM D2579, D4839.	0.1 g/m³
Alkalinity - Total	APHA 23rd Edition Online Method 2320 B	1 g CaCO3/m³
Conductivity at 25°C	APHA 23rd Edition Online Method 2510 B.	0.1 mS/m
Chloride	Ion Chromatography following USEPA 300.0 (modified).	0.02 g/m³
Bromide	Ion Chromatography following USEPA 300.0 (modified)	0.02 g/m³
Nitrate - Nitrogen	Ion Chromatography following USEPA 300.0 (modified).	0.01 g/m³
Sulphate	Ion Chromatography following USEPA 300.0 (modified).	0.02 g/m³
Fluoride	Ion Chromatography following USEPA 300.0 (modified)	0.005 g/m³
Filtered Absorbance at 254 nm	In house method. Absorbance measured after filtration through 0.45micron	0.01
Iron - Total	ICP-OES following APHA 23rd Edition Online Method 3120 B (modified)	0.013 g/m³
Total Hardness	ICP-MS following APHA 23rd Edition Online method 3125 (modified).	1 g CaCO3/m³
Arsenic - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.002 g/m³
Boron - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.05 g/m³
Cadmium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Calcium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Lead - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Magnesium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Manganese - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Potassium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Sodium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Aqueous Total Metal Digestion	Follows APHA 22nd Edition Method 3030E (modified) using nitric acid.	n/a

Onsite Observation Methodology:

Test	Methodology	Detection Limit
Temperature on arrival	Dedicated Thermometer following APHA 23rd Edition Method 2550 B	0.1 Deg C

"<" means that no analyte was found in the sample at the level of detection shown. Detection limits are based on a clean matrix and may vary according to individual sample.

g/m3 is the equivalent to mg/L and ppm.

Samples will be retained for a period of time, in suitable conditions appropriate to the analyses requested.

All test methods and confidence limits are available on request. This report must not be reproduced except in full, without the written consent of the laboratory.

Report Released By

Rowena Houghton

Batch Number: 19/16909-1 WTHB

14 November 2019 16:00:28

1105 Plunket Street St Leonards
Hastings 4120 New Zealand
Phone: (06) 870 6449 Fax:
Email: info@watertestinghb.nz Website: http://www.watertestinghb.co.nz

1105 Plunket Street St Leonards

Hastings 4120 New Zealand

Phone: (06) 870 6449 Fax:

Email: info@watertestinghb.nz Website: http://www.watertestinghb.co.nz

watertesting HAWKES BAY

Water Testing Hawkes Bay (2016) Ltd

Central Hawkes Bay District Council
PO Box 127
Waipawa
4240

Attention: Karen Bothwell

Results Report

Batch Number: 19/16753
Issue: 1
11 November 2019

Sample	Site	Map Ref.	Date Sampled	Date Received	Order No.
19/16753-01	Potable Water		31/10/2019 10:10	31/10/2019 15:20	0

Notes: Kairakau Brodie Pl Well

	Test Code	Result	Units	Test Date	Comments	Validated By
H-1004	Temperature on arrival	4.0	Deg C	31/10/2019		Rowena Houghton KTP
H-M0414	Total Coliforms	> 200.5	MPN/100mL	31/10/2019	DWSNZ test	Rowena Houghton KTP
H-M0415	E. coli	5.3	MPN/100mL	31/10/2019	Fails MAV Limit of 0	Rowena Houghton KTP
HS-0002	Suspended Solids - Total	< 5 **	g/m³			Eurofins Wg Import
HS-0040	Total (NP) Organic Carbon	0.9 **	g/m³			Eurofins Wg Import
HS-0052	Alkalinity - Total	281 **	g CaCO3/m³			Eurofins Wg Import
HS-0055	Conductivity at 25°C	83.5 **	mS/m			Eurofins Wg Import
HS-0602	Chloride	76.3 **	g/m³			Eurofins Wg Import
HS-0604	Bromide	0.26 **	g/m³			Eurofins Wg Import
HS-0605	Nitrate - Nitrogen	0.78 **	g/m³			Eurofins Wg Import
HS-0607	Sulphate	16.1 **	g/m³			Eurofins Wg Import
HS-0701	Fluoride	0.107 **	g/m³			Eurofins Wg Import
HS-0755B	Filtered Absorbance at 254 nm	0.01 **				Eurofins Wg Import
HS-1769	Iron - Total	0.014 **	g/m³			Eurofins Wg Import
HS-6043	Total Hardness	316 **	g CaCO3/m³			Eurofins Wg Import
HS-6603	Arsenic - Total	< 0.002 **	g/m³			Eurofins Wg Import
HS-6607	Boron - Total	0.05 **	g/m³			Eurofins Wg Import
HS-6608	Cadmium - Total	< 0.001 **	g/m³			Eurofins Wg Import
HS-6610	Calcium - Total	113 **	g/m³			Eurofins Wg Import
HS-6618	Lead - Total	< 0.001 **	g/m³			Eurofins Wg Import
HS-6620	Magnesium - Total	7.9 **	g/m³			Eurofins Wg Import
HS-6621	Manganese - Total	< 0.001 **	g/m³			Eurofins Wg Import
HS-6626	Potassium - Total	1.80 **	g/m³			Eurofins Wg Import
HS-6631	Sodium - Total	59.7 **	g/m³			Eurofins Wg Import
P1855B	Aqueous Total Metal Digestion	Completed **				Eurofins Wg Import

Comments:

** See attached Subcontracting Laboratory document

Sampled by customer using WTHB approved containers.

All samples analysed as we receive them. Delivery was within the correct time and/or temperature condition

Comments on Individual Test Results

Total Coliforms

Coliforms are a broad class of bacteria found in our environment, not all of which present a risk to public health. Total coliforms include bacteria that are found

in the soil, in water that has been influenced by surface water, and in human or animal waste. The DWSNZ does not include a Maximum Value for total coliforms and a high total coliform reading does not necessarily pose a risk to human health. However, total coliforms are a useful indicator of drinking-water quality and may detect abnormalities and changes in quality over time.

E. coli

In the DWSNZ E. coli is used as an indicator organism for contamination of drinking water by faecal material. It is impractical to monitor water supplies for all potential human pathogens. Additionally, to be considered safe to drink the DWSNZ determine that water must not exceed Maximum Acceptable Values (MAV) for a range of chemicals. The standards also give Guideline Values (GV) for other chemicals, which if exceeded may impact on the taste, odour and colour of the water, but have no direct impact on the water safety.

Test Methodology:

Test	Methodology	Detection Limit
Total Coliforms	APHA 23rd Edition Method 9223B by Colilert Quantitray	1 MPN/100mL
E. coli	APHA 23rd Edition Method 9223B by Colilert Quantitray	1 MPN/100mL
Suspended Solids - Total	APHA 23rd Edition Online Method 2540 D	3 g/m³
Total (NP) Organic Carbon	Total Non-Purgeable Organic Carbon using TOC analyser. APHA 23rd Edition Online 5310B,C, ASTM D2579, D4839.	0.1 g/m³
Alkalinity - Total	APHA 23rd Edition Online Method 2320 B	1 g CaCO3/m³
Conductivity at 25°C	APHA 23rd Edition Online Method 2510 B.	0.1 mS/m
Chloride	Ion Chromatography following USEPA 300.0 (modified).	0.02 g/m³
Bromide	Ion Chromatography following USEPA 300.0 (modified)	0.02 g/m³
Nitrate - Nitrogen	Ion Chromatography following USEPA 300.0 (modified).	0.01 g/m³
Sulphate	Ion Chromatography following USEPA 300.0 (modified).	0.02 g/m³
Fluoride	Ion Chromatography following USEPA 300.0 (modified)	0.005 g/m³
Filtered Absorbance at 254 nm	In house method. Absorbance measured after filtration through 0.45micron	0.01
Iron - Total	ICP-OES following APHA 23rd Edition Online Method 3120 B (modified)	0.013 g/m³
Total Hardness	ICP-MS following APHA 23rd Edition Online method 3125 (modified).	1 g CaCO3/m³
Arsenic - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.002 g/m³
Boron - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.05 g/m³
Cadmium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Calcium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Lead - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Magnesium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Manganese - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.001 g/m³
Potassium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Sodium - Total	ICP-MS following APHA 23rd Edition Online method 3125 (modified)	0.1 g/m³
Aqueous Total Metal Digestion	Follows APHA 22nd Edition Method 3030E (modified) using nitric acid.	n/a

Onsite Observation Methodology:

Test	Methodology	Detection Limit
Temperature on arrival	Dedicated Thermometer following APHA 23rd Edition Method 2550 B	0.1 Deg C

"<" means that no analyte was found in the sample at the level of detection shown. Detection limits are based on a clean matrix and may vary according to individual sample.

g/m3 is the equivalent to mg/L and ppm.

Samples will be retained for a period of time, in suitable conditions appropriate to the analyses requested.

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11 November 2019 16:00:22

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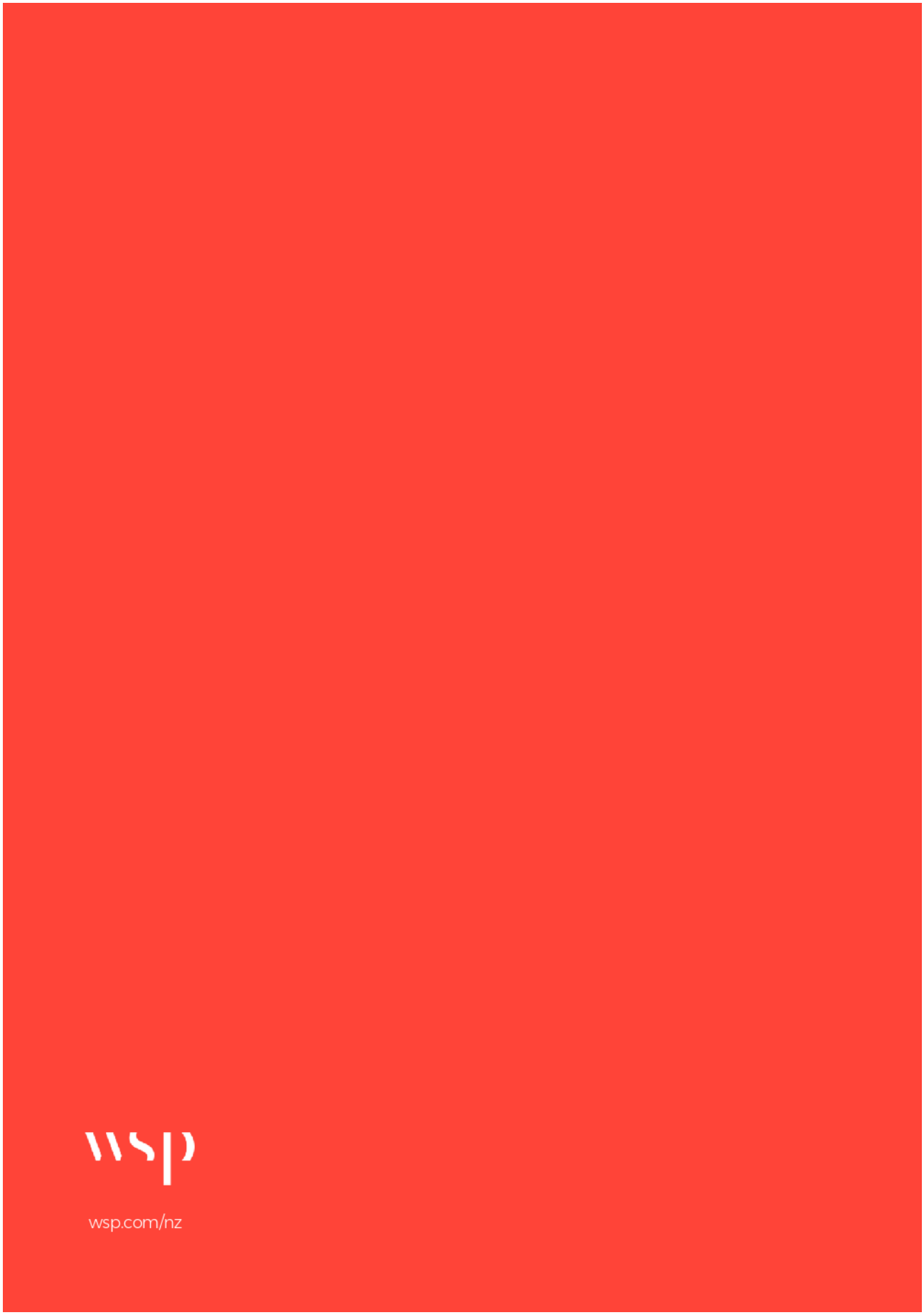
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128 Process for making assessments

[Repealed]

Section 128: repealed, on 27 November 2010, by section 30 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

129 Extent of information in assessments

[Repealed]

Section 129: repealed, on 27 November 2010, by section 30 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Subpart 2—Obligations and restrictions relating to provision of water services

130 Obligation to maintain water services

(1) This subpart applies to a local government organisation that provides water services to communities within its district or region—

(a) at the commencement of this section:

(b) at any time after the commencement of this section.

(2) A local government organisation to which this section applies must continue to provide water services and maintain its capacity to meet its obligations under this subpart.

(3) In order to fulfil the obligations under this subpart, a local government organisation must—

(a) not use assets of its water services as security for any purpose:

(b) not divest its ownership or other interest in a water service except to another local government organisation:

(c) not lose control of, sell, or otherwise dispose of, the significant infrastructure necessary for providing water services in its region or district, unless, in doing so, it retains its capacity to meet its obligations:

(d) not, in relation to a property to which it supplies water,—

(i) restrict the water supply unless section 193 applies; or

(ii) stop the water supply unless section 69S of the Health Act 1956 applies.

(4) This section—

(a) does not prevent a local government organisation from transferring a water service to another local government organisation; and

(b) does not override sections 131 to 137.

Section 130(3)(d)(ii): amended, on 27 November 2010, by section 31 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Closure or transfer of small water services

131 Power to close down or transfer small water services

(1) Despite section 130(2), a local government organisation may, in relation to a water service that it is no longer appropriate to maintain,—

(a) close down the water service; or

(b) transfer the water service to an entity representative of the community for which the service is operated.

(2) A local government organisation must not close down or transfer a water service unless—

(a) there are 200 or fewer persons to whom the water service is delivered and who are ordinarily resident in the district, region, or other subdivision; and

(b) it has consulted on the proposal with the Medical Officer of Health for the district; and

(c) it has made publicly available in a balanced and timely manner—

(i) the views of the Medical Officer of Health; and

(ii) the information it has received in the course of—

(A) undertaking a review, assessment, and comparison under section 134(a) and (b); or

(B) preparing a management plan and making assessments under section 135(a), (b), and (c); and

(d) the proposal is supported, in a binding referendum conducted under section 9 of the Local Electoral Act 2001 using the First Past the Post electoral system,—

(i) in the case of a proposal to close down a water service, by 75% or more of the votes cast in accordance with subsection (3); and

(ii) in the case of a proposal to transfer a water service, by more than 50% of the votes cast in accordance with section 132.

(3) For the purpose of subsection (2)(a), a certificate signed by the chief executive of the local government organisation as to the number of persons to whom the water service is delivered in the district, region, or other subdivision at any date is conclusive evidence of that number.

132 Eligibility to vote in referendum

A person is eligible to vote in a referendum conducted under section 131(2)(d) if the person is qualified as either—

(a) a residential elector under section 23 of the Local Electoral Act 2001 and the address in respect of which the person is registered as a parliamen-

tary elector is a property serviced by the water service that is the subject of the referendum; or

(b) a ratepayer elector under section 24 of the Local Electoral Act 2001 and the property, for the purposes of section 24(1)(a) or (b) of that Act, is a property serviced by the water service that is the subject of the referendum.

133 Responsibility for conduct of referendum

(1) The territorial authority that is responsible for conducting a referendum under section 131(2)(d) is the territorial authority in whose district the majority of persons eligible to vote in that referendum is on the roll of electors of that territorial authority.

(2) The electoral officer of a territorial authority responsible for conducting a referendum under subsection (1) must prepare a special roll of the persons eligible to vote under section 132.

(3) The provisions of the Local Electoral Act 2001 apply, with any necessary modifications, to the conduct of a referendum under section 131(2)(d).

134 Criteria for closure of water service

A local government organisation may only close down a water service under section 131(1)(a) if it has first—

(a) reviewed the likely effect of the closure on—

(i) the public health of the community that would be affected by the closure; and

(ii) the environment in the district of that community; and

(b) assessed, in relation to each property that receives the water service, the likely capital cost and annual operating costs of providing an appropriate alternative service if the water service is closed down; and

(c) compared the quality and adequacy of the existing water service with the likely quality and adequacy of the alternative service referred to in paragraph (b).

135 Criteria for transfer of water service

A local government organisation may only transfer a water service under section 131(1)(b) if it has first—

(a) developed a draft management plan under which the entity representative of the community would maintain and operate the water service; and

(b) assessed the likely future capital and operating costs of the entity representative of the community to maintain and operate the water service; and

(c) assessed the ability of the entity representative of the community to maintain and operate the water service satisfactorily.

Contracting out of water services

136 Contracts relating to provision of water services

(1) Despite section 130(2), a local government organisation may enter into contracts for any aspect of the operation of all or part of a water service for a term not longer than 35 years.

(2) If a local government organisation enters into a contract under subsection (1), it must—

(a) continue to be legally responsible for providing the water services; and

(b) retain control over the following matters:

(i) the pricing of water services; and

(ii) the development of policy related to the delivery of water services.

(3) This section does not limit contracts in relation to water services that are entered into solely between local government organisations.

Section 136: substituted, on 27 November 2010, by section 32 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Joint local government arrangements and joint arrangements with other entities

Heading: substituted, on 7 July 2004, by section 13 of the Local Government Act 2002 Amendment Act 2004 (2004 No 63).

137 Joint local government arrangements and joint arrangements with other entities

(1) In this section,—

joint arrangement means an arrangement entered into by 1 or more local government organisations with 1 or more bodies that are not local government organisations for the purpose of providing water services or any aspect of a water service

joint local government arrangement means an arrangement entered into by 2 or more local government organisations for the purpose of providing water services or any aspect of a water service.

(2) Section 130(2) does not prevent a local government organisation from entering into, for the purpose of providing water services,—

(a) a joint arrangement for a term not longer than 35 years (except a concession or other franchise agreement relating to the provision of the water services or any aspect of the water services):

(b) a joint local government arrangement for any term.

(3) However, before a local government organisation enters into a joint arrangement or joint local government arrangement, it must,—

(a) in the case of a local government organisation that is a local authority, have undertaken consultation in accordance with the procedures set out in Part 6; and

(b) in the case of a local government organisation that is not a local authority, have undertaken consultation in accordance with the procedures set out in Part 6 as if it were a local authority.

(c) *[Repealed]*

(4) If a local government organisation enters into a joint arrangement under subsection (2)(a), it must—

(a) continue to be legally responsible for providing the water services; and

(b) retain control over the following matters:

(i) the pricing of water services; and

(ii) the development of policy related to water services; and

(c) after the end of the joint arrangement, retain ownership of all the infrastructure associated with the water service, whether or not the infrastructure was—

(i) provided by the local government organisation at the beginning of the joint arrangement; or

(ii) developed or purchased during the joint arrangement; and

(d) not sell or transfer ownership of any existing infrastructure associated with the water service, unless the local government organisation reasonably believes that the sale is—

(i) incidental to the joint arrangement; and

(ii) desirable for the success of the joint arrangement.

(5) In this section, **concession or other franchise agreement** means an agreement under which a person other than the local government organisation is entitled to receive a payment from any person other than the local government organisation for the supply of the water service.

Section 137 heading: substituted, on 7 July 2004, by section 14(1) of the Local Government Act 2002 Amendment Act 2004 (2004 No 63).

Section 137(1): substituted, on 7 July 2004, by section 14(2) of the Local Government Act 2002 Amendment Act 2004 (2004 No 63).

Section 137(2)(a): substituted, on 27 November 2010, by section 33(1) of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 137(2)(b): amended, on 7 July 2004, by section 14(3) of the Local Government Act 2002 Amendment Act 2004 (2004 No 63).

Section 137(3): amended, on 7 July 2004, by section 14(3) of the Local Government Act 2002 Amendment Act 2004 (2004 No 63).

5.6 RATING REVIEW - THE NEXT STEPS

File Number:

Author: **Brent Chamberlain, Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **Nil**

PURPOSE

The matter for consideration by the Council is an update on the Rating Review process to date, and signalling the next steps.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report the Finance and Infrastructure Committee:

a) Endorse the direction of the Rates Review.

b) Request officers prepare relevant policies and consultation for consideration at the 30th July 2020 Council Meeting.

EXECUTIVE SUMMARY

A rating review is a review of the allocation of rates and what share of the rates each ratepayer should pay. It is not a review about how much should be collected in rates.

After holding a number of workshops, Councillors in May concluded that on the whole the rating system is working well with three exceptions:

1. Land Transport
2. Commercial and Industrial Activities in the main town centres
3. Stormwater

This paper proposes the introduction of land usage differentials for Land Transport:

Activity	Differential to be applied to Land Value for Land Transport
Pastoral and Specialist Farming	1.5
Dairy Farming	2.5
Forestry	5.0
Horticultural	2.5
Not Elsewhere Specified	1.0

This paper proposes the introduction of zone based differentials General / Refuse / Recycling focusing on the Central Business District in the two main townships:

Activity	Differential to be applied to General, Refuse, and Recycling Rates for properties within the identified zones
Zone 1 - Commercial	2.0
Zone 2 - Industrial	1.75
Not Elsewhere Specified	1.0

And finally this paper proposes that the stormwater catchment areas be extended to include Otane and Takapau recognising the differential in levels of stormwater assets in these areas, and that the rate should be changed from capital value to per SUIP:

Activity	Differential to be applied to Stormwater properties within the identified zones
Zone 1 – Waipawa/Waipukurau	1.0
Zone 2 – Otane	0.8
Zone 3 - Takapau	0.6

The report then looks at the financial impacts on individual rate payers of the proposed changes, and requests the proposed changes be endorsed ready for adoption for public consultation.

BACKGROUND

A rating review is a review of the allocation of rates and what share of the rates each ratepayer should pay. It is not a review about how much should be collected in rates.

The amount of the rates income required is the result of the budgeting process.

A Rates Review is a **review of the way we structure our overall rating system** to share the rating burden among all ratepayers.

The Local Government (Rating) Act 2002 (LGRA) provides councils with powers to set, assess and collect “rates” to fund local government activities. These rates are locally-set property-based taxes.

Rates can be levied on a number of basis:

General Rates can be based on land value or capital value – with or without differentials. Here everyone across the district benefits and contributes are based on their properties value.

Uniform Annual General Charge (UAGC) can be applied per rating unit or per separately used or inhabited part of a rating unit. Here everyone across the district benefits equally, and pays equally based on a flat charge.

Targeted Rates are designed to fund a function or group of functions. The funding can be from a specified group of ratepayers, and can be set on all rating units or on particular categories. Here only a subset of the district benefits, and only they pay based on the benefit derived.

For each Council Activity, Council must determine the most appropriate method to levy the rates and/or fees and charges to cover the cost of operating this service. In doing so they must consider:

- Community outcomes to which the activity primarily contributes
- Distribution of benefits – who gets the benefit whole/part of community or individuals?
- Period the benefits are expected to occur
- Extent actions or inactions contribute to need to undertake the activity (exacerbators)
- Costs and benefits of funding the activity separately from other activities

In August 2019 Council began the journey of undertaking a rates review by reviewing each activity it undertakes, and considered the public/private benefit split. That is, does the activity generate an identified benefit for the end user which should be recovered through fees and charges or targeted rates, or is there a general benefit for everyone who lives in the district that should be collected through general rates or a UAGC charge, or is there a combination of the two. This resulted in the following allocation split between user pays and public benefit:

		Continum of Benefit		
Council Activity	Current Rating Type	Private Benefit (User Payers)		Public Benefit (Rates)
Community Leadership	General			
Planning and Regulatory	General			
Solid waste	General			
All Other Community Facilities (Cemeteries, Halls, Parks, Toilets)	General			
Land Transport	General			
Water Supplies (non industrial)	Targeted			
Wastewater	Targeted			
Storm water	Targeted			
Refuse and Recycling	Targeted			
Te Aute Drainage Scheme	Targeted			
Libraries	UACG			
Pools	UACG			
Economic and Social Development	UACG			
Retirement Housing	Not Rated			

In March – May 2020 Council began considering rating bases and differentials to ensure that the component of Council's activities that aren't funded through fees and charges are rated for in a fair, transparent manner, that follows the benefit derived.

DISCUSSION

After holding a number of workshops, Councillors in May concluded that on the whole the rating system is working well with three exceptions:

1. Land Transport
2. Commercial and Industrial Activities in the main town centres
3. Stormwater

Looking at each of these in isolation:

1. **Land Transport**

   At present Land Transport (the costs of maintaining the Council's road network) is spread using Land Value.

   The logic for this is that heavy trucks do more damage to the roads than smaller private cars. Also rural properties owners typically drive further than town based property owners. Therefore by using land value as the spread basis, the cost of land transport is weighted towards farm properties that cause much of the truck movements and the rural traffic.

   However this assumes all rural activity is equal, and generates the same amount of traffic, and the same type of traffic. Obviously this isn't the case, for example a Sheep and Beef farmer might only have truck movements once every other month, while a dairy farmer has milk tanker movements twice a day. Likewise the heavier the truck, the more pavement damage it will do, so logging trucks do more damage than stock trucks, however forests are only milled once every 25-30 years.

   The other consideration is not every piece of farm land is valued the same. Across Central Hawkes Bay we have the following activities with the following average values:

Activity	Value of Land	Number of Hectares	Value of Land per Hectare
Pastoral Farming	$10,252m	1,095,753	$9,356
Dairy Farming	$951m	47,719	$19,929
Forestry	$70m	37,877	$1,843
Horticultural	$66m	2,410	$27,554
Lifestyle Farming	$1,201m	33,100	$36,285

   Since land transport is rated based on land value, assuming every farm activity creates the same exacerbators per hectare then horticultural farms are paying for land transport at the rate of 2.9 times that of a pastoral farm, and 15.0 times that of a forestry block due to their higher land values.

   However we know based on some work Wairoa District Council had commissioned by Opus Consultancy, the following activities generate the following inputs/outputs per hectare per year on average:

Activity	Kg of Input/Output generated per Hectare per year over a 30 year average
Pastoral Farming	1,101
Dairy Farming	14,948
Forestry	20,830
Horticultural	50,013

   So the exacerbators are quite different per activity.

   What a number of different Councils across New Zealand use is differentials to try and account for difference in land values and exacerbation by activity type. This has the benefit of attempting to match benefits derived and contribution to road damage to each type of property activity.

Having taken into account land values, damage exacerbation, and magnitude of the change in rates payable by ratepayers compared to the current system, Officers recommend the introduction of the following land transport differentials be considered and consulted on for the 2021/2022 rating year:

Activity	**Differential to be applied to Land Value for Land Transport**
Pastoral and Specialist Farming	1.5
Dairy Farming	2.5
Forestry	5.0
Horticultural	2.5
Not Elsewhere Specified	1.0

The financial impact of this change would be as follows:

Activity	**Current Land Transport Rate $'000**	**Proposed Land Transport Rate $'000**	**Proposed Change $'000**	**Proposed Change %**
Pastoral and Specialist Farming	5,624	5,686	62	1%
Dairy Farming	526	886	360	68%
Forestry	39	131	92	236%
Horticultural	36	60	24	67%
Lifestyle Farming	492	331	(161)	(33%)
Commercial/Industrial/Mining	170	115	(55)	(33%)
Residential	991	668	(323)	(33%)
Total Land Transport	**7,878**	**7,878**	**0**	**0%**

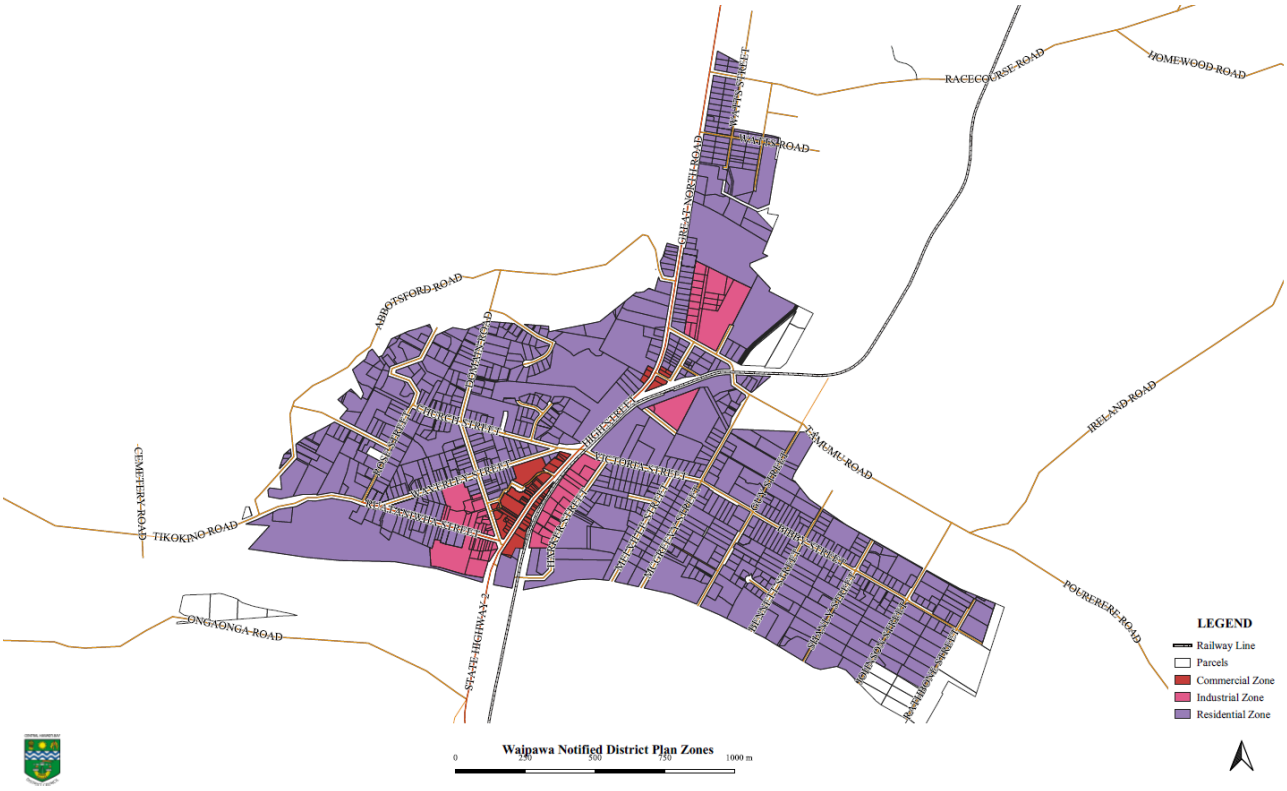
Due to the magnitude of the proposed change, Councillors might wish to consider whether this change should be phased in over a number of years.

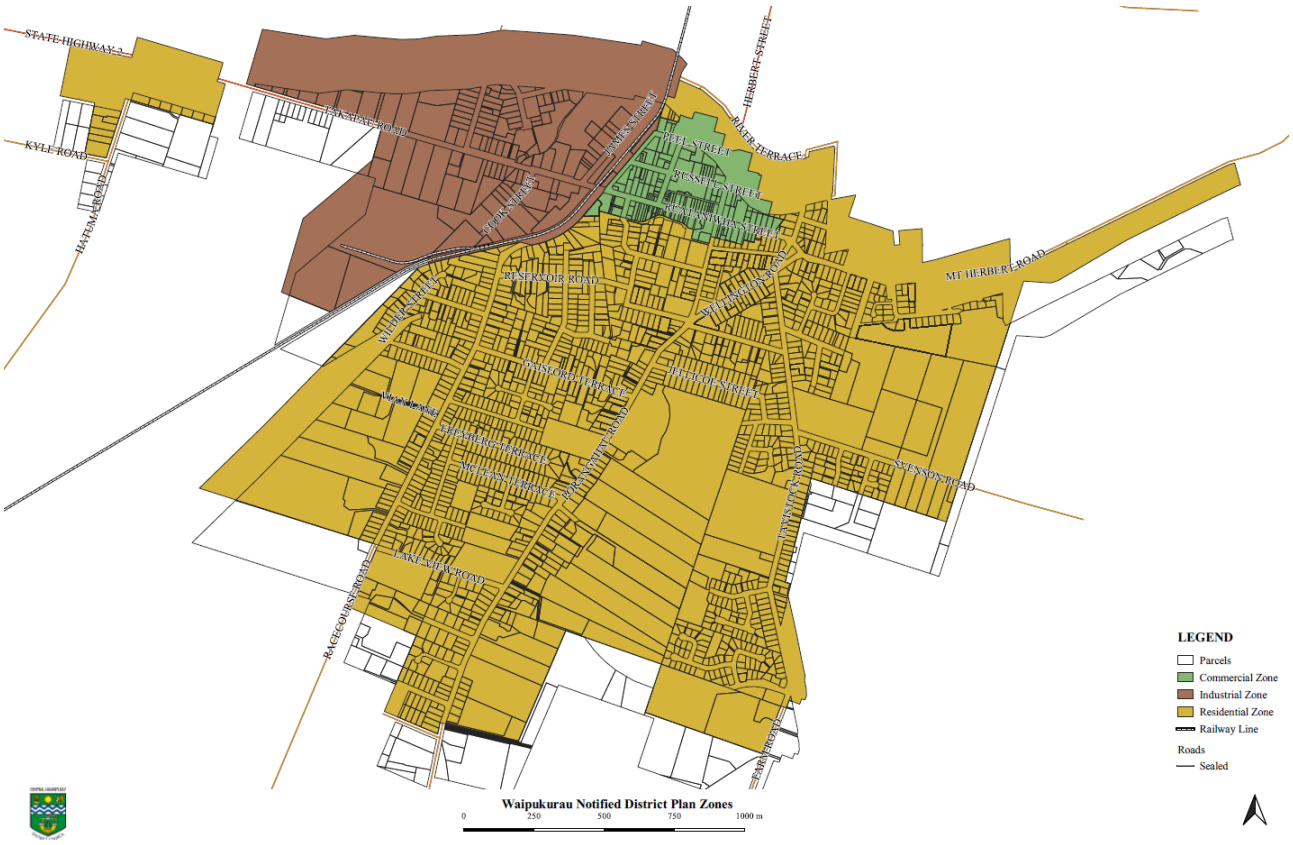
2. Commercial and Industrial Activities

At present the Commercial and Industrial properties in the main townships pay the same level of rates for General Rates and Refuse/Recycling as residential properties (all be it with the General Rate adjusted by the properties capital value).

You could argue that while they pay the same, they receive a greater benefit than residential properties. For example commercial and industrial properties enjoy the provision of wider footpaths, additional litter bins, on street parking for customers, additional landscaping in pocket gardens/hanging baskets. They also generate a higher level of waste and recycling than residential houses. Therefore a commercial/industrial differential should apply.

Within our existing District Plan, we already have commercial and industrial zones identified as set out in the maps below:





Officers recommend the introduction of the following Commercial/Industrial differentials be considered and consulted on for the 2021/2022 rating year:

Activity	Differential to be applied to General, Refuse, and Recycling Rates for properties within the identified zones
Zone 1 - Commercial	2.0
Zone 2 - Industrial	1.75
Not Elsewhere Specified	1.0

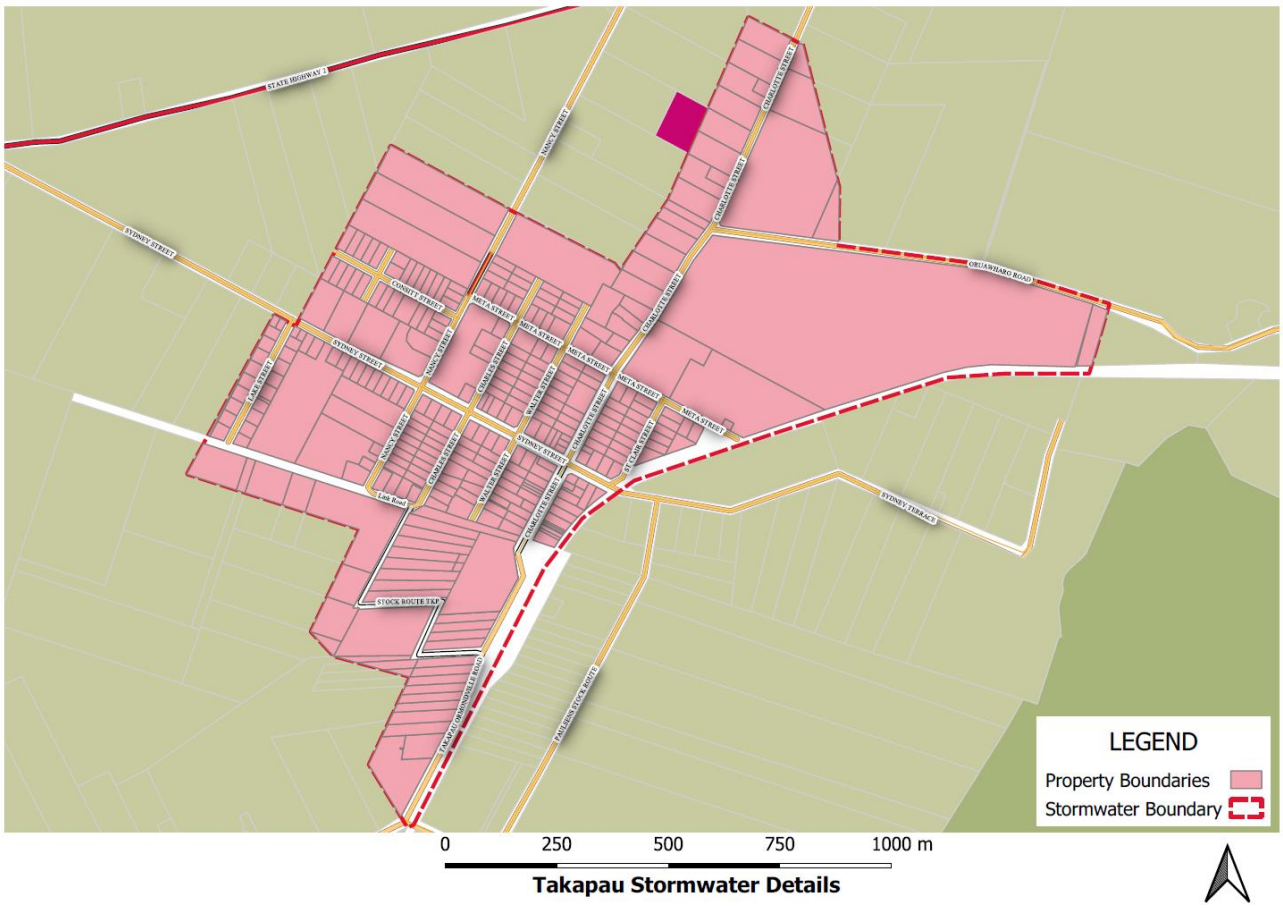
The financial impact of this change would be:

Activity	Current Rate $'000	Proposed Rate $'000	Proposed Change $'000	Proposed Change %
Zone 1 - Commercial	84	168	84	100%
Zone 2 - Industrial	88	154	66	75%
Not Elsewhere Specified	6,467	6317	(150)	(2%)
Total General/Refuse/Recycling Rates	6,639	6,639	0	0%

3. Stormwater

Currently Stormwater charges are levied of properties within the Waipawa / Waipukurau Catchment areas and are spread based on Capital Value.

With the growth of the district, Council now supplies some Stormwater activities in Takapau and Otane (a combination of footpaths with curb and channel and open drain) and this is only going to increase in the future. Therefore the stormwater rating areas should be increased to include these towns as identified in the following maps:




LEGEND
Property Boundaries
Stormwater Boundary
0 100 200 300 400 m
Otane Stormwater Boundaries

However it was also acknowledged that the quality of stormwater assets in Otane and Takapau are not built to the same standard as Waipawa / Waipukurau at present, so the levy should be discounted when compared to the Waipawa / Waipukurau networks (although this might change over time).

During the workshops held in March – May 2020 there was also discussion on whether the stormwater charges should be spread using capital values as they are presently, or whether they should be on a per property charge like drinking water and sewerage.

Here there are two viewpoints. The first is that the provision of stormwater networks is to prevent flooding of properties, and therefore it is akin to a type of insurance. The greater the value of the property, the greater the insurance premium should be. The second view is that the stormwater network is primarily to prevent flooding of the roading network and the protection of Council's infrastructure below it. In this case every ratepayer benefits equally from driving of flood free urban roads, and not having the roading network and water networks damaged. On balance Councillors considered the second argument was stronger than the former, and by changing it to a per property charge would bring it into line with how the other water charges are calculated.

Officers recommend the introduction of the following Stormwater zones / differentials and a change to a per SUIP charge be considered and consulted on for the 2021/2022 rating year:

Activity	**Differential to be applied to Stormwater properties within the identified zones**
Zone 1 – Waipawa/Waipukurau	1.0
Zone 2 – Otane	0.8
Zone 3 - Takapau	0.6

The financial impact of this change would be:

Activity	**Current Rate $'000**	**Proposed Rate $'000**	**Proposed Change $'000**	**Proposed Change %**
Zone 1 – Waipawa/Waipukurau	881	778	(103)	(12%)
Zone 2 – Otane	0	61	61	
Zone 3 - Takapau	0	42	41	
Total Stormwater	881	881	0	0%

Alternatively, the expansion of the stormwater network could also be done without changing the rating base from Capital Value to SUIP. It that case the financial impact would be:

Activity	Current Rate $'000	Proposed Rate $'000	Proposed Change $'000	Proposed Change %
Zone 1 – Waipawa/Waipukurau	881	778	(103)	(12%)
Zone 2 – Otane	0	81	81	
Zone 3 - Takapau	0	23	23	
Total Stormwater	881	881	0	0%

4. Combined Impact

Below is the combined impact across a sample of ratepayers:

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Waipawa Residential (High Value)	General / Refuse / Recycling	896	870	(26)	(3%)
107407660	Stormwater	636	258	(378)	(59%)
	Land Transport	383	258	(125)	(33%)
	Total Rates	**3,824**	**3,295**	**(529)**	**(14%)**

	Stormwater Alt	636	562	(74)	(12%)
	Total Rates	**3,824**	**3,599**	**(225)**	**(6%)**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Waipawa Residential (Low Value)	General / Refuse / Recycling	349	334	(15)	(4%)
1074032401	Stormwater	182	258	76	42%
	Land Transport	168	114	(54)	(33%)
	Total Rates	**2,608**	**2,614**	**6**	**0%**

	Stormwater Alt	182	160	(12)	(7%)
	Total Rates	**2,608**	**2,517**	**(91)**	**(3%)**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Otane Residential (Mid Value)	General / Refuse / Recycling	407	398	(9)	(2%)
1093005200	Stormwater	0	206	206	
	Land Transport	273	184	(89)	(33%)
	Total Rates	**2,590**	**2,698**	**108**	**4%**

	Stormwater Alt	0	222	222	
	Total Rates	**2,590**	**2,713**	**123**	**5%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Takapau Residential (Mid Value)	General / Refuse / Recycling	216	211	(5)	(2%)
1080017201	Stormwater	0	155	155	
	Land Transport	87	59	(28)	(33%)
	Total Rates	**2,213**	**2,333**	**120**	**5%**

	Stormwater Alt	0	82	82	
	Total Rates	**2,213**	**2,260**	**47**	**2%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Commerical Building Waipukurau	General / Refuse / Recycling	752	1,443	691	92%
108811600	Stormwater	409	258	(151)	(37%)
	Land Transport	236	159	(77)	(33%)
	Total Rates	**4,923**	**5,385**	**462**	**9%**

	Stormwater Alt	409	361	(48)	(12%)
	Total Rates	**4,923**	**5,489**	**566**	**11%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Industrial Car Repair Waipawa	General / Refuse / Recycling	327	547	220	67%
1074031000	Stormwater	163	258	95	58%
	Land Transport	350	236	(114)	(33%)
	Total Rates	**2,750**	**2,949**	**199**	**7%**

	Stormwater Alt	163	144	(19)	(12%)
	Total Rates	**2,750**	**2,836**	**86**	**3%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Forestry Block	General / Refuse / Recycling	1,388	1,363	(25)	(2%)
1096001300A	Stormwater	0	0	0	
	Land Transport	2,668	8,992	6,324	237%
	Total Rates	**4,349**	**10,648**	**6,299**	**145%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Dairy Farm	General / Refuse / Recycling	10,110	9,924	(186)	(2%)
1077027800	Stormwater	0	0	0	
	Land Transport	16,841	28,377	11,536	68%
	Total Rates	**27,244**	**38,594**	**11,350**	**42%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Horticultural Block	General / Refuse / Recycling	6,187	6,073	(114)	(2%)
1077009402	Stormwater	0	0	0	
	Land Transport	6,955	11,719	4,764	68%
	Total Rates	**13,435**	**18,085**	**4,650**	**35%**

Rate Payer Type	Rate Type	Current Rate $	Proposed Rate $	Proposed Change $	Proposed Change %
Pastoral Farm	General / Refuse / Recycling	4,361	4,281	(80)	(2%)
1095014500	Stormwater	0	0	0	
	Land Transport	7,677	7,761	84	1%
	Total Rates	**12,331**	**12,335**	**4**	**0%**

RISK ASSESSMENT AND MITIGATION

Any time you change your rating basis there will be those that are better off, and those that are worse off. At a Council level there will be no impact as the same level of rates is being collected, it is just spread differently.

Council will need to consult with its rate payers on the proposed changes, and any change carries with it the risk of legal challenge.

While the biggest change in percentage terms is forestry, the biggest change in terms of dollar value will be on dairy and horticultural blocks. This is because forestry land values are so much lower and the differentials don't fully overcome this issue, and this could be the basis of lobbying/challenge by industry groups.

There is also a risk that if Central Hawkes Bay District has a rating regime out of step with its neighbours that it could become less attractive to new businesses to move into the area. This needs to be factored in when selecting levels of differentials.

FOUR WELLBEINGS

This change will impact economically certain segments of the community more than others. However, Council needs to come back to the rating principles behind this review, and that is that rates should follow the benefits derived from the activity. It is the view of officers that the proposed changes better achieve this principal.

DELEGATIONS OR AUTHORITY

This will be a contentious issue, and Councillors need to be fully across and supportive of any proposal before it is taken out for public consultation. Therefore it is prudent to provide check ins along the rates review journey to ensure that Councillors are happy with the direction Officers are taking.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed being significant in nature and will require full public consultation before it can be adopted.

OPTIONS ANALYSIS

The aim of this paper is to provide Councillors with an opportunity to review where the rating review process is up to.

Councillors have three options available to them:

1. To endorse the work to date and the proposed differentials, and request that Officers continue the journey.
2. To endorse the work to date, but request the proposed differentials be modified, and request that Officers continue the journey.
3. To reject the work done to date, and give further guidance on how they wish Officers to proceed from here.

Recommended Option

This report recommends option number one, endorse the work to date and the proposed differentials for addressing the matter.

NEXT STEPS

The next steps for the rating review would be for Officers to take on board any feedback received, modify the differentials if required, and bring back a paper to Council for adoption. Following adoption, a consultation document will be prepared and communication plan created with a view of having the entire process completed ready for the drafting of the 2021-2031 Long Term Plan.

RECOMMENDATION

That having considered all matters raised in the report the Finance and Infrastructure Committee:

a) Endorse the direction of the Rates Review.

b) Request officers prepare relevant policies and consultation method for consideration at the 30th July 2020 Council Meeting.

5.7 REVIEW OF BUNDLED FINANCIAL POLICIES

File Number:

Author: **Brent Chamberlain, Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Bundled Financial Policies ⇩**

PURPOSE

The matter for consideration by the Council is the 3 yearly review of the Financial Policies of Central Hawkes Bay District Council.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report:

a) That the Finance and Infrastructure adopt the proposed updated policies described as the "bundled financial policies".

b) That the Committee note that the "bundled financial policies" include:

- **a. Remission of Additional Charges Policy**
- **b. Uniform Annual Charges on Contiguous Properties Remission Policy**
- **c. Remission and Postponement of Rates on Māori Freehold Land Policy**
- **d. Rates Postponement Policy (Economic Development)**
- **e. Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy**
- **f. Sundry Remission of Rates Policy**
- **g. Remission of Water Meter Rates Attributable to Water Leaks Policy**
- **h. School Sewerage Charges Remission Policy**
- **i. Rating System Policy**
- **j. Outstanding Accounts Policy**
- **k. Community Contribution and Club Rebate Remission Policy**
- **l. Rates Discount Policy**
- **m. Special Fund Accounts Policy**

c) That the Committee note that in adopting these policies further consideration should be given to the social, cultural, economic and environmental impact on community wellbeing, and refer policy (list requested policies i.e.: a, d and e) to the Strategy and Wellbeing Committee for further consideration and assessment.

EXECUTIVE SUMMARY

An important step Long Term Plan process is to review our policies to ensure they are still fit for purpose. This ensures that as we develop the Long Term Plan, the underlying policies are relevant and support the direction of the plan. As Central Hawkes Bay District Council has a number of financial policies, we are presenting these to be reviewed as a bundle.

BACKGROUND

Central Hawkes Bay District Council has a number of financial policies, many of which form part of the Council's Long Term Plan. It is good practice to review these to ensure they are still fit for purpose as part of the preparation of the Long Term Plan.

Reviewing these policies covers off one of our key process steps for the Long Term Plan to review our financial policies.

Graphic: How this fits into the Long-Term Plan

These policies are directional. They do not set out a strategic framework but instead provide operational direction to staff.

As these policies are primarily financial in nature, they would fall within the scope of the Financial Decision-making and Transparency quadrant of the Governance Policy Framework. However, because there are some of them that have a social impact, there is some overlap with the Community Engagement and Development quadrant.

DISCUSSION

Many of the bundled policies attached to this report remain fit for purpose unchanged, while others need updating.

Any proposed changes are marked in red font. The crossed out text was the original policy, while the uncrossed text is the proposed changes to the policies.

The changes reflect changes in the organisation chart, reflect actual practices, or are to allow better alignment with other Council Financial Policies.

RISK ASSESSMENT AND MITIGATION

The proposed changes are all minor in nature and don't alter the original objective of the policy, or adversely affect any segments of the community.

FOUR WELLBEINGS

The proposed changes are minor in nature, and does not have impact on the community's four wellbeings.

DELEGATIONS OR AUTHORITY

Many of the policies relate to rates remissions and rates penalties are required to be adopted by Council under the Local Government (Rating) Act 2002.

SIGNIFICANCE AND ENGAGEMENT

• • • • • • • • In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as minor in nature.

OPTIONS ANALYSIS

Council has three options:

1. Adopt the policies changes as proposed
2. Suggest further changes to the policies
3. Reject the proposed changes, and continue to operate under the existing policies

Council may want to consider referring some policies to the Strategy and Wellbeing Committee, particularly where more detailed analysis is required on the social, cultural, economic and environmental impact of the policies on community wellbeing.

Even where the Finance and Infrastructure Committee do adopt policies, Officers expectation is that the committee takes the time to ensure co-design of the policies to ensure consistency with the newly adopted Governance Policy Framework.

None of the options will have significant financial or operational impacts.

Recommended Option

This report recommends option number one for addressing the matter.

NEXT STEPS

Any policies updated will be updated in the Council's Policy Framework and on the Council's website. They will also be incorporated as part of the Long Term Plan 2021-2031.

RECOMMENDATION

That having considered all matters raised in the report:

a) That the Finance and Infrastructure Committee adopt the proposed updated policies described as the "bundled financial policies".

b) That the Committee note that the "bundled financial policies" include:

- **a. Remission of Additional Charges Policy**
- **b. Uniform Annual Charges on Contiguous Properties Remission Policy**
- **c. Remission and Postponement of Rates on Māori Freehold Land Policy**
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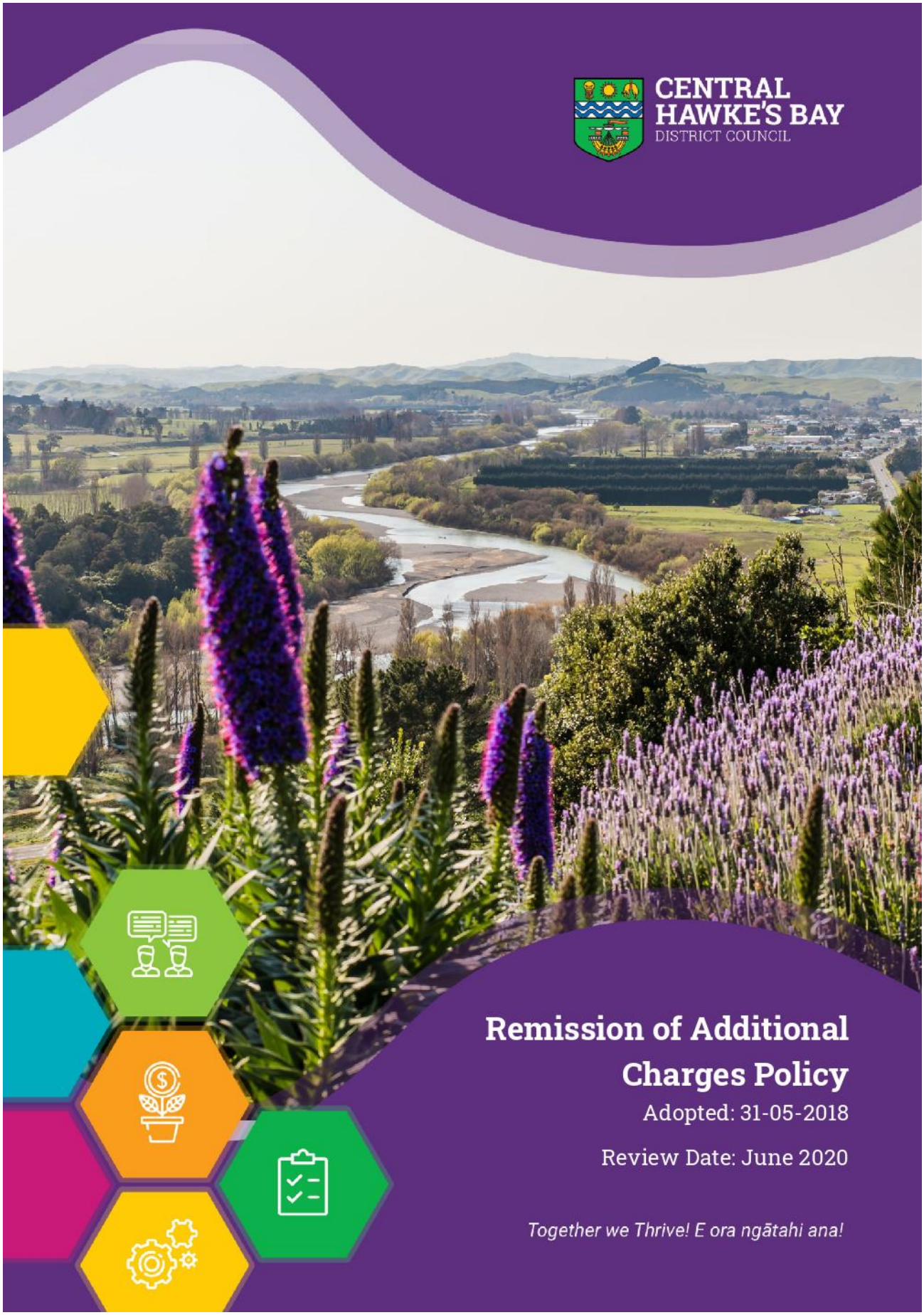
- **i. Rating System Policy**
- **j. Outstanding Accounts Policy**
- **k. Community Contribution and Club Rebate Remission Policy**
- **l. Rates Discount Policy**
- **m. Special Fund Accounts Policy**

c) That the Committee note that in adopting these policies, that further consideration should be given to the social, cultural, economic and environmental impact of these policies on community wellbeing, and refer policy (list requested policies i.e.: a, d and e) to the Strategy and Wellbeing Committee for further consideration and assessment.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Remission of Additional Charges Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Remission of Additional Charges Policy

Objective of the Policy

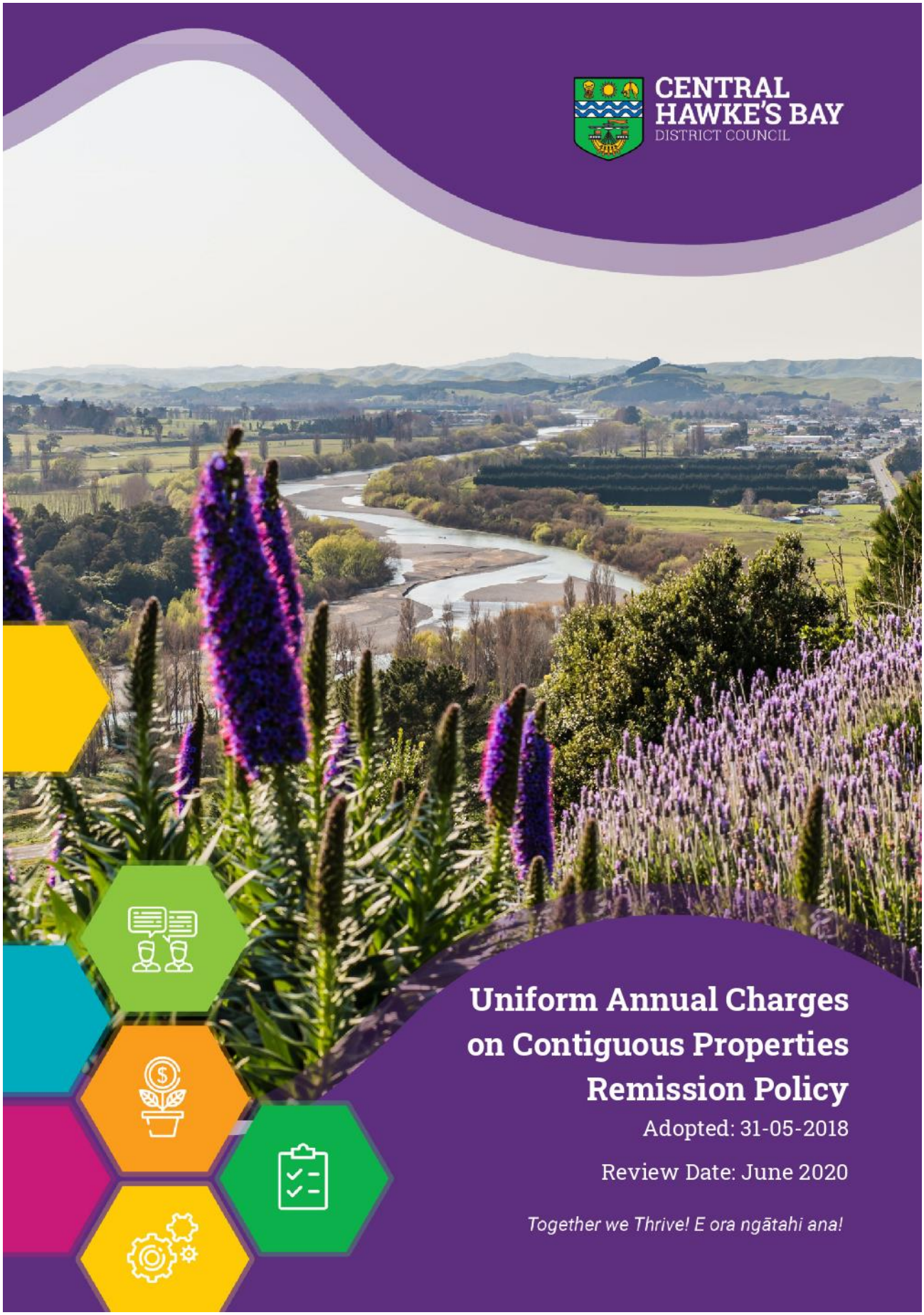
The objective of the Remission of Additional Charges Policy is to enable Council to act fairly and reasonably in its consideration of rates, which Council have not received by the penalty date, due to circumstances outside the ratepayer's control.

Conditions and Criteria

Council grants to the Chief Financial Officer or their nominee delegated authority in the following circumstances to approve on receipt of an application, the remission of such additional charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

1. Where the rate payment history of the property over the last 3 years (or back to purchase date where the property has been owned by the offending ratepayer less than 3 years) shows no previous evidence of late payment and the instalment was received by Council no later than ~~3 working days~~ 10 working days after the day of adding the instalment additional charge.
2. ~~Where the balance to clear the rest of the year's rates (undiscounted and including any arrears) are paid before penalties are added for the next instalment.~~
3. Where payment has been late due to significant family disruption i.e. in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
5. Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment, when the original account was issued in the name of the previous owner/lessee.
6. Where a direct debit authority is commenced in time for the next instalment.
7. Where an error has been made on the part of Council staff, or arising through error in the general processing or levying, which has subsequently resulted in an additional charge being imposed.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Uniform Annual Charges on Contiguous Properties Remission Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Uniform Annual Charges on Contiguous Properties Remission Policy

Objective of the Policy

To enable Council to act fairly and reasonably and provide for the possibility of rates remission where two or more Uniform Annual General Charges (UAGC) are levied on rating units which are occupied or used by the same ratepayer being a lessee/owner using the rating units jointly as a single property.

Conditions and Criteria

Section 20 of the Local Government (Rating) Act 2002, stipulates that there shall be one property for the purposes of levying the UAGC, where two or more separately rateable properties are:

(a) Owned by the same ratepayer (owner or person with right to occupy by virtue of lease for more than 10 years); and

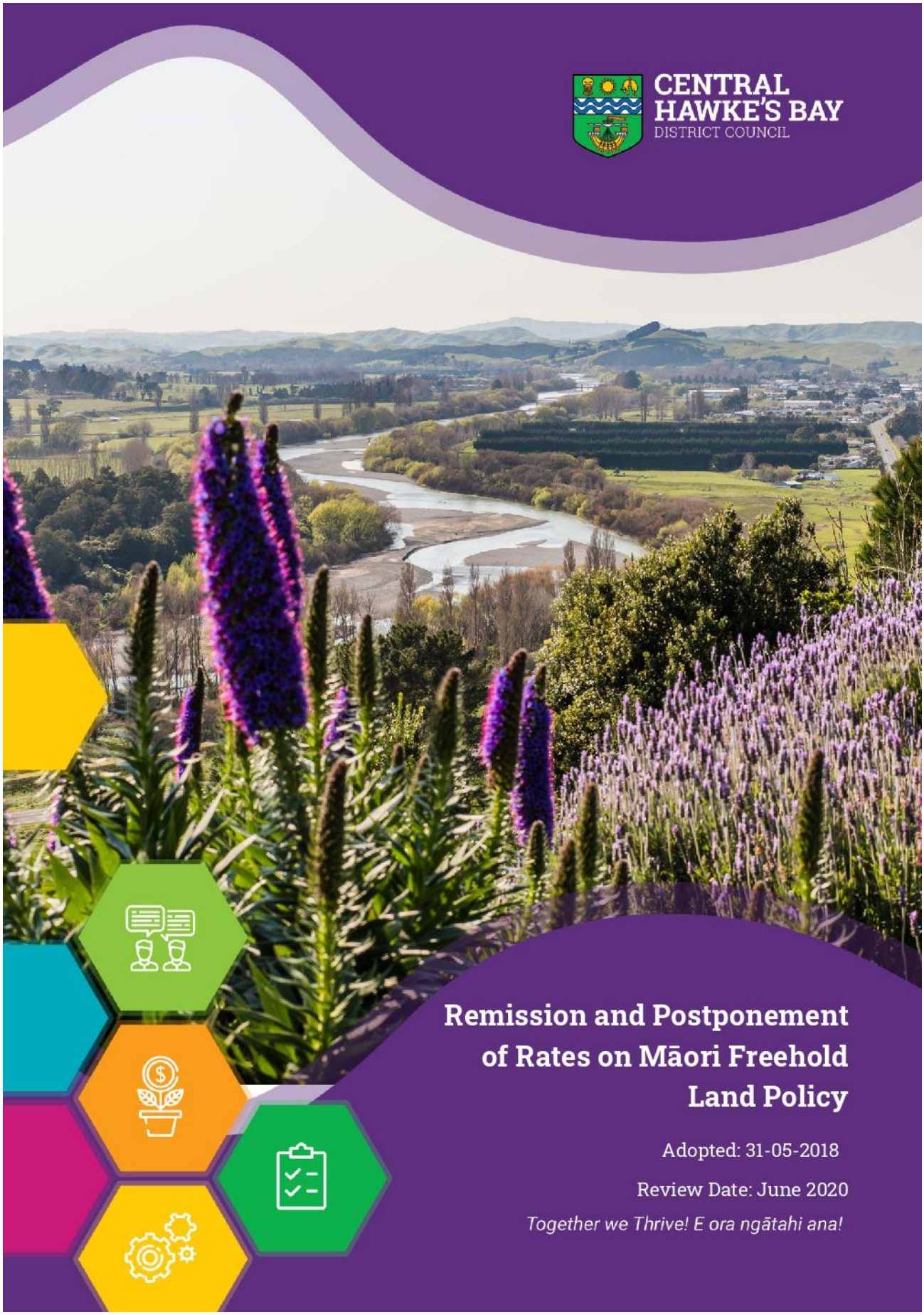
(b) Used jointly as a single unit(for the same purpose); and

(c) Contiguous or separated only by road, railway, drain, water race, river or stream, they shall be deemed to be one property for the purposes of any Uniform Annual General Charges.

Council will allow, without further enquiry (except for clarification), applications made by ratepayers in the form of a statutory declaration to the effect that two or more separately rated properties are occupied by the same ratepayer and are used jointly for the same purpose and the Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments will be cancelled.

Council may remit the rates where the application meets the following criteria:

1. The rating units must be contiguous and occupied by the same ratepayer who is the lessee/owner of each unit and who uses them jointly as a single property contiguous or separated only by road, railway, drain, water race, river or stream and used for the same purpose.
2. Where farming or horticultural operations conducted on separate blocks of land are so far apart as to indicate that there is no possible continuity between them, full charges may be levied on each. Factors such as stock rotation, stock driving, property size, and the number of properties affected will be taken into account.
3. Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate Uniform Annual General Charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. Council grants to the Chief Financial Officer or their nominee delegated authority in the above circumstances to approve on receipt of an application, the cancellation of Uniform Annual General Charge and any other relevant Separate Uniform Annual Charge levied on the second and subsequent assessments.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Remission and Postponement of Rates on Māori Freehold Land Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Remission and Postponement of Rates on Māori Freehold Land Policy

The Policy

The Central Hawke's Bay District Council recognises the complex problems involved when dealing with Māori land, and has formulated a policy (the Māori Land Policy) to deal with some of these. When, in the judgement of Council, it would be unfair or unreasonable to collect rates at this time, land may be placed on this Māori Land Register, and retired from rating liability for a period.

In general, reasons for placement on the register would include some or all of the following:

- **Fragmented ownership** – ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. An attempt to contact a majority representation is often painstaking and difficult.
- **Unsecured legal title** – there may be some land titles that have not been surveyed. They would not be able to be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
- **Isolation and marginal in quality** – the geographical isolation and economic climate of the district are clearly illustrated by the much needed development, as the lands are of marginal quality.
- **No management structures** – lands have no management or operating structures in place to administer matters.
- **Rating problems** – because of the above factors there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

Note: The register is not designed as a way for owners to elect not to use land and therefore not to pay rates.

The Register

Māori land owners can apply to have their lands entered on the register. By making an application, owners are asking Council for a discretionary remission of rates.

If accepted, the land will be 'retired' from rates for a term specified by Council, with a maximum term of three years. While lands are 'retired' or 'parked up', the onus is on the owners to ensure that no one breaches the conditions by using the land.

Lands on the register are inspected regularly to monitor for any breaches.

Each application is examined on its own merits. Intending applications should not be compared to others already on the register.

The Criteria

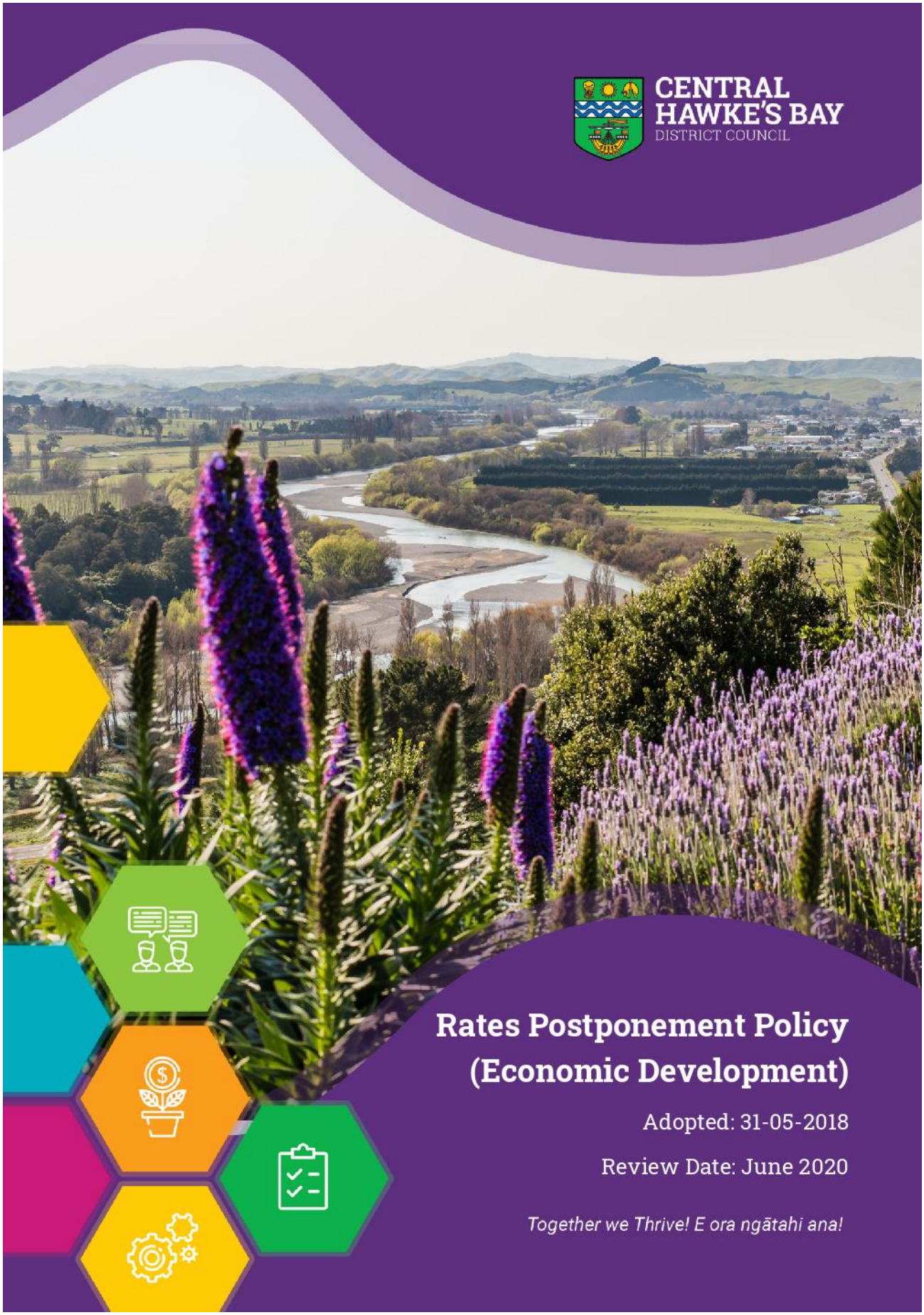
The criteria to determine eligibility for application to the Māori Land Register is as follows:

- It must be Māori land (as defined in Te Ture Whenua Act 1993 Part VI Section 129 or the Local Government (Rating) Act 2002, Part 1, Sub-paragraph 1, Section 5).
- It must have historical, ancestral or cultural significance.
- It must be unoccupied. The definition of occupation which comes direct from Part 4 Section 96 of the Local Government (Rating) Act 2002 says that 'occupation' is where a person/persons does one or more of the following:
  - Resides upon the land
  - De-pastures or maintains any livestock whatsoever on the land
  - Cultivates the land and plants any crop on the land
  - Stores anything on the land
  - Uses the land or any improvements in any way.

General Comment

For an application to be considered:

- Communication must be established between owners and the Council
- Rating problems must have been identified and amicable solutions worked towards
- Where the land has potential for land use, owners are provided with the time to re-assert responsibility and should be actively seeking prospective occupiers or usage. Land that is unrealistic for rating purposes can be identified, e.g. mudflats, heavily eroded cliff faces, severe bush and scrub.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Rates Postponement Policy
(Economic Development)
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

~~Rates Holiday / Postponement Policy~~

Rates Postponement Policy (Economic Development)

Objective of the Policy

To assist ratepayers who undertake economic development that benefits the District as a whole.

Conditions and Criteria

1. The applicant must be the current rate payer of the rating unit.
2. ~~Council~~ The Chief Financial Officer must be satisfied that economic benefits will flow to the District from the development.
3. The ratepayer must make a written application to Council.
4. Applications for a rates holiday will be considered by the ~~Council~~ Chief Financial Officer.
5. Postponed rates will be postponed until a date specified by the Council or the death of the ratepayer or the ratepayers ceases to be the owner of the property or ceases to use the property as their primary residence.
6. Even if rates are postponed, as a rule, the ratepayer will be required to pay the first $1,000 of the annual rates assessment.
7. The amount postponed plus Rates Postponement Fee will be required to be repaid through a repayment plan to be agreed with Council by regular Direct Debit payments.
8. The repayment plan repayments must commence within 2 years of the original due date of the rates being postponed, and must clear the postponed rates plus postponement fees owing within 5 years of the original due date.
9. The postponed rates or any part of thereof, may be paid by lump sum at any time.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

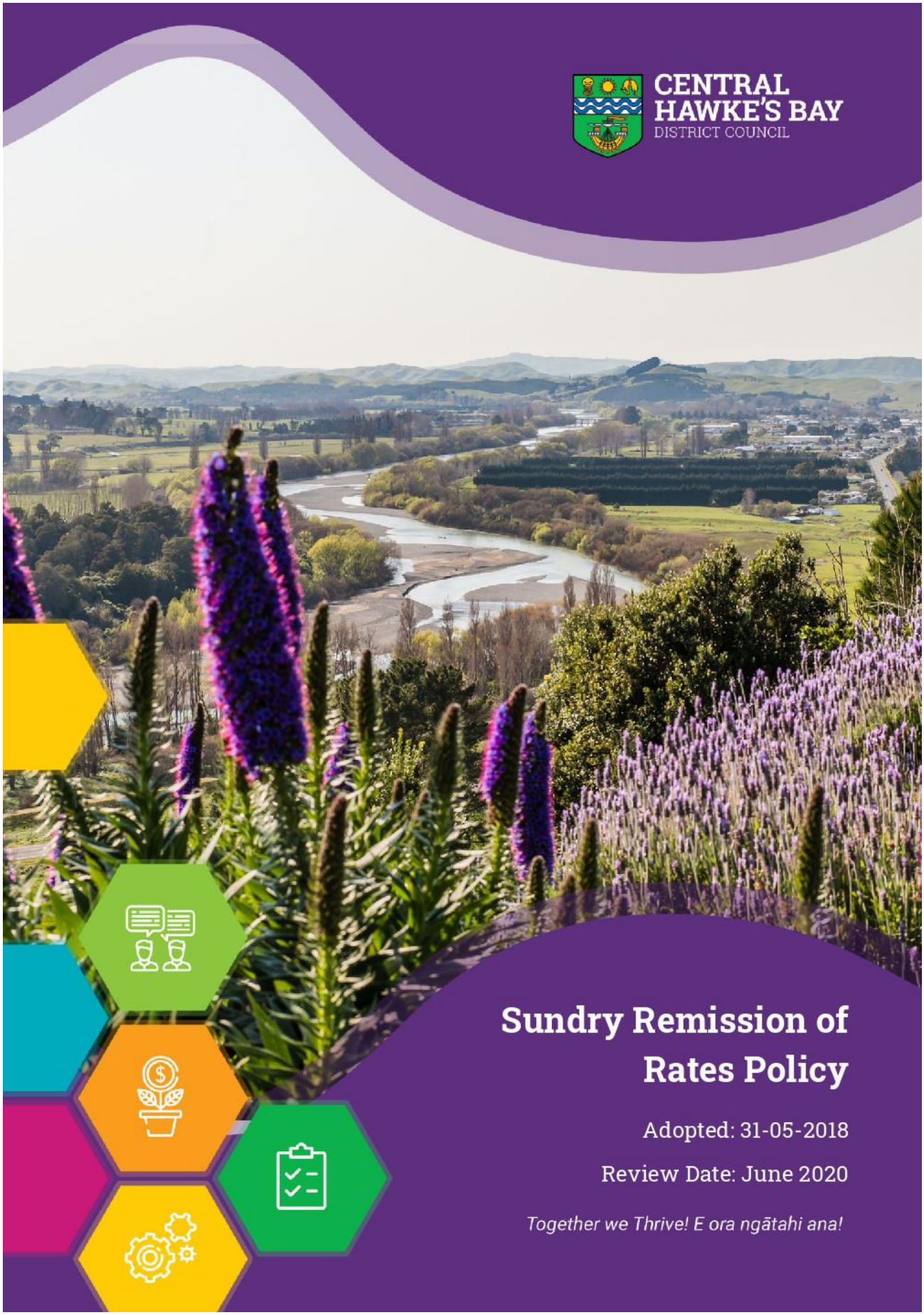
Remission of Rates for QEII Trust and Land for Natural, Historic or Cultural Conservation Policy

Objective of the Policy

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land. To preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural conservation.

Conditions and Criteria

1. The extent of the rates remission if approved is to be 100%.
2. Applications are to be received in writing requesting rates relief be given to areas protected by the registration of a QEII Open Space Covenant or a covenant that gives the same effect.
3. Pest eradication shall be primarily the responsibility of the owner.
4. No portion of the covenanted area is to be developed or utilised in any way for commercial activity. This includes generating income for maintenance of the covenanted area.
5. Authority to consider applications is delegated to the Chief Financial Officer with right of appeal to the Chief Executive and Council.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Sundry Remission of Rates Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Sundry Remission of Rates Policy

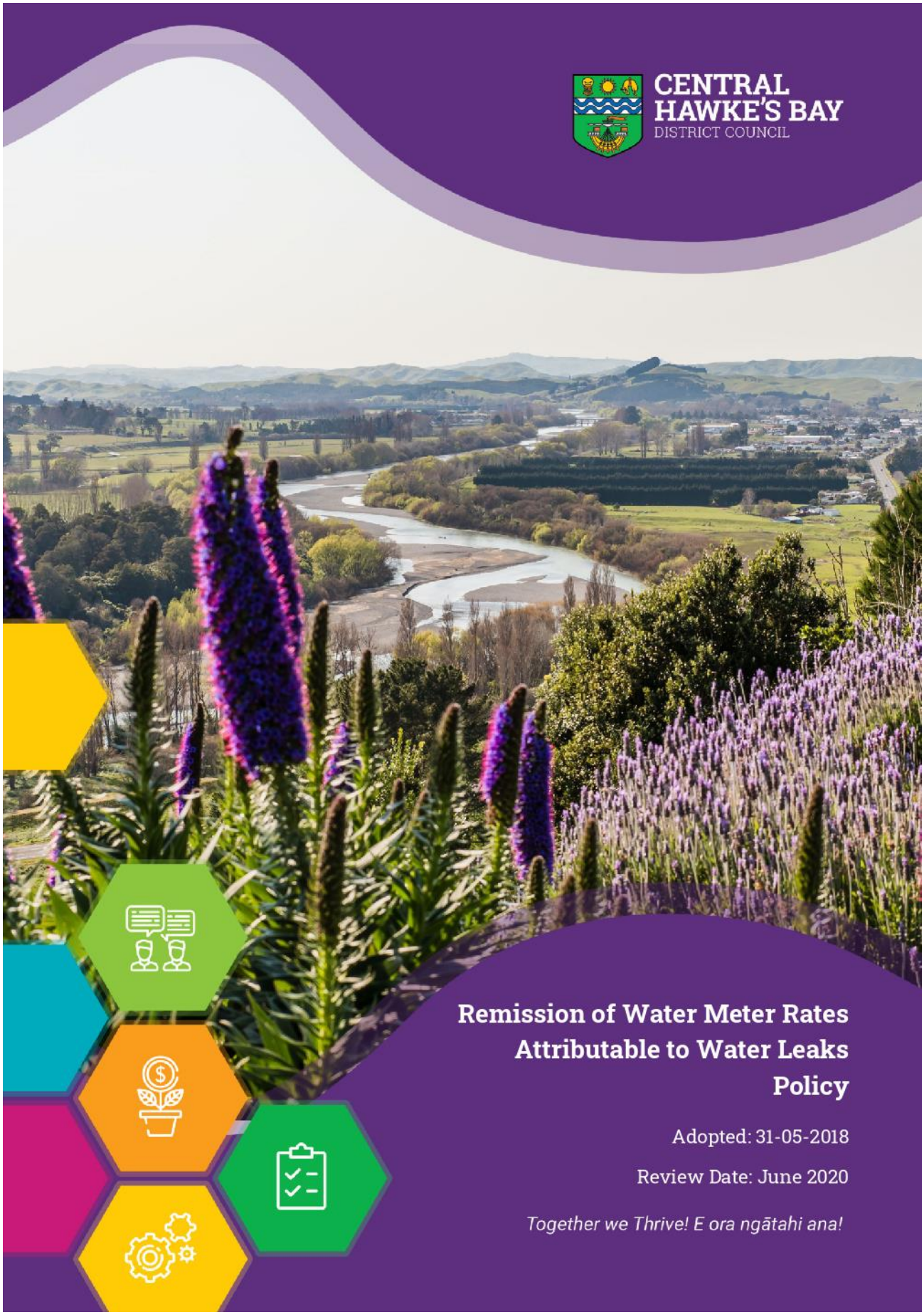
Objective of the Policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be covered pursuant to sections 67/76 of the Local Government (Rating) Act 2002; or where Council or its delegated officer(s) consider the levy impractical to recover.

To facilitate the use of Māori Freehold Land (and therefore the collection of rates), by removing the burden on the potential lessee of existing arrears.

Conditions and Criteria

Council or its delegated officer(s) shall determine the extent of any remission based on the merits of each situation. Decisions on the extent of remissions shall be as determined by the Chief Financial Officer through the Chief Executive, as meeting the relevant criteria.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Remission of Water Meter Rates Attributable to Water Leaks Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Remission of Water Meter Rates Attributable to Water Leaks Policy

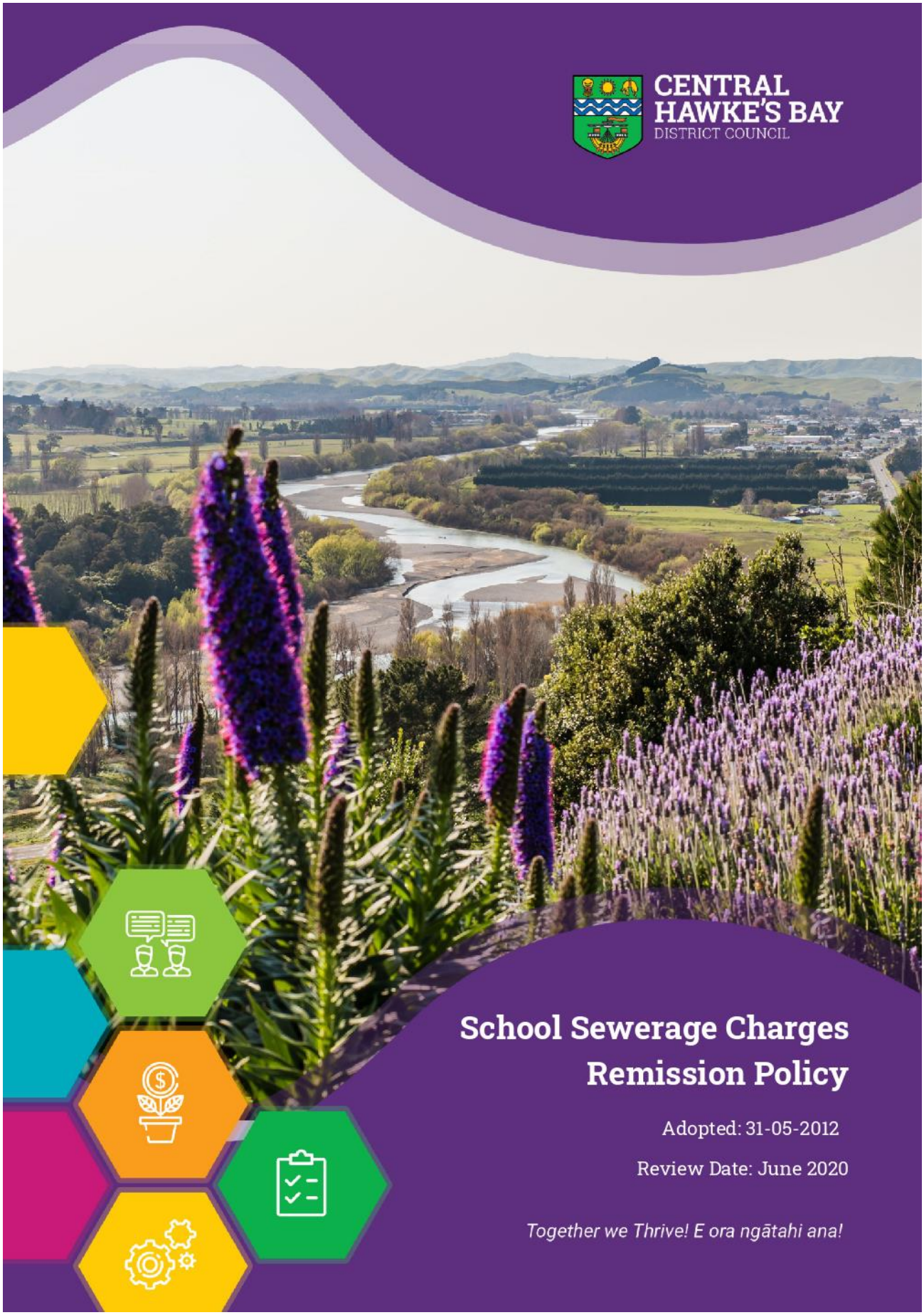
Objective of the Policy

To provide relief to people in situations where water usage is high due to a water leak.

Conditions and Criteria

Council may remit water meter rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.
- The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.
- Remission is limited to the period where the leak was identified and fixed and the last invoice. Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Chief Financial Officer.
- Any remission over 4,000 cubic metres of water is to be referred to the relevant Council Committee for decision.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
School Sewerage Charges
Remission Policy
Adopted: 31-05-2012
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

School Sewerage Charges Remission Policy

Objective of the Policy

To ensure that schools are not disproportionately charged for sewerage services based on the number of connections. Charges will be based on the school's staff and student numbers.

Conditions and Criteria

The policy will apply to the following educational establishments:

- Established as a special school under Section 98(1) of the Education Act 1964; or
- A state school under Section 2 (1) of the Education Act 1989; or
- An integrated school under Section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
- A special institution under Section 92 (1) of the Education Act 1989; or
- An early childhood centre under Section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.

The policy does not apply to school houses occupied by a caretaker, principal or staff.

1. An amount levied using the same mechanism as are applying to other separately rateable rating units within the District and reduced in accordance with the following formula:-

   (a) Divided by the number of toilets as determined in accordance with condition 3 below (the full charge); and reduced in accordance with the following graduated formula:
      i. The full charge for each of the first 4 toilets or part thereof:
      ii. 75% of the full charge for each of the next 6 toilets or part thereof;
      iii. 50% of the full charge for each toilet after the first 10.

   (b) For the purpose of 1 (a) above the number of toilets for a rating unit used for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof, irrespective of the actual number of toilets contained in the qualifying part of the rating unit.

   (c) The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.

   (d) The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relate.

2. Calculation of Council's standard sewerage charge (based on the number of water closets/urinals).

3. Calculation of the number of full time equivalent on-site students and staff divided by 20 and multiplied by the applicable waste water targeted rates.

4. The amount to be remitted is the difference between the amount calculated under 1 and the amount that would have applied, had the rating unit not been used by an educational institution.

5. That the ~~Finance Manager~~ Chief Financial Officer be delegated authority to approve remission of the sewage charges in excess of the charges payable according to the policy.

EXAMPLE

Green Intermediate School is situated in Moa District Council. Moa collects its rates by way of a pan charge of $100 per pan. At 1 March 2011, Green Intermediate has 500 students, 30 staff and 28 toilet pans. How much will it pay in sewage disposal rates?

Answer: Green School would be levied $1762.93.

The total charge in this case would be $100x28 pans = $2800. Local Government New Zealand has a legal opinion which holds that the actual number of pans should be used for this part of the calculation.

The number of rateable pans is 530/20 = 26.5 pans which gets rounded to 27 pans for the purposes of reducing the rates.

Council calculates that the full charge on each toilet would be $2800/27 = $103.70 per pan.

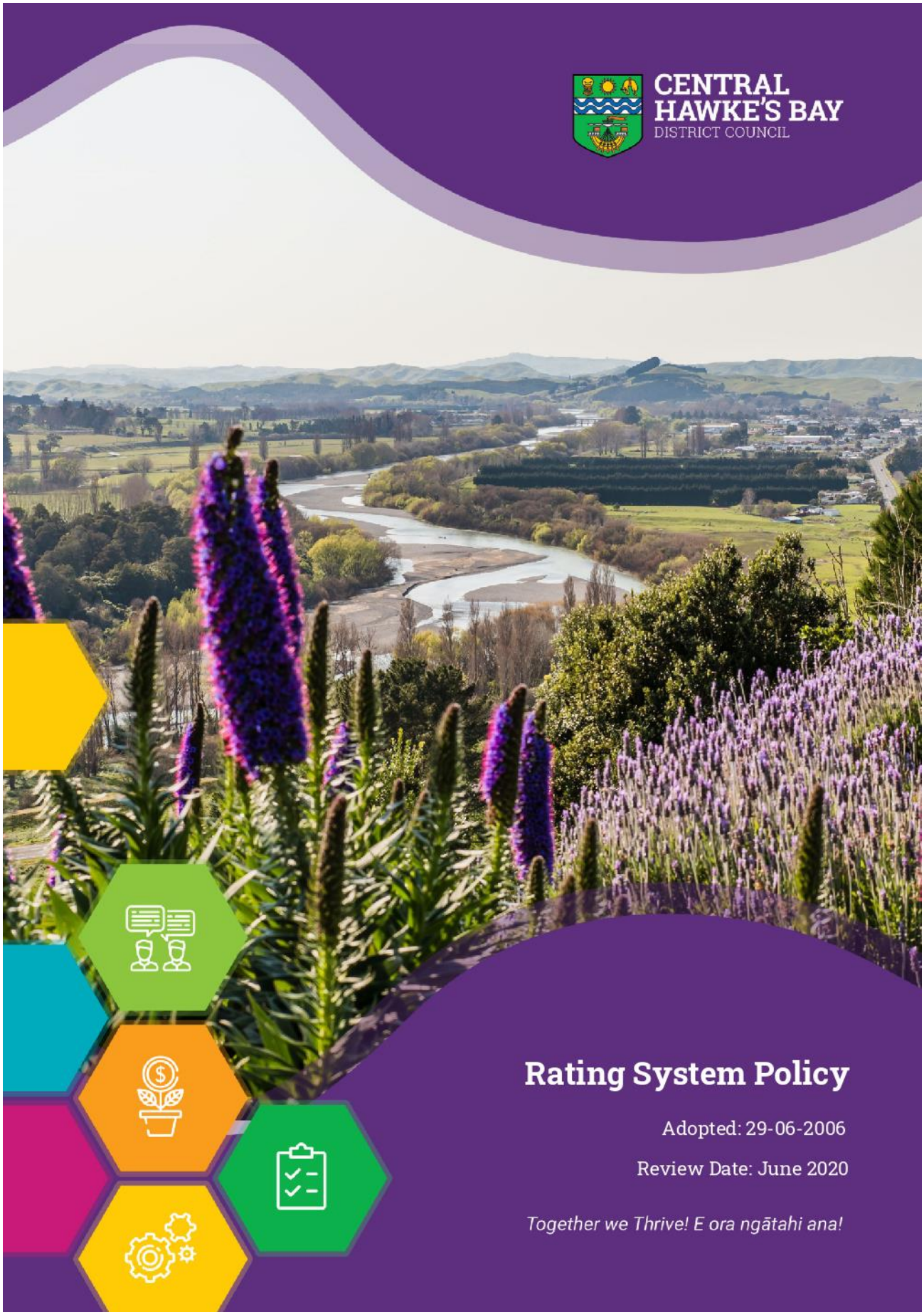
The total charge is then calculated with reference to the scale e.g.

4 pans at the full charge ($103.70*4 = $414.80)

6 pans at 75 percent of the full charge ($77.78*6 = $466.68)

17 pans at 50 percent of the full charge ($51.85* 17 = $881.45).

Total = (414.8+466.68+881.45) = $1762.93


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Rating System Policy
Adopted: 29-06-2006
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

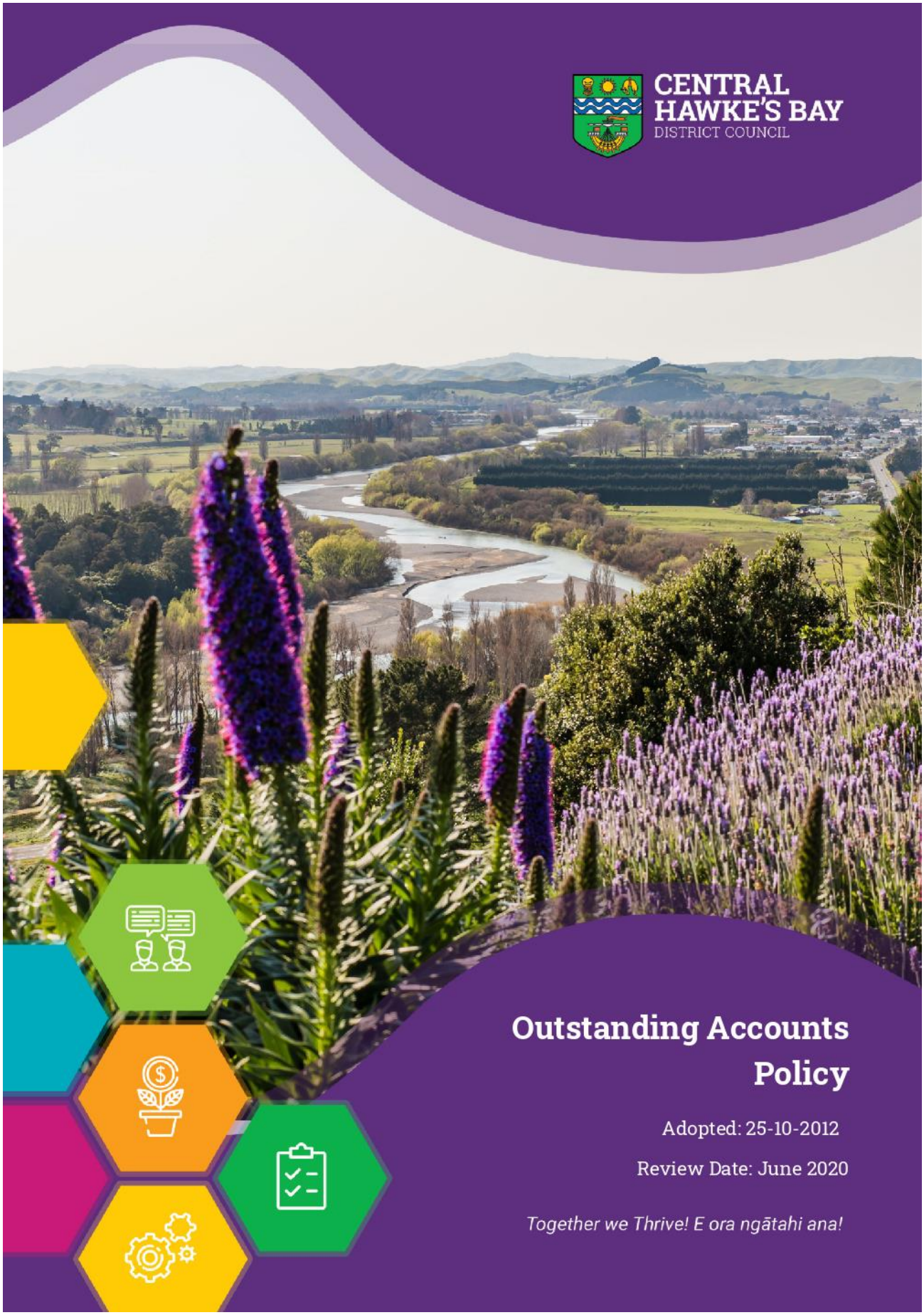
Rating System Policy

Council will operate a rating system which endeavours to meet three requirements:

a) The rates systems should be equitable to share the rate burden across the district.

b) Be clear and easily understood so that ratepayers can determine the amount of rates charged for the provision of various benefits and services.

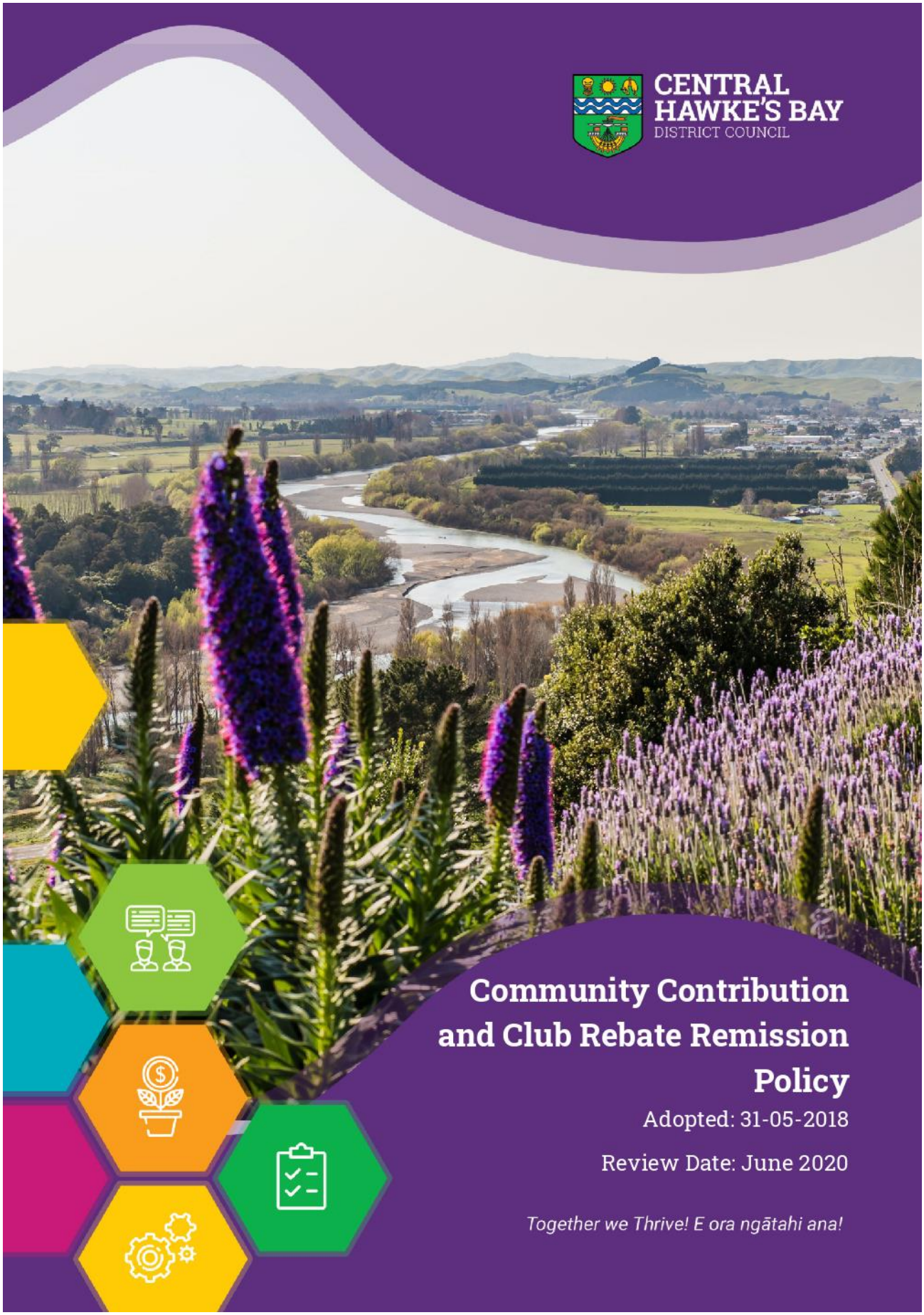
c) The rates collected should reflect a benefit to the District ratepayers and it should reflect the true cost of providing those benefits.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Outstanding Accounts Policy
Adopted: 25-10-2012
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Outstanding Accounts Policy

Objective

1. To collect all rates, penalties on rates, outstanding rates and fees in a timely and efficient manner.
2. That the ~~Finance Manager~~ Chief Financial Officer be delegated full powers of the Local Government (Rating) Act 2002 to collect outstanding rates of Central Hawke's Bay District Council.
3. That the ~~Finance Manager~~ Chief Financial Officer be authorised to enter into arrangements with Rate Debtors and providing such arrangements are satisfactorily maintained, no legal action be initiated.
4. That in all cases where legal action brings Council to the point of Rating Sales all such instances shall be referred to Council for authorisation.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Community Contribution and Club Rebate Remission Policy
Adopted: 31-05-2018
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Community Contribution and Club Rebate Remission Policy

Objective of the Policy

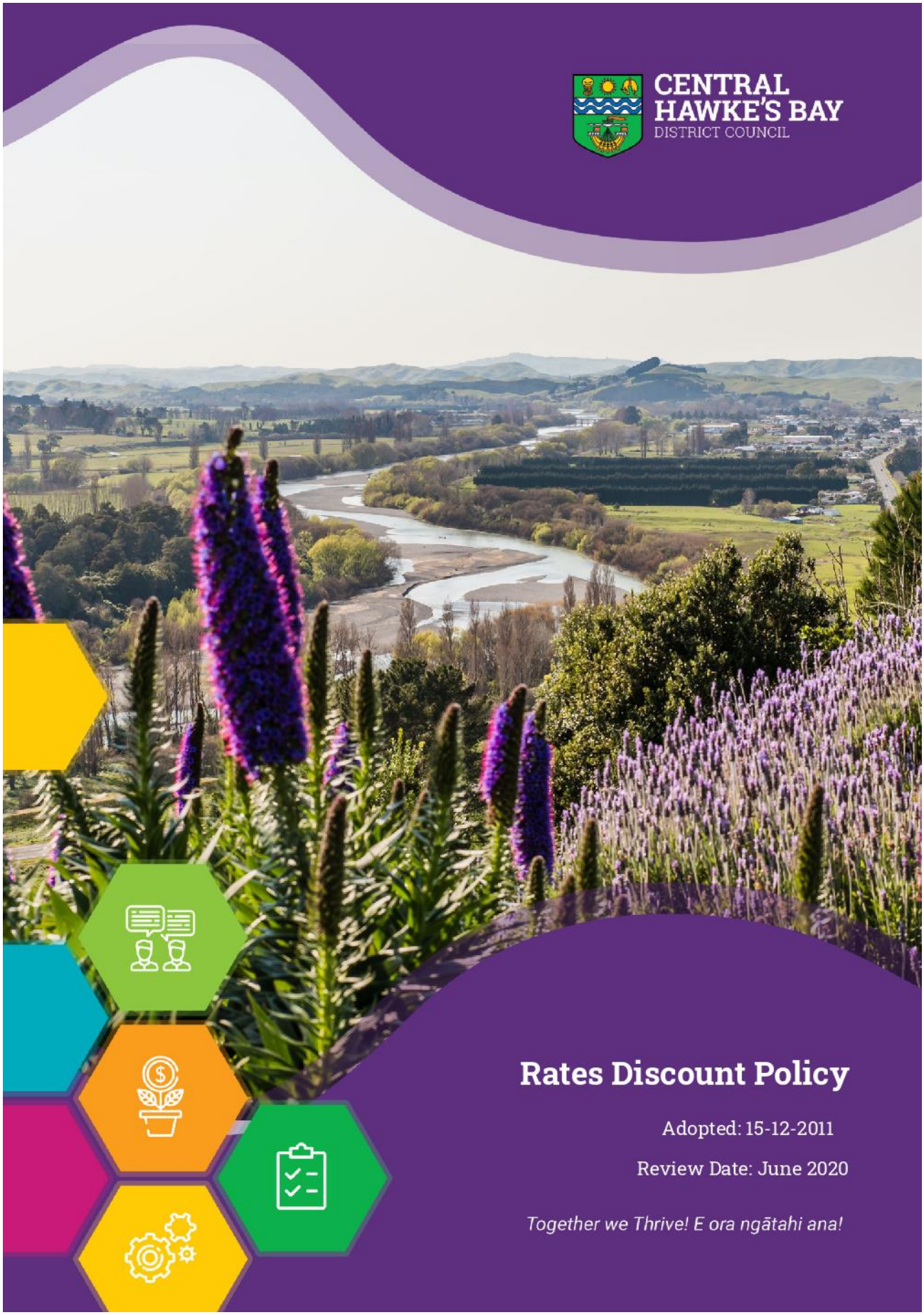
To assist clubs who provide their own facilities and enable them to facilitate the ongoing provision of non-commercial community services and recreational opportunities to the District.

Conditions and Criteria

Council may remit 50% of the general rates where the application meets the following criteria:

1. Where land is owned by Council or owned and occupied by a society or association of persons, and the land is used exclusively or principally:
   (a) As a showground or place of meeting which is incorporated under the Agricultural and Pastoral Societies Act 1908; or
   (b) For games or sports, except galloping, harness or greyhound races; or
   (c) For the purposes of non-commercial community services and recreational opportunities
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to organisations that engage in the above mentioned sporting or community services, as a secondary purpose only.
4. The policy shall apply to such organisations as approved by the Group Manager – Corporate Support and Services and the Chief Executive, as meeting the relevant criteria.
5. The extent of any remission to any qualifying organisation shall be as determined by the Chief Financial Officer and the Chief Executive.
6. No remission will be granted in respect of those rates referred to in Section 16 of the Local Government (Rating) Act 2002 (e.g. targeted rates for water supply, sewage disposal or waste collection).
7. Organisations making an application should include the following documents in support of their application:
   - Statement of objectives.
   - Full financial accounts.
   - Information on activities and programmes.
   - Details of membership or clients.

The Community Contribution and Club Rebate Remission Policy will be reviewed every 3 years as part of the triennial Long Term Plan Process.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Rates Discount Policy
Adopted: 15-12-2011
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Rates Discount Policy

Introduction

Under Section 55 of the Local Government (Rating) Act 2002, a discount policy may be adopted for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current year. This discount policy must be adopted using the special consultative process and may be included in the annual plan. The policy is based on existing practice. The discount policy assumes that there is only a single discount rate.

Objective

To provide a consistent and fair basis for the application of discount for the early payment of rates in the current financial year.

Conditions and Criteria

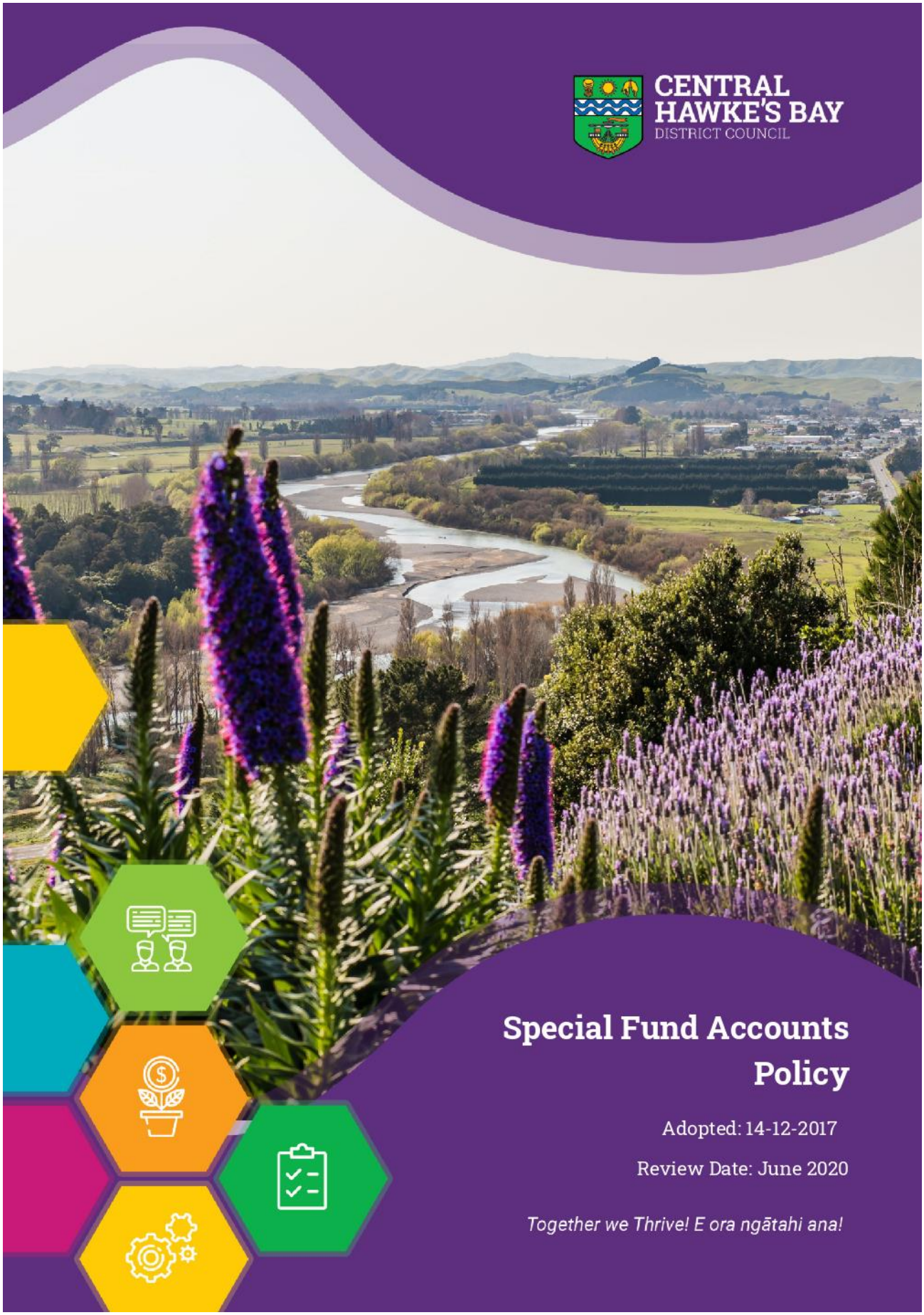
Ratepayers will qualify for the discount if all due rates are paid in full, together with any outstanding prior years' rates and penalties, on the due date for payment of the first instalment in the current year (in accordance with Section 55 of the Local Government (Rating) Act 2002).

The amount of the discount will be 2% of the annual rates.

The discount rate may be reviewed annually as required, taking into consideration current borrowing interest rates and will be calculated to be fiscally neutral.

Payment Plans

1. Those ratepayers who agree to pay all current rates plus arrears by the end of the subsequent rating year will have all additional charges struck within that period, waived by Council.
2. All rates receipts will be credited against each ratepayers account in the following order:
    i. Court Costs
    ii. Additional charges
    iii. Previous rate arrears – oldest first
    iv. Current rate arrears
    v. Current instalment
3. A discount set at the June Council meeting each year be allowed where all rates are paid in full before the penalty date for the first instalment.


CENTRAL
HAWKE'S BAY
DISTRICT COUNCIL
Special Fund Accounts Policy
Adopted: 14-12-2017
Review Date: June 2020
Together we Thrive! E ora ngātahi ana!

Special Fund Accounts Policy

That Council operate Special Fund Accounts in terms of this Policy.

All Special Fund Accounts shall be pooled for the purpose of accounting and investment.

That investments made from the Special Fund Account Pool be made in accordance with Council's Investment Policy.

That at no time will any Special Fund Account be taken into a debit balance position.

That interest payments, capital gains or losses be credited/charged on a pro-rata basis to all Special Fund Accounts within the pool.

Unless otherwise stated, only the interest earned on each fund shall be available to be spent thereby preserving the individual fund amounts.

Description of Purposes Statement

Special Funds are those funds, or reserves, which Council has established by resolution, the terms of which restricts the use of the funds. Each fund has been set up as a separate account to maintain a degree of independence from Council's general funds. All funds are invested as part of a larger pool of funds and are not available for any other purpose.

Election and By-Election Funding Reserve

To provide for the smoothing of election expenses by the annual transfer of funds to the account.

Mayor's Fund

To provide for payments to worthy individuals or groups at the sole discretion of the Mayor.

Income for this fund comes from public donations, and if required, an allocation of interest from Special Fund Investments.

The balance of the Fund will be maintained at a minimum of $5,000 as at each 30th June.

The Mayor will report to Council on a 6 monthly basis on expenditure from this Fund.

Rural Fires Reserve

~~To provide funds for the non-recoverable costs incurred by Council in fighting rural fires.~~

~~The value of the fund should be preserved by transfers from the Fire Control Account so that a level of $25,000 is maintained and annually adjusted for inflation using the cost of construction index.~~

This original purpose of this fund which was to provide funds for the non-recoverable costs incurred by Council in fighting rural fires. This need has now been assumed by FENZ (Fire and Emergency New Zealand).

The residual funds will be available for Civil Defence costs and support of rural projects until exhausted.

Esplanade Reserve Fund

To provide immediate finance to; purchase land, pay legal costs, pay survey costs or pay acquisition costs associated with the purchase or access to Esplanade Reserve land as and when it becomes available.

Withdrawals from this fund will only be made when the purchase or access to Esplanade Reserve land has been approved by Council.

Te Aute Drain Channel Clearing Reserve

To provide funds for the programmed clearing of channels and major maintenance of the system. Funds may be provided annually from the Te Aute Drainage Rate for the maintenance of this account.

Retirement Housing Depreciation Reserve Account

To provide for extensions, major upgrading, major maintenance or capital purchases whenever such is necessary in the provision of Retirement Housing or other social housing facilities within the district. Funds will be provided annually from the Retirement Housing rentals for the maintenance of this account.

The fund may also be used at the discretion of Council for any reviews undertaken of Retirement Housing and consideration of future options with regards to social housing generally in Central Hawke's Bay.

Adverse Events Contingency

To provide funds to assist with the repairs to or to replace damaged Council assets in the event of an unforeseen, major, short duration, natural event. Adverse events include those that would not normally be covered by operational expenditure and those not covered by insurance. Each adverse event will be assessed on a case by case basis. In the case of an adverse roading event the New Zealand Transport Agency definition of an emergency will be used.

The value of the fund should be preserved by transfers from the appropriate operational rate so that a level of $500,000 is maintained and annually adjusted for inflation using the cost of construction index.

Catastrophic Events Fund

To provide funds for the financial protection of the district in the event of an unforeseen catastrophic natural event.

This event would be such that substantial damage occurred to the vital infrastructure of the district.

Each catastrophic event will be assessed on a case by case basis.

There are three ways these funds may be used.

1. The capital sum used to repair damage to infrastructure assets.
2. The sum used to provide the "first cover" of an insurance policy for the district's infrastructural assets.
3. The sum used as part or all of Council's contribution to a proposed co-operative national emergency fund.

The value of this fund should be preserved by transfers from the appropriate operational rate so that a level of $2.0 million is maintained and annually adjusted for inflation using the cost of construction index.

~~INFRASTRUCTURE PROTECTION RESERVE~~

~~To provide funds for the financial protection of the district in the event of an unforeseen catastrophic natural event on infrastructure assets.~~

~~The fund may be used to replace/repair damage to assets or infrastructure caused by a natural disaster/event.~~

Aramoana Ward Disbursement Fund

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Aramoana Ward.

Ruahine Ward Halls Maintenance Reserve

To provide funds for the larger maintenance items of the Ward Halls in the Ruahine Ward to enable them to operate without large fluctuations in rate requirements due to major maintenance.

Ruahine Ward Disbursement Reserve Account

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Ruahine Ward.

Ruataniwha Ward Disbursement Reserve Account

To provide funds for the provision or maintenance of recreational, cultural or infrastructural assets within the Ruataniwha Ward.

Capital Projects Fund

To provide funds for the purchase or construction of recreational, cultural or infrastructural assets anywhere in the district.

The funds will be used to provide substantial assistance for the provision of new facilities.

The net proceeds from the sale of Council owned Infrastructure, Land and Buildings, shall be credited to this Fund.

Waipawa Building Society Scholarship Trust Fund

A fund held in trust for the trustees of the scholarship to enable them to allocate grants to assist with further education for selected residents of Central Hawke's Bay district who are intending to attend, or are attending, a course of tertiary education.

Eric Tate Scholarship Trust Fund

A fund held in trust for the trustees of the scholarship to enable them to allocate grants to assist with further education for selected CHB College students who normally reside in the district served by the former Waipawa District High School.

5.8 QUARTERLY FINANCIAL RESULTS FOR QUARTER ENDED 31 MARCH 2020

File Number:

Author: **Brent Chamberlain, Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **1. Monthly Benchmark Report Mar-20 ⇩**

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PURPOSE

The purpose of this report is to update Councillors on the Council's Financial Position for the quarter ended 31 March 2020.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

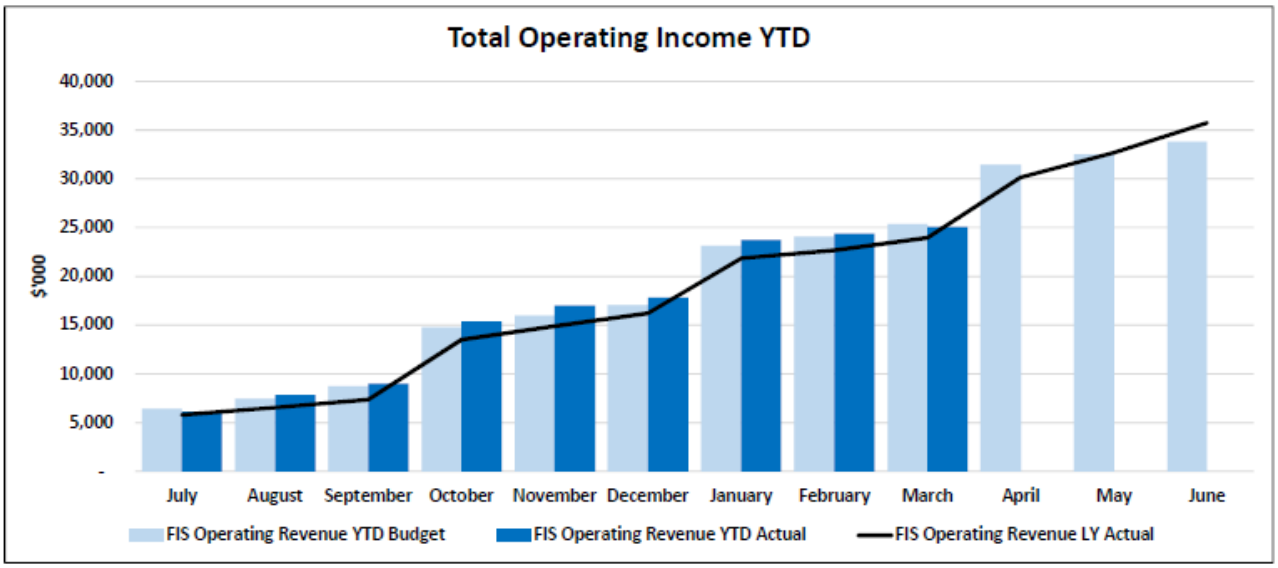
BACKGROUND

The purpose of this report is to update Councillors on the Council's Financial Position for the quarter ended 31 March 2020.

The report contains a Financial Overview for Whole of Council and the Groups of Activities, Treasury Activity and Rates Debt Information.

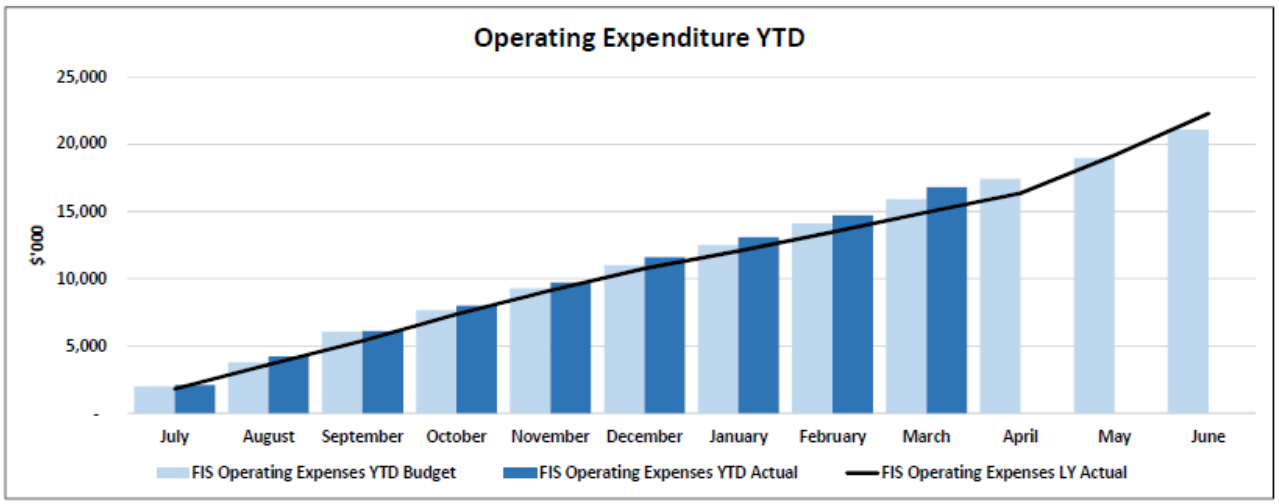
DISCUSSION

Council operating revenue is largely on track, although it is behind in NZTA subsidises, but this is being masked by higher fees and charges than expected due to the higher levels of activities across solid waste and consents.

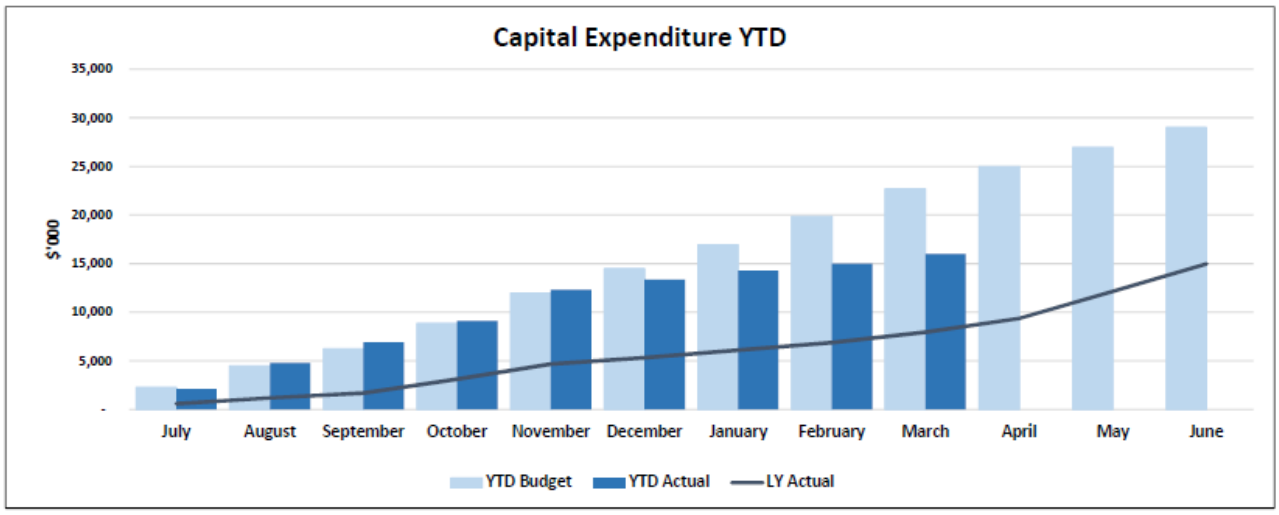


Operating expenditure is over budget, partly driven by additional outsourcing in consents and additional carbon credit being purchased in solid waste due to the volume of activity in these areas,

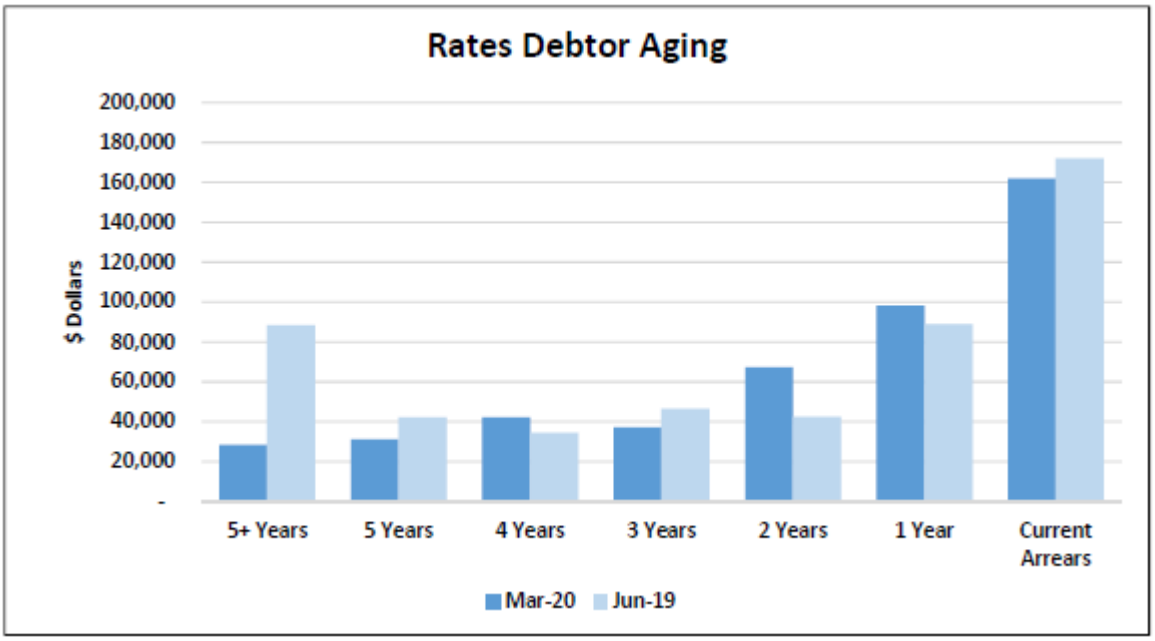
and partly due to maintenance contract over spends (these will be pulled back in quarter four), and partly due to budget phasing (again this will be fixed in quarter four).

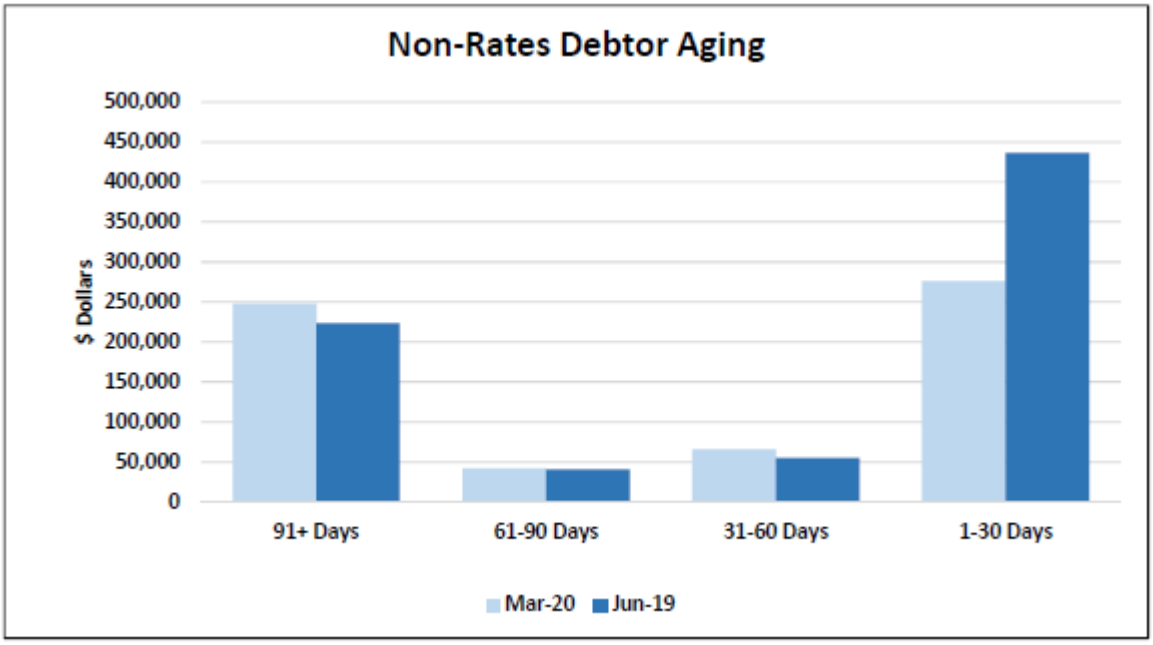


Capital expenditure has fallen behind budget. The 3 waters budgets are being delivered on budget, but the timing and order of the work has differed from that budgeted. Some roading work has been delayed (hence the shortfall in subsidies revenue above). The Bridge Strengthening engineering design work is complete, but the physical strengthening now won't happen till 2020/21. The reseal program has been delayed to match the 3 water pipe work and UFB roll out, so that we can achieve a dig once, seal once outcome.



Debtor aging is similar to prior years. The spike in Non-Rates debtors is quarterly water billings.





Council is currently holding $7m of term deposits that mature between April and November 2020, and are earning between 1.9% and 2.9%.

Council is also holding a further $3m on call.

Council currently has $20m of debt with the LGFA which matures between 2023 and 2027, and carries an average weighted interest rate of 2.28%.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

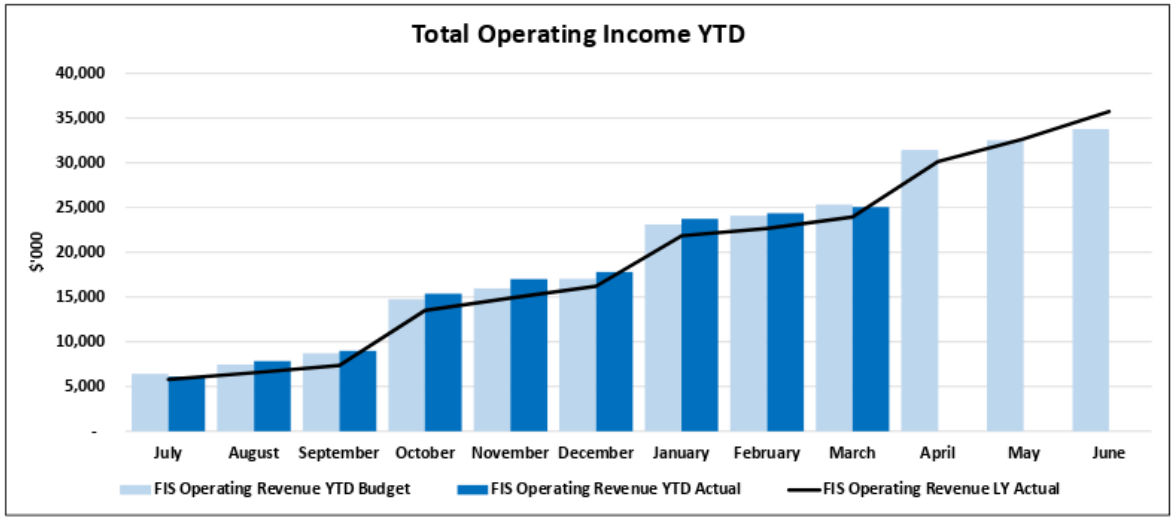
Officers will continue to work with contractors in Quarter Four of the financial year, to ensure that maintenance contract spends are pulled back to be in line with annual budgets.

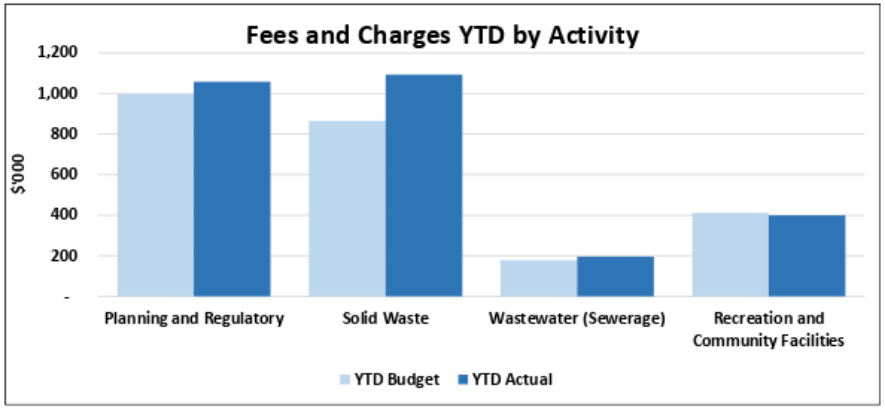
RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

Central Hawkes Bay District Council
For the Period July 2019 - March 2020

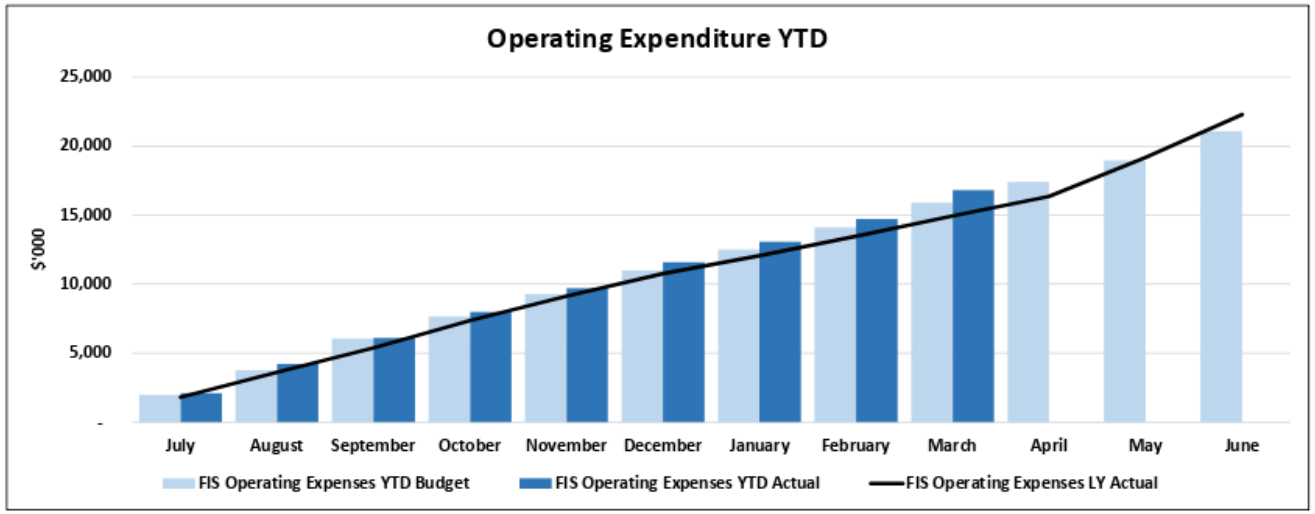
OPERATING INCOME





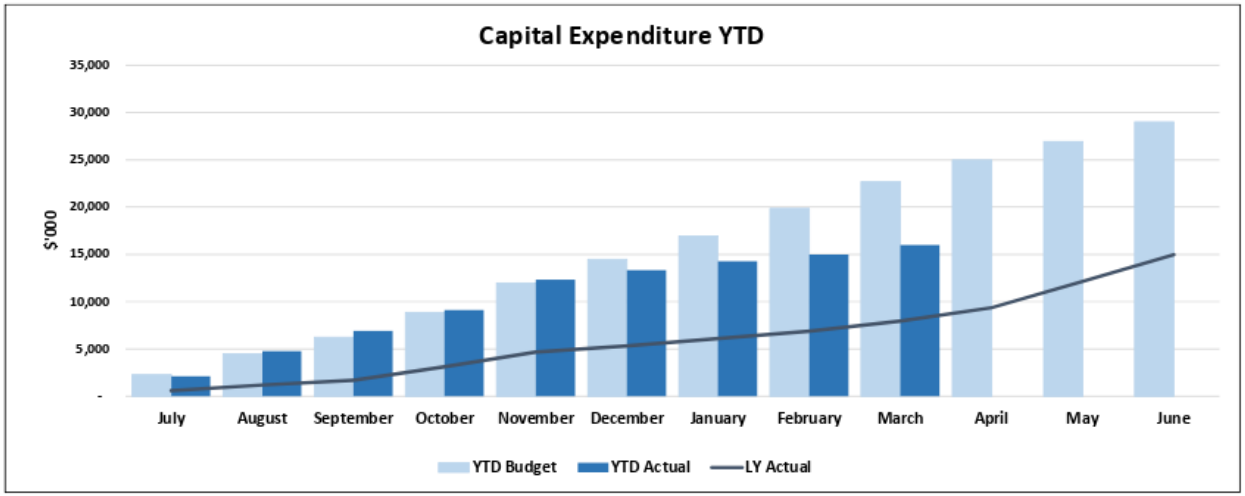
Central Hawkes Bay District Council
For the Period July 2019 - March 2020

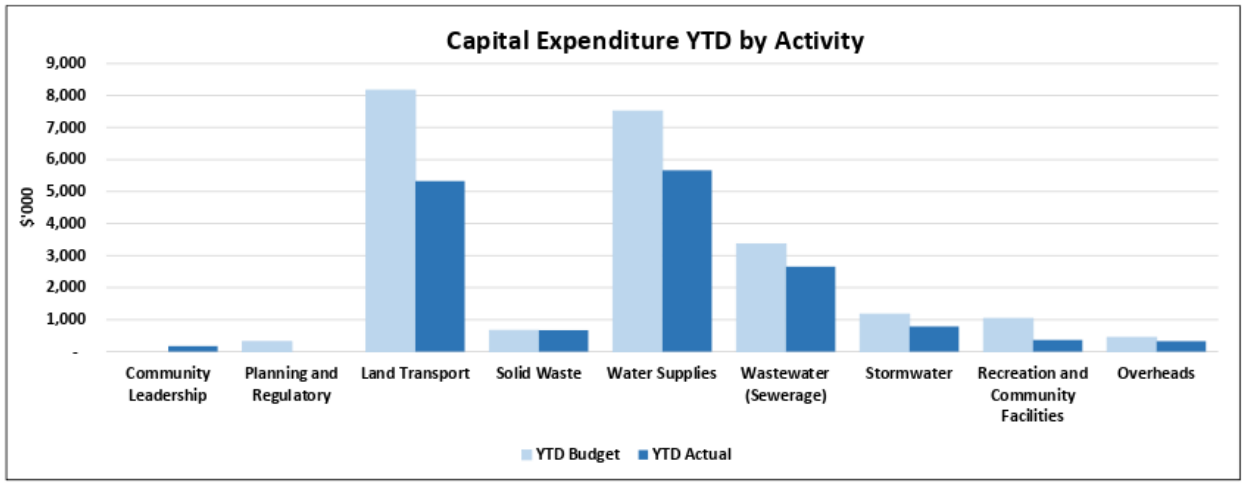
OPERATING EXPENDITURE



Central Hawkes Bay District Council
For the Period July 2019 - March 2020

Capital Expenditure

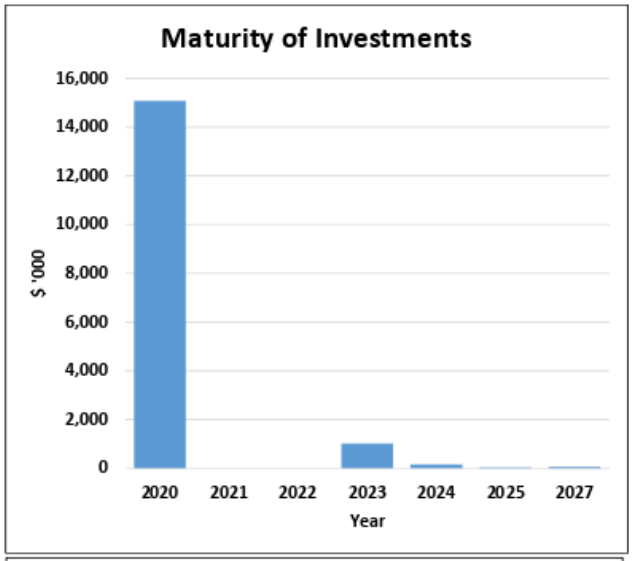


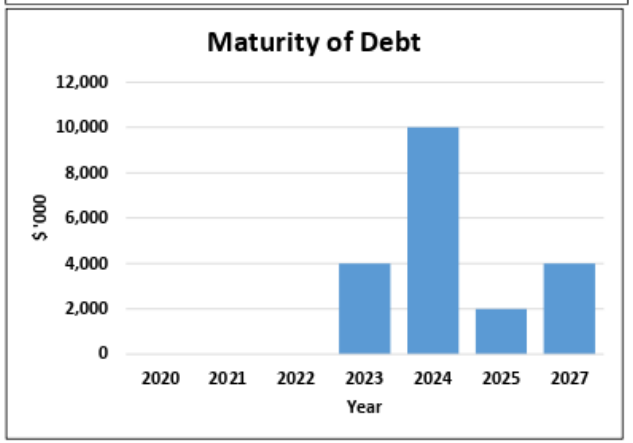


Central Hawkes Bay District Council
For the Period July 2019 - March 2020

Cash and Investment Position

	Maturity Date	Int Rate (Face)	Int Rate (Actual)	Amount 30/06/2019	Amount Now	Movement
ANZ Cheque and Call Accounts				1,531,160	3,076,896	1,545,736
Term Deposits with maturity < 90 days						
ANZ	21/11/2019	3.95%	3.95%	530,280	-	(530,280)
ANZ	19/07/2019	2.20%	2.20%	1,500,000		(1,500,000)
ANZ	31/07/2019	3.00%	3.00%	1,000,000		(1,000,000)
ANZ	20/04/2020	2.15%	2.15%		2,000,000	2,000,000
BNZ	19/06/2020	1.90%	1.90%		1,000,000	1,000,000
BNZ	17/07/2020	2.92%	2.92%	-	4,000,000	4,000,000
				3,030,280	7,000,000	3,969,720
Bonds, Capital Notes, & Term Dposits with maturity > 90 days						
LGFA Capital Notes	25/08/2025	3.54%	3.54%	32,000	32,000	0
LGFA Capital Notes	15/04/2024	1.79%	1.79%	-	160,000	160,000
LGFA Capital Notes	15/04/2023	1.56%	1.56%	-	64,000	64,000
LGFA Capital Notes	15/04/2027	1.63%	1.63%		64,000	64,000
Westpac Bond	12/09/2019	5.61%	5.61%	496,000	-	(496,000)
ANZ Bond	1/09/2023	3.71%	3.71%	355,000	355,000	0
ASB Bond	7/09/2023	3.33%	3.33%	600,000	600,000	0
BNZ Term Deposit	19/10/2020	2.55%	2.55%	-	2,000,000	2,000,000
BNZ Term Deposit	19/11/2020	2.60%	2.60%	-	1,000,000	1,000,000
ANZ Term Deposit	18/09/2020	2.45%	2.45%		2,000,000	2,000,000
				1,483,000	6,275,000	4,792,000
Total Cash and Investments Held				6,044,440	16,351,896	10,307,456

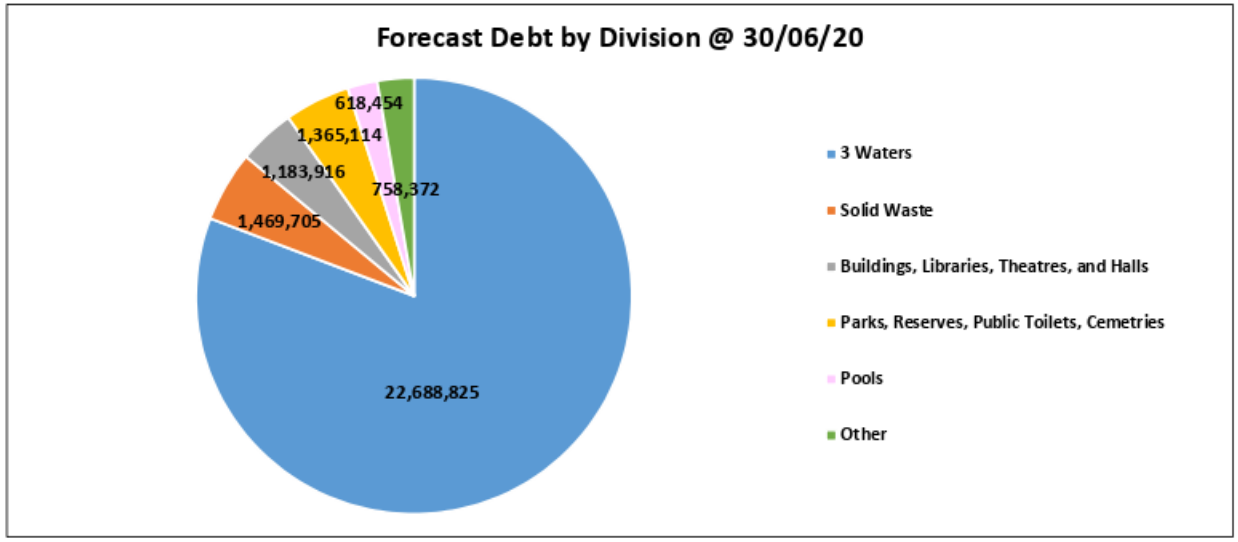




Debt Position

	Draw Date	Maturity Date	Interest Rate	Amount 30/06/2019	Amount Now	Movement
LGFA - Fixed Rate	28/08/2017	25/08/2025	3.85%	2,000,000	2,000,000	-
LGFA - Fixed Rate	22/07/2019	15/04/2024	2.19%	-	10,000,000	10,000,000
LGFA - Fixed Rate	16/12/2019	15/04/2023	1.96%	-	4,000,000	4,000,000
LGFA - Fixed Rate	16/03/2020	15/04/2027	2.03%		4,000,000	4,000,000
ANZ Seasonal Facility ($1,500,000)				-	-	-
Total Debt			1.48%	2,000,000	20,000,000	18,000,000

Central Hawkes Bay District Council
For the Period July 2019 - March 2020

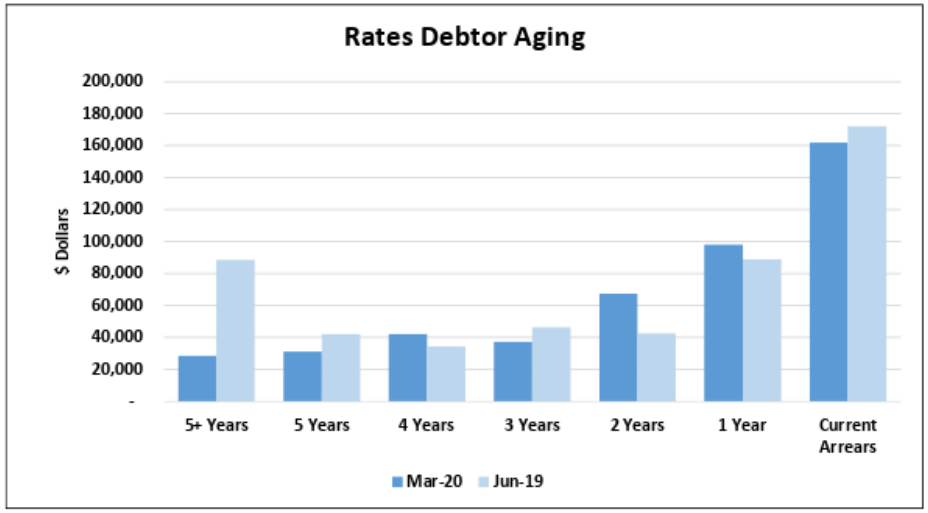


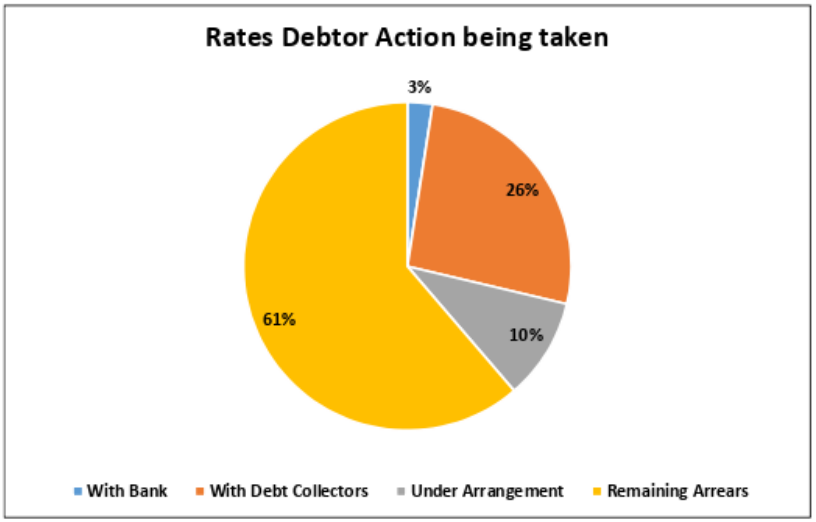
Treasury Compliance with Policy

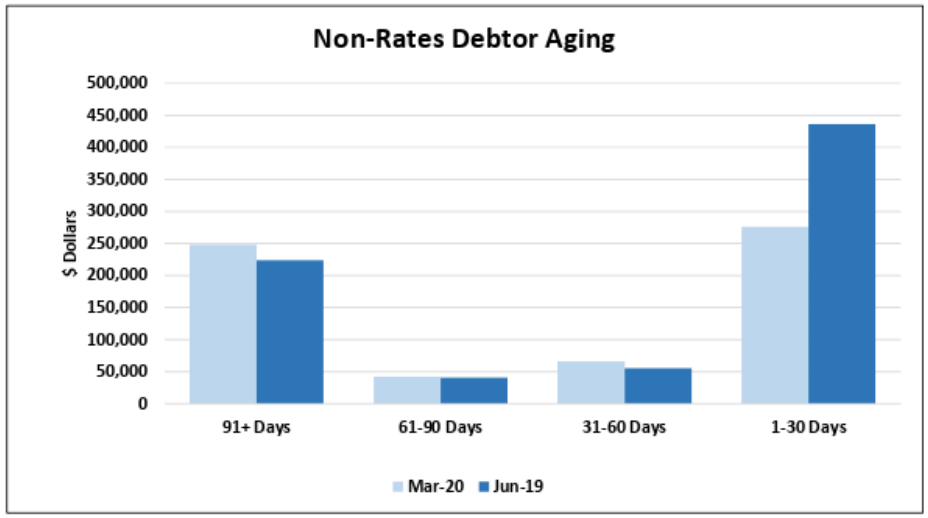
	Limit	Actual
Liquidity (Liquid Assets + Debt / Debt)		
✓	>110%	123%
Finance Costs / Total Revenue		
✓	<10%	1.5%
Finance Costs / Total Rates Revenue		
✓	<20%	2.5%
Debt per Head of Population		
✓	<$2,000	$ 1,405

Central Hawkes Bay District Council
For the Period July 2019 - March 2020
Sources of Capital

Rates Outstanding







Central Hawkes Bay District Council
For the Period July 2019 - March 2020
Month

Comprehensive Income and Expenditure Report

	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Operating Income					
General rates, uniform annual general charges and rates penalties	10,027,126	10,076,286	(49,160)	✗	General Rates are down on budget due to the write off of historical Maori Land Rates which were uncollectable. $186k of Maori Land Rates remains outstanding, down from $250k at 30 June 2019. The Rates Discount budget has been spread evenly throughout the year, whereas 95% of this discount gets applied in August. The current budget mismatch of $8k will correct by year end.
Targeted rates	5,460,955	5,441,817	19,138	!	Potable water rates are on budget, while wastewater is slightly ahead of budget.
Subsidies and Grants (Operating and Capital)	6,020,355	7,025,605	(1,005,250)	✗	Council is behind budget in NZTA claims by $1.2m. In terms of NZTA operational subsidies it is $125k ahead, but it is $1.33m behind in capital renewals. Much of this is timing related, for example the bridge strenthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money. Offseting this is a libarary bequest $90k, and $110k in economic development and tourism.
Fees, charges	2,807,684	2,513,825	293,859	✓	Consenting, Building Control, and landfill activity running ahead of budget - this reflects the buoyant economy and the higher volumes this is driving in these areas.
Interest and dividends from investments	132,887	104,868	28,019	✓	Interest Income is up, despite lower interest rates than forecast, due to the drawing of debt early and investing it.
Development Contributions	96,334	16,479	79,855	✓	Development Contributions are higher than budget due to the higher level of greenfield developments occurring in the region, particularly strong in Otane, Waipawa, and Waipukurau.
Other Income	498,225	172,089	326,136	✓	Consists of unbudgeted Pool Donations and a warranty claim.
TOTAL	**25,043,566**	**25,350,969**	**(307,403)**	✗	
Applications of Operating					
Payments to staff	4,042,037	4,002,696	(39,341)	✗	Council is incurring additional staff costs in the compliance area due to the additional volumes being experienced in the consenting are. This is being matched by additional income. Library staff costs are also over budget, but this is covered by additional revenue from MSD grants.
Payments to suppliers	12,550,609	11,471,418	(1,079,191)	✗	A number of areas are over budget: Planning and Regulatory is $74k over budget with much of this relating to the volumes being processes by our Land and Building Consenting Teams requiring additional outsourcing. This cost is matched by additional revenue. Land Transport is currently behind budget by $157k in their operational spend. Solid Waste is over budget by $360k, with $250k of this being the purchase of additional carbon credits to match the volumes going to our landfills. Again this matched by additional revenues. The operational costs of our 3 waters activity is over budget by $243k, however $147k of this is new connection work which can be recovered. The balance is additional leak work and compliance costs. 3 Waters is working with Veliloa to reprioritise work for the next 3 months to bring this back on budget. And lastly Recreation and Community Services is over budget by $325k. $268k is in the parks maintenance contract with the balance coming from Cemeteries and Public Toilets. This is partly due to the phasing of budgets (the budget which is back loaded into quarter 4), and partly due to the splitting of actual costs between operational maintenance and capital renewals. At the moment operational maintenance looks over spent, while renewals is underspent. We have moved some budget for April-June to reflect the coding of costs. There will be no impact to ratepayers by doing this as both are rate funded.
Depreciation and Amortisation	9,229,307	9,076,518	(152,789)	✗	Significant Revaluation of Assets upwards in June 2019 has impacted depreciation (higher asset values lead to higher depreciation charges) - this is a non cash accounting entry, but does reflect what it will cost in the future to replace these assets.
Finance costs	380,593	444,735	64,142	✓	Finance costs are lower than budget despite drawing debt early to invest due to lower interest rates than the budget allowed for.
TOTAL	**26,202,545**	**24,995,367**	**(1,207,178)**	✗	
Operating Surplus/(Deficit)	**(1,158,979)**	**355,602**	**(1,514,581)**	✗	

Central Hawkes Bay District Council
For the Period July 2019 - March 2020

Funding Impact Statement Report

Sources of Operating	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
General rates, uniform annual general charges and rates penalties	10,027,126	10,076,286	(49,160)	✗	General Rates are down on budget due to the write off of historical Maori Land Rates which were uncollectable. $186k of Maori Land Rates remains outstanding, down from $250k at 30 June 2019. The Rates Discount budget has been spread evenly throughout the year, whereas 95% of this discount gets applied in August. The current budget mismatch of $8k will correct by year end.
Targeted rates	5,460,955	5,441,817	19,138	!	Potable water rates are on budget, while wastewater is slightly ahead of budget.
Subsidies and Grants for Operating Purposes	2,837,539	2,509,807	327,732	✓	Council is ahead of NZTA operational claims by $125k. In addition to this is a libarary bequest $90k, and $110k in economic development and tourism.
Fees, charges	2,807,668	2,512,700	294,968	✓	Consenting, Building Control, and landfill activity running ahead of budget - this reflects the buoyant economy and the higher volumes this is driving in these areas.
Interest and dividends from investments	132,887	104,868	28,019	✓	Interest Income is update, despite lower interest rates than forecast, due to the drawing of debt early and investing it.
Local authorities fuel tax, fines, infringement fees and other receipts	476,610	147,222	329,388	✓	Consists of unbudgeted Pool Donations and a warranty claim.
TOTAL	21,742,784	20,792,700	950,084	!	
Applications of Operating					
Payments to staff	4,042,037	4,002,696	(39,341)	✗	Council is incurring additional staff costs in the compliance area due to the additional volumes being experienced in the consenting are. This is being matched by additional income. Library staff costs are also over budget, but this is covered by additional revenue from MSD grants.
Payments to suppliers	12,380,827	11,498,931	(881,896)	✗	A number of areas are over budget: Planning and Regulatory is $74k over budget with much of this relating to the volumes being processes by our Land and Building Consenting Teams requiring additional outsourcing. This cost is matched by additional revenue. Land Transport is currently behind budget by $157k in their operational spend. Solid Waste is over budget by $360k, with $250k of this being the purchase of additional carbon credits to match the volumes going to our landfills. Again this matched by additional revenues. The operational costs of our 3 waters activity is over budget by $243k, however $147k of this is new connection work which can be recovered. The balance is additional leak work and compliance costs. 3 Waters is working with Veliba to reprioritise work for the next 3 months to bring this back on budget. And lastly Recreation and Community Services is over budget by $325k. $268k is in the parks maintenance contract with the balance coming from Cemeteries and Public Toilets. This is partly due to the phasing of budgets (the budget which is back loaded into quarter 4), and partly due to the splitting of actual costs between operational maintenance and capital renewals. At the moment operational maintenance looks over spent, while renewals is underspent. We have moved some budget for April-June to reflect the coding of costs. There will be no impact to ratepayers by doing this as both are rate funded.
Finance costs	380,593	426,474	45,881	✓	Finance costs are lower than budget despite drawing debt early to invest due to lower interest rates than the budget allowed for.
Other operating funding applications	5,217	(27,513)	(32,730)	✓	Overhead Allocations - there is a timing issue with the budget phasing. The budget comes back to zero by year end.
TOTAL	16,808,674	15,900,588	(908,086)	✗	
Net Operating Cash Flows	4,934,111	4,892,112	41,999		

Central Hawkes Bay District Council
For the Period July 2019 - March 2020

Funding Impact Statement Report Continued

Sources of Capital	YTD Actuals	YTD Budget	Bud Var	FLAG	Comments
Subsidies and grants for capital expenditure	3,182,815	4,515,798	(1,332,983)	✗	Land Transport is showing a shortfall of capital subsidy of $1.316m. Much of this is timing related, for example the bridge strenthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money.
Gross proceeds from sale of assets	18,811	25,992	(7,181)	✗	This figure was derived from vehicle sales as part of the on going vehicle replacement program.
Development and financial contributions	96,334	16,479	79,855	✓	Development Contributions are higher than budget due to the higher level of greenfield developments occurring in the region, particularly strong in Otane, Waipawa, and Waipukurau.
Increase (decrease) in debt	18,000,000	9,157,266	8,842,734	✓	At present Council is undertaking a significant capital program which means it is spending more than its annual rates income. This program is creating a multigenerational assets and is being matched with multigenerational loans. The decision has been made to draw some of these loans early and invest these funds until they are needed. With the unusal financial conditions at present, Council is able to invest funds at a return level that is greater than the cost of debt the funding.
TOTAL	21,297,961	13,715,535	7,582,426		
Applications of Capital					
to meet additional demand	0	0	0		
to improve the level of service	10,199,993	12,775,472	2,575,479	✓	A number of capital projects are out of sync with the budgeted timelines. The 3 Waters projects are on track to be delivered on budget, but are being done in a slightly different order and different timing to that signalled in the original LTP. The dog pound project has been delayed due to difficulties securing an appropriate site. Land Transport has some coding and timing issues. Economic Development has undertaken $178k of capital projects (funded by grants) but unbudgeted.
to replace existing assets	5,787,778	9,906,479	4,118,701	✓	A number of capital projects are out of sync with the budgeted timelines. The 3 Waters projects are on track to be delivered on budget, but are being done in a slightly different order and different timing to that signalled in the original LTP. The bulk of this variance is in the land transport area. Much of this is timing related, for example the bridge strenthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money. At present Council is behind in building renewals, but some of this has been coded to operational maintenance and the budgets for April-June have been corrected to reflect this split..
Increase (decrease) in reserves	3,394,869	(3,442,472)	(6,837,341)	✓	Reserve accounts movements are balanced up annually, so this discrepancy will correct then.
Increase (decrease) of investments	6,849,431	(631,827)	(7,481,258)	✓	This is related to the loan comment above. The increase in investments (bonds/term deposits) reflects the loan money Council has drawn early and is being held in investments until it is needed to fund the capital program.
TOTAL	26,232,072	18,607,652	(7,624,420)		
Net Capital Cash Flows	(4,934,111)	(4,892,117)	(41,994)		
Grand Total	0	(5)	5		

Central Hawkes Bay District Council
For the Period July 2019 - March 2020

Funding Impact Statement Report by Activity

	Community Leadership		Planning and Regulatory		Land Transport		Solid Waste		3 Waters		Recreation and Community Facilities	
	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var	YTD Actuals	Bud Var
Sources of Operating												
General rates, uniform annual general charges and rates penalties	993,084	7,236	524,183	3,314	4,942,232	16,151	988,114	6,316	0	0	2,658,884	18,794
Targeted rates	0	0	0	0	0	0	222,728	2,083	5,238,227	17,075	0	0
Subsidies and Grants for Operating Purposes	338,573	247,588	0	0	2,334,240	125,738	36,675	(3,195)	0	0	128,051	(42,399)
Fees, charges	28,176	(16,644)	1,057,472	59,918	30,711	16,635	1,093,353	229,416	198,796	18,562	399,393	(12,686)
Interest and dividends from investments	0	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	11,280	(2,166)	128,438	7,037	0	0	185,000	185,000	151,876	140,626
TOTAL	**1,359,833**	**238,180**	**1,592,935**	**61,066**	**7,435,621**	**165,561**	**2,340,870**	**234,600**	**5,622,023**	**220,637**	**3,338,204**	**104,335**
Applications of Operating												
Payments to staff and suppliers	904,290	36,807	1,367,735	(122,405)	3,690,726	170,940	1,902,252	(350,001)	2,833,788	(257,059)	2,237,127	(365,041)
Finance costs	0	0	3,276	11,259	0	0	46,755	6,435	358,821	266,328	95,481	10,026
Other operating funding applications	225,776	(4,872)	391,044	(12,345)	1,082,300	(50,851)	319,120	(7,049)	950,096	(20,878)	619,987	(13,376)
TOTAL	**1,130,066**	**31,935**	**1,762,055**	**(123,491)**	**4,773,026**	**120,089**	**2,268,128**	**(350,616)**	**4,142,704**	**(11,608)**	**2,952,596**	**(368,392)**
Net Operating Cash Flows	**229,767**	**206,246**	**(169,120)**	**184,557**	**2,662,595**	**45,472**	**72,742**	**585,215**	**1,479,319**	**232,245**	**385,608**	**472,726**
Sources of Capital												
Subsidies and grants for capital expenditure	0	0	0	0	3,032,815	(1,316,748)	0	0	150,000	(16,235)	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	(103)	(2,353)	0	0	96,612	85,362	(175)	(3,154)
Increase (decrease) in debt	0	0	169,120	(340,955)	0	0	317,929	252,454	7,228,008	(1,919,817)	45,019	(207,413)
TOTAL	**0**	**0**	**169,120**	**(340,955)**	**3,032,712**	**(1,319,101)**	**317,929**	**252,454**	**7,474,620**	**(1,850,690)**	**44,844**	**(210,567)**
Applications of Capital												
to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	0
to improve the level of service	178,190	(178,190)	0	316,503	633,521	397,333	596,405	(46,541)	8,420,239	1,949,163	165,042	216,223
to replace existing assets	0	0	0	0	4,692,045	2,437,624	80,715	37,203	693,583	991,132	203,567	452,029
Increase (decrease) in reserves	51,577	(91,925)	0	86,877	369,742	(1,801,507)	(286,448)	(127,101)	(159,884)	(1,298,633)	61,844	(193,624)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**229,767**	**(270,115)**	**0**	**403,380**	**5,695,308**	**1,033,450**	**390,672**	**(136,439)**	**8,953,938**	**1,641,662**	**430,452**	**474,629**
Net Capital Cash Flows	**(229,767)**	**270,115**	**169,120**	**(744,335)**	**(2,662,595)**	**(2,352,551)**	**(72,742)**	**388,893**	**(1,479,319)**	**(3,492,352)**	**(385,608)**	**(685,195)**
Grand Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**5**

Activity Comments
Community Leadership: Council has received two unbudgeted grants - a tourism grant $150k and a $100k economic development grant. These have been spent in asset improvements.
Planning and Regulatory: Fees and Charges are ahead of budget due to the high level of consenting, however this has required additional resources (outsourcing) to process these consents. The dog pound project has been delayed $316k due to difficulties securing an appropriate site impacting both the capital spend and loan funding timing requirements.
Land Transport: Operationally Land Transport is slightly ahead of budget, however Council is well behind in its capital program $2.834m. The budget we are reporting against is the annual plan + carry forwards (work brought forward from 2018/19 as not completed). It looks like we finish 2019/2020 with a similar level of carry forwards as we started with.
Solid Waste: Landfill volumes are ahead of budget resulting in additional revenues and additional carbon credits being brought.
3 Waters: The operational costs of our 3 waters activity is over budget by $243k, however $147k of this is new connection work which can be recovered. The balance is additional leak work and compliance costs. 3 Waters is working with Velioa to reprioritise work for the next 3 months to bring this back on budget at a combined 3 Waters level, however individually expect drinking water to be over budget and wastewater and stormwater to be under. A number of capital projects are out of sync with the budgeted timelines. The 3 Waters projects are on track to be delivered on budget, but are being done in a slightly different order and different timing to that signalled in the original LTP.
Recreational and Community Facilities: Income is up due to pool donations, and a library bequest. Staff costs are ahead of budget in libraries, but is offset by a MSD grant. Payments to suppliers is over budget by $325k which is mainly in maintenance contracts across reserves, cemetries, and public toilets. This is partly due to the phasing of budgets (the budget which is back loaded into quarter 4), and partly due to the splitting of actual costs between operational maintenance and capital renewals. At the moment operational maintenance looks over spent, while renewals is underspent. We have moved some budget for April-June to reflect the coding of costs. There will be no impact to ratepayers by doing this as both are rate funded.

5.9 YEAR END FINANCIAL FORECAST 2019/2020

File Number:

Author: **Brent Chamberlain, Chief Financial Officer**

Authoriser: **Monique Davidson, Chief Executive**

Attachments: **Nil**

PURPOSE

The purpose of this report is to update Councillors on the outcome of the recent year end forecast undertaken by Officers.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

The Risk and Assurance Committee recently asked Officers to forecast Council's expected year end position, and the impact of recent drought and Covid-19 events.

Officers have built the forecasts in the attached tables using actuals for July 2019 to March 2020, and forecasts for April-June 2020 based on the best data they have to hand.

The true impact of Covid-19 won't fully be felt until the government wage subsidies cease, and the impact of the drought will be realised next spring when those farms that destocked won't have the breeding stock they normally carry.

DISCUSSION

The table below sets out the Council's forecast year end position (in a Funding Impact Statement format) compared to the original adopted budget, and the operating budget (which is the adopted budget plus unspent items agreed to be carried forward from last year).

FIS Level 3	Full Year Actuals 2018/19	Adopted Annual Plan Budget 2019/20	Operating Budget Total 2019/20	Forecast 2019/2020	Forecast Variance to Op Budget
Grand Total	**0**	**2**	**2**	**5**	**-1**
Sources of Operating	**-28,663,644**	**-26,986,818**	**-27,682,308**	**-29,622,779**	**-1,940,471**
General rates, uniform annual general charges and rates pe	-12,897,185	-13,435,029	-13,435,029	-13,376,774	58,255
Targeted rates	-6,933,195	-7,255,748	-7,255,748	-7,318,116	-62,368
Subsidies and Grants for Operating Purposes	-4,466,082	-2,744,263	-3,394,933	-4,696,417	-1,301,484
Fees, charges	-3,415,520	-3,215,654	-3,260,474	-3,599,280	-338,806
Interest and dividends from investments	-189,481	-139,835	-139,835	-95,082	44,753
Local authorities fuel tax,fines, infringement fees and other	-762,180	-196,289	-196,289	-537,110	-340,821
Applications of Operating	**22,291,193**	**19,881,481**	**21,288,581**	**22,165,805**	**877,224**
Payments to staff and suppliers	22,183,724	19,502,731	20,756,638	22,022,546	1,265,908
Employee Costs	5,146,771	5,288,904	5,321,904	5,415,684	93,780
Operational & Maintenance	15,620,096	12,690,453	13,859,238	14,989,214	1,129,976
Grants	488,893	532,039	584,161	522,654	-61,507
Uncontrollable	927,965	991,335	991,335	1,094,994	103,659
Finance costs	107,468	558,426	568,636	178,888	-389,748
Other operating funding applications	0	-179,676	-36,693	-35,629	1,064
OPERATING (SURPLUS)/DEFICIT	**-6,372,451**	**-7,105,337**	**-6,393,727**	**-7,456,974**	**-1,063,247**
Sources of Capital	**-6,380,816**	**-14,254,040**	**-18,372,741**	**-22,225,728**	**-3,852,987**
Subsidies and grants for capital expenditure	-6,700,649	-4,976,575	-6,027,458	-4,390,110	1,637,348
Gross proceeds from sale of assets	0	-34,661	-34,661	-47,532	-12,871
Development and financial contributions	-364,166	-21,972	-21,972	-96,612	-74,640
Increase (decrease) in debt	684,000	-9,220,832	-12,288,650	-17,691,474	-5,402,824
Applications of Capital	**12,753,267**	**21,359,383**	**24,766,474**	**29,682,707**	**4,916,233**
to meet additional demand	0	0	0	0	0
to improve the level of service	3,635,515	12,663,916	17,238,353	12,887,706	-4,350,647
to replace existing assets	11,342,554	9,537,899	11,648,344	7,069,000	-4,579,344
Increase (decrease) in reserves	-1,948,610	0	-3,277,791	-544,059	2,733,732
Increase (decrease) of investments	-276,192	-842,432	-842,432	10,270,060	11,112,492

What this shows is that Council expects to collect $1.94m more in operating income than it budgeted for. Most of this is grants for Provincial Growth Fund projects, additional fees and charges relating to higher levels of consenting and solid waste being dumped, as well as donations for the Waipawa pool and a warranty claim.

Operational costs are expected to be over budget by $1.1m. Much of this relates to outsourcing of consents (due to the volume exceeding what our own staff can process), additional carbon credits needed to match the solid waste volumes, and additional roading work.

Finance Costs will come in under budget by $390k due to lower than expected interest rates, and additional investment activities.

Capital Grants/Subsidies are expected to be under budget by $1.6m. This is all NZTA subsidies relating to roading. Much of this is timing related, for example the bridge strengthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money.

Debt Funding will be $5.4m ahead of plan, despite capital expenditure being behind plan. This is the cause of the $11.1m increase in investments. Council has taken advantage of being able to borrow at 2.11% pa (average cost of funds for new loans taken in 2019/2020), and invest the surplus funds on term deposits at 2.54% pa (average return on term deposits held at 30/06/2020).

Capital projects will be $8.9m behind plan. A number of capital projects are out of sync with the budgeted timelines. The 3 Waters projects are on track to be delivered on budget, but are being

done in a slightly different order and different timing to that signalled in the original LTP. The bulk of this variance is in the land transport area. Much of this is timing related, for example the bridge strengthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money.

Related to the additional debt and delay in some capital projects is the movement in reserves, in that we are forecasting to spend less of Councils reserves.

Let's look at the individual activities that make up this helicopter view:

	Community Leadership			Planning & Regulatory			Land Transport			Solid Waste		
FIS Level 3	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance
Grand Total	**0**	**0**	**0**	**1**	**0**	**-1**	**-1**	**0**	**1**	**2**	**0**	**-2**
Sources of Operating	**-1,456,516**	**-2,446,622**	**-990,106**	**-1,959,298**	**-2,059,939**	**-100,641**	**-9,810,069**	**-10,070,789**	**-260,720**	**-2,808,364**	**-3,095,328**	**-286,964**
General rates, uniform annual general charges and rates pena	-1,314,458	-1,324,057	-9,599	-694,489	-698,874	-4,385	-6,568,106	-6,590,296	-22,190	-1,309,064	-1,317,417	-8,353
Targeted rates	0	0	0			0	0	0	0	-294,218	-297,066	-2,848
Subsidies and Grants for Operating Purposes	-97,238	-1,089,573	-992,335	0	0	0	-3,061,334	-3,276,796	-215,462	-53,164	-53,164	0
Fees, charges	-44,820	-32,992	11,828	-1,246,885	-1,349,785	-102,900	-18,764	-33,154	-14,390	-1,151,918	-1,427,681	-275,763
Interest and dividends from investments			0			0			0			0
Local authorities fuel tax,fines, infringement fees and other receipts			0	-17,924	-11,280	6,644	-161,865	-170,543	-8,678			0
Applications of Operating	**1,495,539**	**1,503,326**	**7,787**	**2,217,391**	**2,456,693**	**239,302**	**6,495,622**	**6,847,097**	**351,475**	**2,528,508**	**2,956,736**	**428,228**
Payments to staff and suppliers	1,190,291	1,203,468	13,177	1,674,719	1,934,035	259,316	5,069,061	5,445,962	376,901	2,026,364	2,459,816	433,452
Employee Costs	606,041	605,940	-101	991,243	1,033,541	42,298	279,790	281,284	1,494	141,591	141,591	0
Operational & Maintenance	484,538	495,477	10,939	607,050	834,679	227,629	4,779,367	5,154,700	375,333	1,763,295	2,196,170	432,875
Grants	99,712	97,276	-2,436	0	0	0			0			0
Uncontrollable	0	4,775	4,775	76,426	65,815	-10,611	9,904	9,978	74	121,478	122,055	577
Finance costs			0	19,388	8,615	-10,773	0	0	0	70,920	73,311	2,391
Other operating funding applications	305,248	299,858	-5,390	523,284	514,043	-9,241	1,426,561	1,401,135	-25,426	431,224	423,609	-7,615
OPERATING (SURPLUS)/DEFICIT	**39,023**	**-943,296**	**-982,319**	**258,093**	**396,754**	**138,661**	**-3,314,447**	**-3,223,692**	**90,755**	**-279,856**	**-138,592**	**141,264**
Sources of Capital	**0**	**0**	**0**	**-680,092**	**-396,754**	**283,338**	**-5,767,327**	**-4,126,979**	**1,640,348**	**-87,294**	**-87,294**	**0**
Subsidies and grants for capital expenditure			0			0	-5,764,327	-4,126,979	1,637,348			0
Gross proceeds from sale of assets			0			0	0	0	0			0
Development and financial contributions			0			0	-3,000	0	3,000			0
Increase (decrease) in debt	0	0	0	-680,092	-396,754	283,338	0	0	0	-87,294	-87,294	0
Applications of Capital	**-39,023**	**943,296**	**982,319**	**422,000**	**0**	**-422,000**	**9,081,773**	**7,350,671**	**-1,731,102**	**367,152**	**225,886**	**-141,266**
to meet additional demand			0			0			0			0
to improve the level of service	0	550,000	550,000	422,000	0	-422,000	1,632,181	1,298,521	-333,660	733,143	731,405	-1,738
to replace existing assets	0	0	0	0	0	0	8,195,502	5,523,016	-2,672,486	157,215	105,715	-51,500
Increase (decrease) in reserves	-39,023	393,296	432,319	0	0	0	-745,910	529,134	1,275,044	-523,206	-611,233	-88,027
Increase (decrease) of investments			0			0			0			0

Community Leadership:

Community Leadership includes the economic development activity which will be receiving a significant amount of PGF funding for the Ngā Ara Tipuna project. This will ultimately be developed into tourism assets, but won't be fully spent by year end hence the unspent portion of these funds being carried forward to 2020/21 through reserves.

Planning and Regulatory:

This activity includes consenting whose level of activities is running ahead of plan. This has led to additional consent fees, but has also seen Council needing to outsource some consenting has it has exceed our ability to process all of these in house. Outsourcing comes at an increased cost, and has led to a small deficit in these activities.

In terms of capital, the $422k for the dog pound build has been delayed as the original build site identified has fallen through.

Land Transport:

Operationally Land Transport will be slightly behind budget, but the major variance is in the capital expenditure area. Much of this is timing related, for example the bridge strengthening project has had the engineering assessments done but the physical work is now scheduled for July 2020. Likewise some resealing has been delayed to work in with 3 waters pipe work and UFB roll outs. NZTA works on a 3 year program so Council isn't at risk of losing this money.

Solid Waste:

Solid Waste is another area where volumes being delivered are running ahead of budget. This has led to additional Fees, but also additional costs particularly in terms of the level of carbon credits required to be purchased. This is also an activity where Covid-19 has led to additional costs due to the traffic management plans required at transfer stations to ensure social distancing and contact tracing.

	Water Supplies			Wastewater			Storm Water			Recreation & Community		
FIS Level 3	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance	Operating Budget Total 2019/20	Total Reforecast	Reforecast Variance
Grand Total	**0**	**0**	**0**	**2**	**2**	**0**	**-2**	**-2**	**0**	**5**	**5**	**0**
Sources of Operating	**-3,038,706**	**-3,064,335**	**-25,629**	**-3,477,855**	**-3,694,091**	**-216,236**	**-685,282**	**-703,354**	**-18,072**	**-4,276,086**	**-4,492,348**	**-216,262**
General rates, uniform annual general charges and rates penalties			0							-3,520,115	-3,545,022	-24,907
Targeted rates	-3,035,586	-3,060,798	-25,212	-3,240,662	-3,271,898	-31,236	-685,282	-688,354	-3,072			0
Subsidies and Grants for Operating Purposes			0			0				-183,197	-276,884	-93,687
Fees, charges	-3,120	-3,537	-417	-237,193	-237,193	0				-557,774	-515,171	42,603
Interest and dividends from investments			0			0						0
Local authorities fuel tax, fines, infringement fees and other receipts			0	0	-185,000	-185,000	0	-15,000	-15,000	-15,000	-155,271	-140,271
Applications of Operating	**2,170,610**	**2,138,013**	**-32,597**	**2,709,739**	**2,677,734**	**-32,005**	**576,745**	**550,045**	**-26,700**	**3,654,309**	**3,692,330**	**38,021**
Payments to staff and suppliers	1,291,031	1,915,604	624,573	1,675,247	1,301,126	-374,121	373,304	261,605	-111,699	2,675,411	2,738,663	63,252
Employee Costs	0	0	0	0	0	0	0	0	0	325,484	386,148	60,664
Operational & Maintenance	1,198,817	1,752,889	554,072	1,546,066	1,165,556	-380,510	339,566	236,204	-103,362	1,604,942	1,638,231	33,289
Grants			0			0			0	484,449	425,377	-59,072
Uncontrollable	92,214	162,715	70,501	129,181	135,570	6,389	33,738	25,400	-8,338	260,536	288,906	28,370
Finance costs	327,224	179,809	-147,415	482,137	434,007	-48,130	24,168	12,333	-11,835	140,674	130,248	-10,426
Other operating funding applications	552,355	42,601	-509,754	552,355	942,601	390,246	179,273	276,107	96,834	838,224	823,420	-14,804
OPERATING (SURPLUS)/DEFICIT	**-868,096**	**-926,322**	**-58,226**	**-768,116**	**-1,016,357**	**-248,241**	**-108,537**	**-153,309**	**-44,772**	**-621,777**	**-800,017**	**-178,240**
Sources of Capital	**-8,857,257**	**-4,982,314**	**3,874,943**	**-3,186,193**	**-1,926,743**	**1,259,450**	**-431,781**	**-394,476**	**37,305**	**-419,526**	**-48,056**	**371,470**
Subsidies and grants for capital expenditure	-263,131	-263,131	0			0						
Gross proceeds from sale of assets			0			0						
Development and financial contributions	-5,000	-83,208	-78,208	-10,000	-11,984	-1,984	0	-1,420	-1,420	-3,972	0	3,972
Increase (decrease) in debt	-8,589,126	-4,635,974	3,953,152	-3,176,193	-1,914,758	1,261,435	-431,781	-393,056	38,725	-415,554	-48,056	367,498
Applications of Capital	**9,725,353**	**5,908,635**	**-3,816,718**	**3,954,311**	**2,943,102**	**-1,011,209**	**540,316**	**547,783**	**7,467**	**1,041,308**	**848,078**	**-193,230**
to meet additional demand			0									
to improve the level of service	9,281,275	6,000,267	-3,281,008	3,864,878	3,286,765	-578,113	591,996	398,207	-193,789	542,764	372,542	-170,222
to replace existing assets	651,675	115,965	-535,710	626,534	193,438	-433,096	926,415	524,180	-402,235	667,236	386,877	-280,359
Increase (decrease) in reserves	-207,597	-207,597	0	-537,101	-537,101	0	-978,095	-374,605	603,490	-168,692	88,659	257,351
Increase (decrease) of investments												

3 Waters

At a top level 3 Waters will be on budget, but not at an individual activity level. A number of capital projects are out of sync with the budgeted timelines. The 3 Waters projects are on track to be delivered on budget, but are being done in a slightly different order and different timing to that signalled in the original LTP.

Water Supplies (Drinking Water)

This activity has been the worst impacted operationally this year, and reflects the higher compliance costs that continue to arise post the Havelock North water incident and the greater focus on plant upgrades and leak repairs.

Wastewater (Sewerage)

This activity has the largest capital program on the horizon (the 2021-2031 LTP) with the replacement of treatment plants being planned, however during the current year with the focus being on drinking water, and wastewater has had less of a focus and therefore has incurred a lower than budgeted spend.

Storm Water

Again with the focus on Drinking Water, storm water has had less of a focus and therefore has incurred a lower than budgeted spend.

Recreation and Community Facilities

Grants will be $94k over plan due to a $98k bequest to the library.

Other Income will be $140k over plan due to $121k of Waipawa Pool donations.

The shortfall in fees and charges relates mainly to the planned rental increases on the retirement housing being delayed.

Employee Costs are slightly over in the library area, but with the recent closure of the Waipukurau Library this should come in closer to budget.

In the capital area Recreation and Community Facilities will be $450k unspent, which sees a corresponding savings in debt and reserve funding needed. This savings is really timing related, for example $220k of it relates to a planned seating upgrade in the Municipal Theatre which is on hold while the theatre is closed due to Covid-19. The balance is upgrades across community halls, public toilets, and reserves and will be carried forward to future years as and when deferred maintenance is required.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

5.10 PGF PROJECTS - KEY PROJECT STATUS REPORT

File Number: COU1-1410

Author: Craig Ireson, Economic Development Lead

Authoriser: Doug Tate, Group Manager Customer and Community Partnerships

Attachments:
1. Key Project Status Report Nga Ara Tipuna June 2020 ⇩
2. Status Report Locales May 2020 ⇩
3. Nga Ara Tipuna - Bubble Diagram ⇩
4. Route 52 Key Project Status Report June 2020 ⇩
5. (HPMV) Business Case Key Project Status Report June 2020 ⇩

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PURPOSE

The purpose of this report is to update the Finance and Infrastructure Committee on the three active provincial growth fund projects, including current status, milestones achieved or deferred, financials, risks and next steps.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

In 2019 Council was awarded funding to undertake three Provincial Growth Fund (PGF) projects.

These projects are: Ngā Ara Tipuna Pā Site interpretation project (funding of $2.7m), Route 52 HPMV upgrades ($20.1m), and a district wide HPMV business case ($350k).

These three projects are currently underway and are in various phases of completion.

DISCUSSION

As there will be assets created from the projects, which will require Council maintenance inputs, and/or there are (or may be) expectations of Council contributions to the capital project, it was decided to create a regular status project update to the Finance and Infrastructure Committee. Due to the impacts on officer time from the COVID-19 and Drought response this is the first formal project status update of this nature to the Committee.

The attached project status reports include the most recent monthly project reports (In this case from May 2020), from the respective lead contractors/consultants undertaking the work programme.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;

- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PROJECT STATUS REPORT

On track

Ngā Ara Tipuna

5 June 2020

Project manager	Craig Ireson
Project sponsor	Doug Tate

BACKGROUND

Ngā Ara Tipuna is a pā site interpretation project centered on five historic pā sites in Waipukurau. The interpretation will include physical representations such as whare korero, pou, and interpretive sign boards as well as digital assets like video stories.

The project is a partnership between mana whenua and Central Hawke's Bay District Council. It has secured significant Provincial Growth Fund (PGF) investment from MBIE as well as financial support from CHBDC.

The project will create a legacy asset for the district to explore and celebrate the pre-colonial history of Tamatea/Central Hawke's Bay. The project has the potential to create sustainable business opportunities for local Māori.

The project is being delivered by nationally acclaimed place-based storytellers Locales. For funding purposes their contract is split into two phases: solution definition and content creation (January 2020 - July 2020) and fabrication, construction and installation (August 2020 onwards).

The project itself has three distinct phases. These phases are (broadly):

- Phase One – Pukekaihau Pā site on Hunter Park, Steel orientation map at Bogle Brothers rest area, digital assets and content
- Phase Two – Remaining five Pā sites in wider Waipukurau area and digital content to support
- Phase Three – As yet unidentified additional sub-projects and sites. This Phase is not in scope for the funding agreement with MBIE.

This report covers the period from project implementation (January 2020) to 5 June 2020.

This project is on track for the week ending 5 June 2020 due to:	● Provision of IT equipment and software to Te Taiwhenua o Tamatea to stand up the COVID-19 welfare response for Māori resulted in key hapū project members being enabled to meet more regularly via Zoom to progress content creation for the solution definition. ● Project has been prioritised as a key pillar of the economic recovery plan, and therefore Council officers have been accelerating the project where applicable.

	● Agreement in principle has been secured from MBIE to bring forward the delivery of Phase Two to coincide with Phase One so that the project may be launched in full in the first quarter 2021, rather than a staged launch across 2021 as previously planned. This is largely dependent upon funding being secured from Lotteries Environment and Heritage (see issues below).
:	● We are still awaiting confirmation from Lotteries Environment and Heritage Fund regarding a significant funding application. The outcome of this may be known in time for the Council meeting in which this report is being presented. Depending upon the outcome of that funding application the scope of phase two can be tailored to suit the co-funding secured, or we will go back to MBIE for discussions around drawing down the contingency funding to enable the project to proceed in full.
Milestones accomplished for the period:	● Project launched in partnership with MBIE upon the announcement of funding ● Establishment of the Project Control Group ● Development of a project plan including project budget and high- level communications and engagement plan ● High level hapū engagement plan developed with 'kete o putea' for each engagement area agreed ● Position descriptions for hapū roles drafted and negotiation underway for exact remuneration within each kete ● Landowner permissions and support obtained ● Evidence of insurance cover provided to MBIE ● Procurement and contracting of lead contractor Locales ● Procurement and contracting of programme/project support Lily Frederikse ● High-level funding plan developed: o Guarantee of underwrite for co-funding from Central Hawke's Bay District Council o Co-funding secured from Eastern and Central Community Trust (for initial project development), Central Hawkes Bay District Council, and Heretaunga-Tamatea Settlement Trust o Applications submitted to Lotteries Environment and Heritage Trust and Eastern and Central Community Trust community facilities fund ● Solution definition wananga underway ● Solution definition for phase one completed (See appendix) ● Solution definition for Phase two drafted (See appendix) ● Archaeological assessment contractor engaged ● Business Development framework drafted to accelerate this programme of work ● Trust establishment for the structure to hold the assets underway. ● Identified shovel-ready projects which link to Ngā Ara Tipuna included in MBIE regional fiscal stimulus package
Milestones planned for this period , but not achieved with variance:	● The archeological assessment which was due to happen on site in May was postponed to June due to COVID-19 restrictions. This is now due to take place in June. There is no material impact upon the project timeline due to this delay.

Milestones planned next:	• Complete archaeological assessment • Complete landscaping plan for Pukekaihau • Begin content creation and move towards developed designs • Finalise trust establishment • Agree revised project milestones to enable acceleration of phase two alongside phase one • Further develop a community engagement and marketing plan • Continue fundraising programme and develop and resource community fundraising plan ready for June • Finalise Business Development plan and engage resource to deliver • Continue to identify additional phase three projects which are either 'shovel-ready' or require minimum development work to become shovel–ready

Project Financial Update

REVENUE AND FUNDRAISING BUDGET NGĀ ARA TIPUNA

Ngā Ara Tipuna			
Total Capital Expenditure required:	$3,798,377		
Revenue streams		Status	Date
Confirmed			
ECCT Grassroots fund	$10,000	*Confirmed – Tagged for project initiation*	*October 2019*
Provincial Growth Fund	$2,798,000	*Confirmed*	*Jan 2020*
Central Hawke's Bay District Council	$225,000	*Confirmed –to be drawn down as required*	*Feb 2020*
Heretaunga – Tamatea Settlement Trust	$100,000	*Confirmed*	*March 2020*
Subtotal Confirmed	$3,133,000		
Anticipated			
Eastern and Central Community Trust Community Assets and Facilities Fund	$120,000	*Application submitted*	*Decision deferred October 2020*
NZCT and Infinity Trust	$20,000	*To be prepared with construction project manager*	*Mid 2020-January 2021*

Community fundraising (incl. Private trusts)	$50,000	*Community fundraising plan being prepared*	*Community fundraising to begin August 2020 alongside construction*
Lottery Environment and Heritage Fund	$505,377	*Application submitted March 4 2020*	*Known Late June 2020*
Subtotal planned or in progress	$695,377		
TARGET	$3,798,377		
TOTAL Confirmed and anticipated	$3,828,377		

Costs incurred

Item	Cost
Communications engagement plus project planning workshop (Locales and Lily Frederikse)	$3,840.00
Locales – Project development costs January – May including disbursements	$426,960.00
Lily Frederikse - project and programme establishment support January-April	$27,158.52
Workshop and meeting costs, including printing, videography, and photography	$3,862.43
Archaeological assessment –consultant costs (Elizabeth Pishief)	$5,760
Total Spent to date	$467,580.95

Appendices:

- Locales Monthly report May 2020
- Phase Two concept scope (Bubble diagram)

Status Report 4 – Nga Ara Tipuna

Client Contact:	Craig Ireson Central Hawkes Bay District Council		
Project:	Nga Ara Tipuna Phase 1		
Period:	May 1st – May 30th 2020		
Author:	Chris Hay	**Date:**	28th May 2020

Status Summary

In May we worked towards setting up the filming week in Waipukurau as soon as COVID-19 restrictions were released. We liaised with each speaker and developed a set of storylines to base filming on and a chart that outlines how Phase 1 and Phase 2 topics work together.

Graphics, draft text and spatial designs for Whare Korero were refined and we have taken on feedback from the May 24th hui. We have also altered the Orientation map to include a wider landscape. Specific feedback was:

- Content additions such as plants and more fish species
- More innovative information display
- Colour scheme was agreed
- Integration of whakatauki and designs to show the connectedness of the themes – Te Taiao
- Aim to find a broader range of speakers for the mobile tour

We developed a good working system with the artists and are continuing to shape and prototype the forms for each of the interpretive structures. We are having weekly hui with the artists and are working to a schedule of deliverables, they are currently finalising the Oral History Pou designs.

<u>Phase 2</u>

We refined an approach to Phase 2 and gained agreement from the content group on May 24th. This includes an Oral history pou at Horehore and a lookout at Pukeora. The group felt that something needed to be in the ground at Horehoer/Takapau with an aim to develop further in Phase 3. The group decided they did not want a European Settlement stop, and did not want European perspectives as this detracts from the kaupapa of the project.

We also provided a cost estimate for these additions and proposed budget schedule.

Activities for this period – May 1st – May 31st 2020

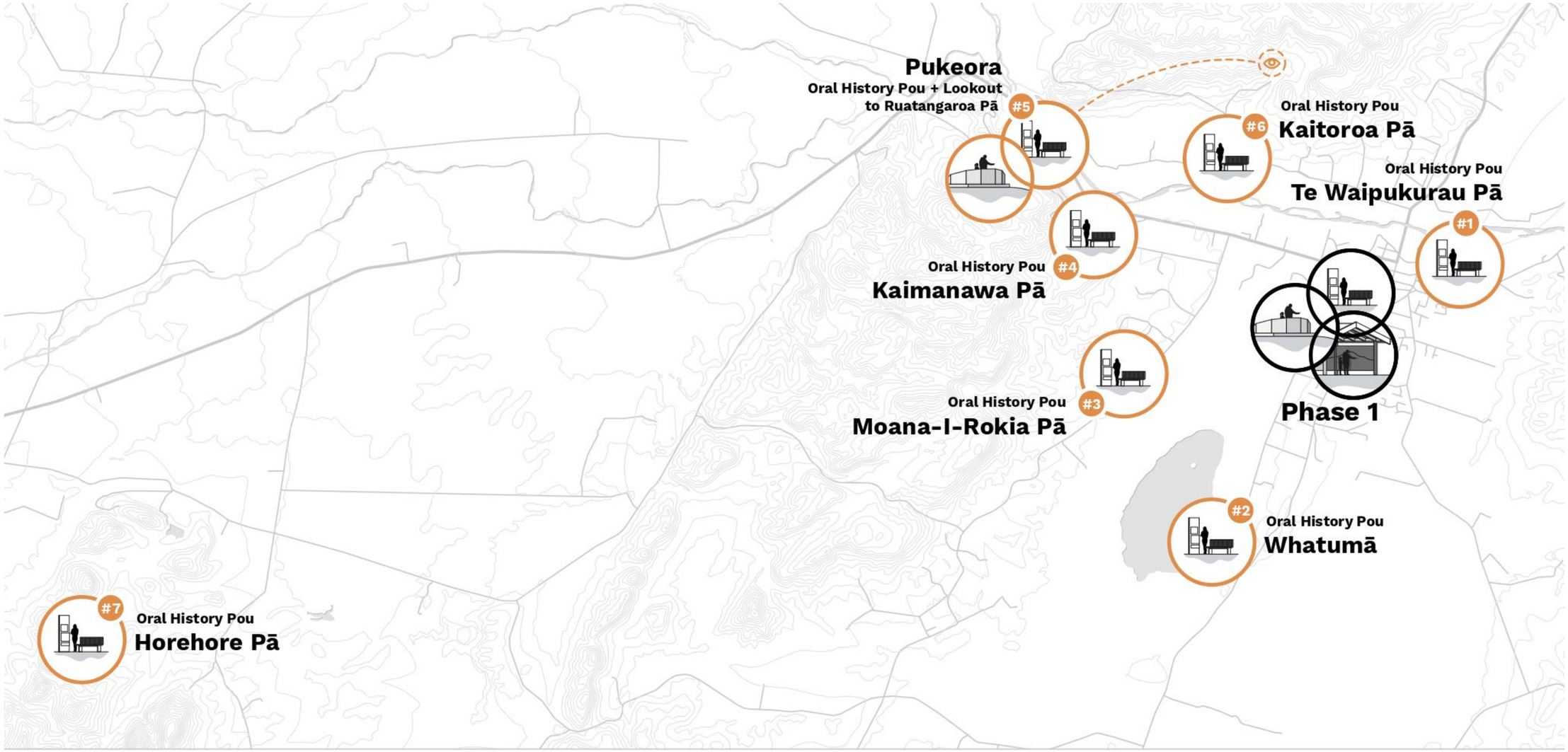
Description	Task
Stream 1 - Content	Locales continued interviews and worked with the group to build on the set of story ideas and developed a detailed interview schedule at end of May. Filming is scheduled and booked in.
Stream 2 - Graphics	Developed Whare Korero illustrations to another level of detail Drafted text for the panels – with Brian and Roger for review Review and Feedback from the group session received and underway
Stream 3 - Spatial	Completed Developed Design drawings for Whare Korero and Orientation Map – making refinements based on input from artists
Stream 4 – Art	Conrad and Kauri continued to develop ideas on paper for each of the built structures in conjunction with Locales. Have identified a Corten steel approach to Oral History Pou.
Stream 5 - Mobile	Load sample content into web-app ready to review.
Stream 8 – Programme Liaison	Ensure that each aspect of the above is integrated: - Landscaping - Funding requirements/Heritage requirements - Marketing - Focus Groups
Workshops	Regular content liaison and filming prep through Zoom Artist sessions through Zoom PCGs Workshop in Waipukurau to review design and story progress

Activities for next period – June 2nd – June 30th 2020

Description	Task
Stream 1 - Content	Phase 1 filming scheduled for June 2-5th Draft text for Pukekaihua lookouts Rough edits English Rough edits Te Reo Plan Phase 2 filming topics
Stream 2 - Graphics	Finalise all Whare Korero illustrations and layouts Develop Pukekaihau lookout designs for review Solution Definition sketch for Phase 2 graphics on Pukeora
Stream 3 - Spatial	Initial draft for Pukekaihau lookouts and look and feel Final detailed drawings for Orientation and Whare Korero
Stream 4 – Art	Conrad and Kauri continue to develop ideas on paper for each of the built structures in conjunction with Locales Develop suite of ideas for incorporating into graphics Begin discussions on pou styles
Stream 5 - Mobile	Load sample content into webapp Progress text for webapp
Stream 6 – Website	Finalise content layout for website Identify interviews for use on website
Stream 8 – Programme Liaison	Ensure that each aspect of the above is integrated: - Landscaping - Funding requirements/Heritage requirements - Marketing - Focus Groups
Workshops	Regular content liaison Artist sessions in Wellington PCGs

Budget Summary - Design/Production Phase 1

Deliverable/Tasks Completed	Timeframe for work	Payment Date	Amount (excl. GST)
Progress Payment 1	January	February 2020	$60,000 Paid Thank You
Progress Payment 2	February	March 20th	$60,000 Paid Thank You
Progress Payment 3	March	April 20th	$55,980 Paid Thank You
Progress Payment 4	April	May 20th	$140,000 Paid Thank You
Progress Payment 5	May	June 20th	$110,000 Invoice attached
Progress Payment 6	June	July 20th	$110,000
Progress Payment 7	July	August 20th	$110,000
Progress Payment 8	August	September 20th	$252,200
Project Payment 9	September	October 20th	$347,800
Project Payment 10	October	November 20th	$246,180
Project Payment 11	November	December 20th	$160,760
Total			$1,676,740 excl. GST



Phase 1 Digital

Mobile Tour

4× Oral History Pou

Website

- Interactive Pā
- Interactive Timeline
- Visitor Info

Phase 2 Digital

Mobile Tour

7× Oral History Pou

Website

- ‘A Watery Landscape’ Interactive Map
- Travel Guide

PROJECT STATUS REPORT

Overall Status: On track

Route 52: Waipukurau – Porangahau Resilience and Strengthening Works

: 5 June 2020

Project manager	Shawn McKinley
Project sponsor	Josh Lloyd

BACKGROUND

In June 2019 Council received $20.1M in Provincial Growth Funding from MBIE to upgrade bridges and structures on Route 52 (Waipukurau –Porangahau) to High Productivity Motor Vehicle (HPMV) standard.

An initial component of $350,000 funding was drawn down to complete investigations. This work has been completed by Stantec with additional economic development inputs from Third Bearing.

A further $950,000 was drawn down to achieve a forward work programme of quick wins for retaining walls on Porangahau road which were already identified as showing stress under normal loading, and therefore already known as a pre-cursor requirement to building route resilience for HPMV. This work has been procured and a ceremonial sod-turning event is being planned for 25 June.

The remaining $18.8M will be allocated to complete the remainder of the work identified in the investigations.

This project is on track for the week ending 5 June 2020 due to:	● All milestone deliverables have been delivered:
Issues:	● Programme slippage arising from Covid-19 Level 4 and Level 3 lockdown periods is slowly being reeled in given that the project team can recommence field work activities such as geotechnical “on the ground” surveys, topographical surveys, physical inspections of bridge structures, as part of the HPMV Bridge Evaluations/Assessments, and confirmation of findings arising from the virtual route drive-overs. At this stage we quantify the slippage as being in the order of 4 weeks, and all endeavors are currently being employed to reduce this enforced delay significantly over the next 6 weeks.

Milestones accomplished for the period:	● Investigations have been completed ● Procurement for quick wins retaining walls is underway, with the first contracts awarded ● Options assessment for the Wanstead/Flaxmill swamp section is being prepared, with a workshop planned for June.
Milestones planned for this period , but not achieved with variance:	● The stakeholder workshop for Wanstead/Flaxmill swamp options and topographical surveys and physical inspections of bridges were delayed until June due to lockdown protocols ● Consultation and communication with stakeholders have been held somewhat with key internal staff being allocated to Covid-19 community wide responses and comms. Additional resources are now being allocated to expedite this, with a particular focus on all communications associated with the options currently under consideration for Flaxmill.
Milestones planned next:	• Tender evaluation and contract award for Contract 1076 Construction of Two Retaining Walls • AWPT package tender documentation release • HPMV and Bridge assessment findings remedial options report • Flaxmill draft options report • Network assessment and drive overs findings and recommendations prioritisation exercise with CHBDC to develop works programmes for 2020/21 and 2021/22 financial years, programmed for week commencing 8 June • Ceremonial event and media opportunity to be held on 25 June • Communications and consultation to resume with stakeholders.

Project Financial Update

Item	Supplier	Cost estimate (Excl GST)
Porangahau and Wimbledon Roads PGF Investigations	Stantec - Stage 1 - Initial Investigations	
	Governance/Planning/Workshops/Meetings	$ 33,500
	Flaxmill	$ 77,033
	Bridge HPMV Evaluation	$ 177,709
	Retaining Walls	$ 60,517
	TOTAL Spend	$ 348,759.00
Porangahau and Wimbledon Roads PGF Stage 2	Stantec - Stage 2	
	OoS for Flaxmill Options Assessment	$ 114,606.50
	OoS for HPMV Evaluation:	$ 471,952
	2 x OoS to be submitted:	
	1) Quick Wins: Retaining/Walls/AWPT/Procurement	
	2) Forward works	
	Planning/Workshops/Meetings/PM Actual Spend	$ 88,500
	Flaxmill OOS Actual Spend	$ 15,449
	HPMV Eval OOS Actual Spend	$ 44,537
	Quick Wins: Retaining Walls incl Procurement Actual Spend	$ 191,158
	AWPT Actual Spend	$ 76,627
	TOTAL Actual Spend	$ 416,271
ECONOMIC DEVELOPMENT INPUTS	Third Bearing	$1,100
TOTAL		$417,371

Appendices: Stantec -May Monthly report

DATE 26 May 2020

MONTHLY REPORT TO THE PROVINCIAL GROWTH FUND

This report for Route 52: Waipukurau – Porangahau Resilience and Strengthening Works covers the period for May 2020.

PROJECT SUMMARY AND PROGRESS UPDATE

The project continuing to progress reasonably well as the project team navigates its way through Level 3 and Level 2 Lockdown constraints. Field investigations are now commencing under strict dedicated Covid-19 Health and Safety regimes and bespoke Project Safety Plans.

Key activities completed during the month:

Quick Wins offer of service (OOS) submitted to CHBDC and awaiting approval. The OOS for the AWPTs (Quick Wins) has undergone a final review process and is due for submission before month end.

The OOSs for geotech, drainage and safety investigations are in the final stages of preparation and are due for submission release by the first week of June, followed by the final document for Governance activities.

Tenders for the first Quick Win retaining wall construction contract for two separate structures at RP 27488 and RP 28537 Porangahau Rd, which was issued to the market on 17 April 2020, were received on Friday 1 May 2020. Five conforming tenders were received. These have been subsequently evaluated by the Tender Evaluation Team, and a tender evaluation report together with an award recommendation was issued to CHBDC on 19 May 2020.

A request for tender for the second Quick Win retaining wall construction contract for a further two structure replacements at RP 13350 Wimbledon Rd and RP 14650 Porangahau Rd was issued to the market at the beginning of the month with the closing date for submissions occurring Friday 22 May 2020. Five tenders have been received, and these are currently being evaluated, with a recommendation for award programmed for the first week of June.

The design and documentation for the AWPT works at two locations on Porangahau Rd have been completed, with the associated Procurement Plan also completed and issued to CHBDC for consideration on 25 May 2020. The works are programmed for construction outside the key winter period with these commencing late September and running through to November 2020. The specific guidelines issued by MBIE with regards to Social Procurement expectations have been received, and the accompanying expectations have been included in the methodology section for respondents to provide dedicated commentary on how their organisation, if successful, will achieve these. This will be a critical element of the methodology descriptions that tenderers will be required to provide, and as such, be marked accordingly.

The full LIDAR survey of the Route and the Wanstead Swamp location adjacent to the Flaxmill Bridge, was completed on 21 May 2020, with the resultant aerial capture data now going through final verification and QA checking before issue. This will now enable final refinement of the hydrology modelling to determine a recommended option for addressing the area wide flooding issue at Flaxmill.

Current options being considered are:

- Deepening the existing channels within stopbanks
- Raising the road embankments
- Channel widening and stopbank modifications
- Installing debris management within the channel

The next stage is for Stantec to produce a draft options report to allow these options to be workshopped with CHBDC staff and stakeholders during June.

Bridges (including HPMV evaluations) remedial options will be reviewed by Stantec NZ's Chief Bridge Engineer by Friday 22 May with a summary report to follow.

The estimated cost of strengthening works, at this stage of the investigation, will be in the order of $8.1m.

HPMV evaluations and options to address those bridges and culverts which currently do not pass the assessment are also being finalised. Currently there are four bridges and likely to be 3-4 box culverts requiring strengthening works:

- Saleyard Bridge: Requires beam strengthening on 120m long bridge and one abutment approach replacement
- Wallingford Bridge: Requires beam and deck strengthening on 60m long bridge
- Kokomoko Bridge: Requires replacing bridge post-tensioning and anchoring the abutments. Bridge is 12m long
- Sixty Pound Box Culvert: Requires wall strengthening on large box culvert
- Box Culverts x 8: Requiring wall strengthening on various single and double box culverts

The final MBIE/PDU completion report for the initial investigations funding component (which amounted to $350,000) was completed and issued on 22 May 2020.

RECOMMENDATIONS, DECISIONS OR ACTIONS REQUIRED

Nothing specific to report.

ANY MAJOR PROGRAMME RISKS

Programme slippage arising from Covid-19 Level 4 and Level 3 lockdown periods is slowly being reeled in given that the project team can recommence field work activities such as geotechnical "on the ground" surveys, topographical surveys, physical inspections of bridge structures, as part of the HPMV Bridge Evaluations/Assessments, and confirmation of findings arising from the virtual route driveovers. At this stage we quantify the slippage as being in the order of 4 weeks, and all endeavors are currently being employed to reduce this enforced delay significantly over the next 6 weeks.

UPCOMING MILESTONES

- Tender evaluation and contract award for Contract 1076 Construction of Two Retaining Walls
- AWPT package tender documentation release
- HPMV and Bridge assessment findings remedial options report
- Flaxmill draft options report
- Network assessment and drive overs findings and recommendations prioritisation exercise with CHBDC to develop works programmes for 2020/21 and 2021/22 financial years, programmed for week commencing 8 June

MONLTHY JOB STATISTICS

What is the maximum number of people who worked on this project in any capacity this month as a result of PGF funding?	*= 35*
A. How many of these are part time (Less than 30 hours per week)	35
B. How many of these are full time? (30 + hrs per week)	0
C. Of the total, how many of these are Contractors – building, construction, project management	0
D. Of the total, how many of these are Consultants – advisory services, feasibility studies	35

RELEVANT MARKETING, MEDIA AND COMMUNICATIONS

Consultation and communication with stakeholders have been held somewhat with key internal staff being allocated to Covid-19 community wide responses and comms. Additional resources are now being allocated to expedite this, with a particular focus on all communications associated with the options currently under consideration for Flaxmill.

PROJECT STATUS REPORT

Overall Status: On track

High Productivity Motor Vehicle (HPMV) Business Case

5 June 2020

Project manager	Craig Ireson
Project sponsor	Josh Lloyd

BACKGROUND

In June 2019 Council received $350,000 in Provincial Growth Funding from MBIE to complete an investigation into the feasibility for upgrading district roads and structures to meet HPMV standards. The project scope was refined to become a programme business case to meet NZTA standards for further investment. Our preferred contract partner Stantec were engaged in October 2019 to undertake the business case, with support to deliver additional economic development inputs and alignments provided by Tyson Schmidt at Third Bearing Limited. The project has been identified as a priority assessment as part of the Council's Economic Recovery plan, with a renewed emphasis on social procurement for any capital projects which may come for the business case.

This project is on track for the week ending 5 June 2020 due to:	● All milestone deliverables have been delivered.
Issues:	● The preferred programme has been based on pre-COVID-19 economic activity assumptions, and there is uncertainty regards future economic activity as a result. Note that advice of Economist is that these assumptions are still relevant. With guidance from Tyson Schmidt we are also ensuring that Post Covid-19 lens is applied to the strategic case and executive summary which will shape the implementation of any recommendations.
Milestones accomplished for the period:	● Workshop with key stakeholders held to progress preferred options ● Draft business case written and presented to MBIE and NZTA for feedback ● Feedback received and final business case being prepared for submission on 29 June. ● Social Procurement framework received by MBIE and incorporated into business case

Milestones planned for this period , but not achieved with variance:	Nil
Milestones planned next:	• Complete final bridge investigations to firm up cost implications of programme to inform financial case • Business case to be finalised • Engagement approach developed to implement business case including: • Subsequent applications to PGF to be developed from business case • Inputs into Regional Land Transport Programme to be developed from business case

Project Financial Update

Item	Supplier	Cost estimate (Excl GST)
ILM WORKSHOP	Stantec	$ 5,679.98
	Actual spend	$ 5,679.98
PROGRAMME BUSINESS CASE	Stantec	$ 275,200.70
	Actual spend	$ 255,793.65
TOTAL Cost Estimate	Stantec	$ 280,880.68
	Actual spend TOTAL	$ 261,473.63
ECONOMIC DEVELOPMENT INPUTS	Third Bearing	$5,900
	Actual spend	$5,900
	Actual spend	$ 267,373.63
SUBTOTAL		$ 267,373.63

Appendices:

- Stantec -May Monthly report
- Draft executive summary of programme business case

HPMV Programme Business Case - Stantec NZ

Executive Summary (DRAFT)

Central Hawkes Bay is a growing rural District primarily of sheep and beef farms, dairy farms, forests, apple orchards and cropping farms. Product is moved predominantly by trucks to processing plants within Central Hawke's Bay, as well as neighbouring districts and for export through the Port of Napier. A significant volume of traffic and freight also passes through Central Hawke's Bay from neighbouring regions, which makes the District a 'land bridge' for other districts and regions to access the likes of Port of Napier.

Sheep and beef farms are the major income generators for the district. However, the opportunity for change in productive activity exists as a result of the Council identifying a large area of fertile land in its Draft District Plan. Some developments are already occurring by way of land conversion from cropping to apple orchard. 'The District continues to place a high priority on finding water security solutions as a game changer for land use diversification and existing use productivity. Together, these initiatives have the potential to significantly increase production, revenue and jobs.

There is also opportunity for the district to better facilitate the development of land held by Maori Trusts. The productivity of this land is not known at present but it is believed significant opportunities exist.

The transport network needed to support these outcomes:

- is not as safe as it should be
- key freight transport infrastructure is vulnerable to unplanned closures, and
- opportunities to utilise more efficient HPMV have not been realised.

Problems identified in discussions with stakeholders across the supply chain are:

- transport network constraints mean that vehicle and route choices are restricted, reducing productivity
- road safety risks across the network reduce business confidence and threaten the success of productivity initiatives
- unplanned road closures result in delays creating a risk to productivity.

Solving these problems could help realise the following benefits:

- higher production from land
- improved safety
- more efficient movement of freight.

Therefore, the following investment objectives were developed for this PBC:

- Increased area of productive land accessed by HPMV
- Reduce crashes on local roads within Plans Production Area
- Reduce network disruption caused by unplanned closures.

Investigation of the problems found:

- State Highway 2 is the only HPMV route that exists through the District and passes directly through the two main townships of Waipukurau and Waipawa. State Highway 50 is not able to carry HPMV through the District and there is a high incidence of motorcycle crashes on this road
- The majority of the local road network is not capable of carrying HPMV
- Central Hawke's Bay is ranked eighth for crashes at rural Intersections, and the Infrastructure Risk Rating highlights that some sections of Central Hawke's Bay's local road network are considered high risk

- Producers interviewed as part of this project identified safety as a key concern when considering changes to more productive activity on their land. This included safety across the road network and at level crossing (there are 19 in the District)
- Closures occur regularly on State Highway 2 but there is no alternative HPMV route which has an impact on goods flowing from and through CHBD to the Port, which can be exacerbated by congestion at the Port (both on land and at Sea) ultimately delaying delivery to market.
- Workshop participants noted the potential for increased growth and demand once an acceptable water security solution is found, which would add to the importance of transport routes across the Plains Production area (effectively SH50)

A recommended investment programme to respond to these problems is shown in the map below.

This programme:

- Improves HPMV resilience along SH2 with improved connections along Ashcott and Tikokino Roads to SH50
- Provides safer connections to 2,400 hectares of Maori freehold land to the south and east of the District through improvements to Elsthorpe, Mangaorapa and Te Uri Road. The PBC also signals for further investigation to help Maori landowners within the District make their land more productive if they wish to
- Unlocks improved economic efficiency to 5,800 hectares of highly productive forestry areas in the north and south of the District through HPMV improvements along Mangaorapa, Te Uri and Gwavas Road
- Reduces crashes and generally safer roads accessing 45,000 hectares of the Plains Production area around SH50 and north of Waipawa which is expected to remove concerns within the community that could impede more intense agriculture related activity in the District, creating more work opportunities including for relatively unskilled workers and improving people's wellbeing
- reduces the amount of emissions per tonne of logs transported from 35% of the total forestry land in the District (X%) through use of HPMV
- is estimated to create around 100 jobs within the district during implementation, as well as support more intense agriculture productions that could add around 200-500 permanent jobs by 2030.

Hawke's Bay is a Regional Economic Development (RED) area and a 'surge' region identified for early investment and the programme will directly contribute to Matariki/ Hawke's Bay Regional Development Strategy objectives of increasing regional productivity through supporting infrastructure investment, diversifying and strengthening the regional economy by supporting sustainable growth businesses, and Increasing Māori entrepreneurship and prosperity.

The programme's performance against the investment objectives is as follows.

Table 1-1: Preferred Programme Assessment Against Investment Objectives

Investment objective	Programme performance
Increased area of productive land accessed by HPMV	Additional 5,800 hectares of forestry land will be accessible by HPMV
Reduce crashes on local roads within Plans Production Area	A reduction in deaths or serious injuries across the Plains Production area by 30% within 5 years
Reduce network disruption caused by unplanned closures	Delays to HPMV through the CHBD due to unplanned disruptions will be reduced by 70%

The estimated present value of costs and benefits of the Programme are as follows.

Table 1-2: Preferred Programme Present Value Costs and Benefits

	Elements included in programme		Estimated range of the present value of benefits and costs, plus benefit-cost ratios (BCR) $ millions		
Programme	Heavy vehicle	Safety	Benefits	Costs	BCR
Preferred programme	Targeted forestry routes	SH50 focus and Elsthorpe	$26-39	$18-27	1.2-1.8

The programme has been split into smaller elements for delivery. These are summarized below.

Table 1-3: Cost Summary Table

	Lead Agency	SSBC cost	Pre-implementation and design costs	Delivery cost	Total
SH50 Safety Treatments	Waka Kotahi	$0.5M	$1.5M	$11.7M	$13.7M
Plains Production Area Safety Improvements (including Elsthorpe)					
Local Roads	CHBDC	$0.2M	$1M	$5.55M	$6.75M
State Highway Intersection improvements	Waka Kotahi	$0.1M	$0.5M	$1.5M	$2.1M
HPMV for Forestry Routes	CHBDC	$0.5M	$0.75M	$3.1M	$4.35M

In addition to the recommended programme, three other initiatives are proposed:

- investigate making State Highway 50 (SH50) an HPMV route, Waka Kotahi
- a programme helping Maori to realise potential from their land within the District, CHBDC
- a freight study to understand all freight movements together including through movements alongside internal freight movement within the District, CHBDC.

The proposed next steps are:

- Approval of this business case
- Agreement on funding
- Stage 1 implementation:
    - SH50 Safety Treatments
    - Plains Production Area Safety Improvements (including Elsthorpe)
- Stage 2 implementation:
    - HPMV for forestry routes (timing for interdependencies with SH50 HPMV investigation and route 52 works).

DATE 27 May 2020

MONTHLY REPORT TO THE PROVINCIAL GROWTH FUND

This report covers the period for May 2020.

In May we have completed:

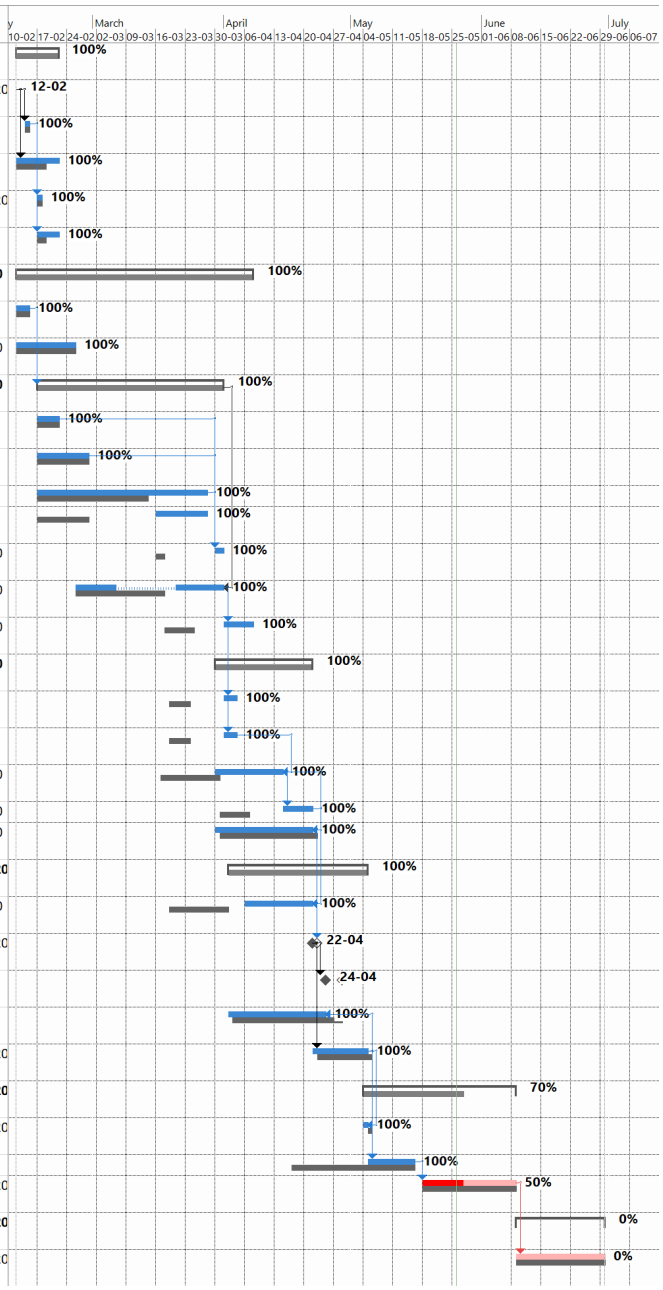
- Evidence gathering
- Refinement and evaluation of preferred programme
- Completed and submitted draft Programme Business Case

PROJECT SUMMARY AND PROGRESS UPDATE

Project is tracking to programme and to budget. Additional evaluation of the preferred programme is underway to confirm costs and benefits.

Updated programme is shown below:

ID	Task Name	% Complete	Start	Finish
1	**Project start up**	**100%**	**Wed 12-02-20**	**Fri 21-02-20**
2	Signed contract	100%	Wed 12-02-20	Wed 12-02-20
3	Project start up meeting (governance Group meeting 1)	100%	Fri 14-02-20	Fri 14-02-20
4	Draft stakeholder engagement plan	100%	Wed 12-02-20	Fri 21-02-20
5	Confirm programme	100%	Mon 17-02-20	Mon 17-02-20
6	Draft risk register	100%	Mon 17-02-20	Fri 21-02-20
7	**Confirm strategic case**	**100%**	**Wed 12-02-20**	**Tue 07-04-20**
8	Review ILM, develop draft KPI's and Investment Objectiv	100%	Wed 12-02-20	Fri 14-02-20
9	Collate context information (Economic, Social and Cultural, Environmental, Transport)	100%	Wed 12-02-20	Tue 25-02-20
10	**Evidence gathering**	**100%**	**Mon 17-02-20**	**Tue 31-03-20**
11	Network constraints	100%	Mon 17-02-20	Fri 21-02-20
12	Service outages	100%	Mon 17-02-20	Fri 28-02-20
13	Freight data and route analysis	100%	Mon 17-02-20	Fri 27-03-20
14	Stakeholder interviews	100%	Mon 16-03-20	Fri 27-03-20
15	Generate interactive map	100%	Mon 30-03-20	Tue 31-03-20
16	Compile draft strategic case	100%	Wed 26-02-20	Tue 31-03-20
17	Client review (review completed in workshop wakthroug	100%	Wed 01-04-20	Tue 07-04-20
18	**Identify short list**	**100%**	**Mon 30-03-20**	**Tue 21-04-20**
19	Agree MCA criteria	100%	Wed 01-04-20	Fri 03-04-20
20	Compile long list, undertake fatal flaw review	100%	Wed 01-04-20	Fri 03-04-20
21	Evaluate long list: qualitative assessment against IO's, MCA, high level economic assessment and identify short	100%	Mon 30-03-20	Tue 14-04-20
22	Client review	100%	Wed 15-04-20	Tue 21-04-20
23	More detailed assessment of shortlist, including more quantified economic analysis and modelling outputs	100%	Mon 30-03-20	Tue 21-04-20
24	**Identify preferred programme**	**100%**	**Thu 02-04-20**	**Mon 04-05-20**
25	Workshop preparation	100%	Mon 06-04-20	Tue 21-04-20
26	Stakeholder Workshop 2	100%	Wed 22-04-20	Wed 22-04-20
27	Issue workshop notes	100%	Fri 24-04-20	Fri 24-04-20
28	Bridge assessments	100%	Thu 02-04-20	Fri 24-04-20
29	Develop and evaluate preferred programme option	100%	Wed 22-04-20	Mon 04-05-20
30	**Draft PBC**	**70%**	**Mon 04-05-20**	**Mon 08-06-20**
31	Governance group meeting 2 (Preferred option check in	100%	Mon 04-05-20	Mon 04-05-20
32	Prepare and submit draft business case	100%	Tue 05-05-20	Fri 15-05-20
33	Client review	50%	Mon 18-05-20	Mon 08-06-20
34	**Final PBC**	**0%**	**Tue 09-06-20**	**Mon 29-06-20**
35	Finalise business case	0%	Tue 09-06-20	Mon 29-06-20



RECOMMENDATIONS, DECISIONS OR ACTIONS REQUIRED

Project team awaiting draft PBC feedback to enable finalisation.

ANY MAJOR PROGRAMME RISKS

The preferred programme has been based on pre-COVID-19 economic activity assumptions, and there is uncertainty regards future economic activity as a result. Note that advice of Economist is that these assumptions are still relevant.

UPCOMING MILESTONES

Key upcoming milestones are:

- Completion of Client review by 8th June
- Submission of final PBC by 29th June

MONLTHY JOB STATS

What is the maximum number of people who worked on this project in any capacity this month as a result of PGF funding?	*= 33*
A. How many of these are part time (Less than 30 hours per week)	33
B. How many of these are full time? (30 + hrs per week)	0
C. Of the total, how many of these are Contractors – building, construction, project management	0
D. Of the total, how many of these are Consultants – advisory services, feasibility studies	33

RELEVANT MARKETING, MEDIA AND COMMUNICATIONS
(Updates on any marketing, media or communications relating to the Project)

In addition to partner organisations, there has been engagement with a wide group of Central Hawkes Bay District supply chain stakeholders through structured interviews including:

- Maori Landowners:
  - Mangamaire Trust (accessing route 52)
- Industry:
  - Forest Management North Island (FMNI)
  - Forestry Owners Management Service (FOMS)
  - Federated Farmers
  - Hawkes Bay Regional Economic Development
  - Heavy Haulage Association
  - National Road Carriers Association
  - Road Transport Association NZ
  - Dairy NZ
- Port:
  - C3
  - ISO
  - Napier Port
- Processors:
  - Heinz-Watties
  - Pan Pac Forest Products Limited
  - Silver Fern
  - Calder Stewart
- Producers:
  - Brownrigg Agriculture
  - CraigMore Investments
  - Ernslaw One
  - Mr Apple
  - Ovation
  - Pan Pac Forest Products Limited
  - Apatu Farming Hastings
  - Hatuma Lime Co
- Transporters and utilities:
  - Central Lines
  - Farmers Transport

- Hawkes Bay Machinery Movers & HIAB Services
- Isaacson K & J Transport
- Kiwi Rail
- Kleer Contractors Hawkes Bay Ltd
- Stephensons Transport
- Twist Trucking

CONFIRMATION

(Confirmation that no Termination Event is subsisting and that each of the warranties under clauses 3 and 7 of this Agreement are correct as at the date of the report)

Confirmed.

ANY OTHER INFORMATION

Value added to date throughout the course of this project:

- Created a contact group for CHBDC for future issues.
- Created maps that Mayor said would be of wider use.
- Can now easily create a spreadsheet with tonnage across all structures, which can be used in future individual bridge assessment work.
- This spreadsheet can be populated with some likely growth scenarios – the spreadsheet would thus enable the user to refine their growth forecasts/period as required (without going back to model).
- In particular, it can provide tonnage on Patangata Bridge that can help CHBDC/Stantec form a strategic approach to eventual replacement of this bridge.
- Preparation of an approach to inform strategy around development of Maori Trust land.

5.11 KEY PROJECT STATUS REPORT - BIG WATER STORY

File Number: 008

Author: Darren de Klerk, 3 Waters Programme Manager

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Key Project status Report - #theBigwaterstory #7 ⇩

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

BACKGROUND

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure, is how #thebigwaterstory began.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following Project Thrive, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

DISCUSSION

This key project status report provides the following highlights;

- Update on the progress of the programme
- Key individual project updates
- Key risks to the programme and proposed control measures
- Achievements in the previous quarter
- Planned activities for the next quarter
- Financial status of the programme and key projects.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

The next step for the programme will be to continue to manage and lead the programme as planned, with regular communication updates and key project status report updates to the Finance and Infrastructure Committee.

In addition, quarterly programme updates are provided to staff, councillors and the community on individual projects progress.

The capital projects team will continue to create supporting plans to support each project and to add a robust process to the delivery of the programme.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

Key Project Status Report #7

PROJECT NAME	#theBigWaterStory Key Project Status Report		
Release Date	05/06/2020	Report #	7
Key Benefits	**The benefits of the Big Water Story were communicated to the residents of CHB through workshops and through the LTP process. The key benefits were to:** • Upgrade infrastructure so that it will last longer and we can maintain the service you have always relied on • Meet changing legislative and compliance requirements relevant to 3 waters assets • Build resilience in our waters infrastructure by having second supplies, firefighting capacity and right sized reticulation systems • Take on the learnings from the Havelock North water inquiry • Ensure we are providing for smart growth in the District including the rapidly growing number of new homes being built in our residential areas and forecast over the next 10 years • Supply those who are connected to Drinking Water with a safe, clean and reliable drinking water source in particular those smaller communities • Deal with wastewater and stormwater to ensure minimal impact on our rivers • Ensure we do not burden future generations with aging infrastructure		
Project Delivery Objectives	**To deliver the capital projects in the allocated year/s that together form the Big Water Story to budget and quality whilst ensuring maximum community benefit from these projects.** **Communicate to the community on the programme and the progress of each project.** **Provide input through the design and improvement projects to future infrastructure works and asset management plans, to inform where future expenditure and improvements are targeted for the betterment of infrastructure in the district.**		

Key Project Status Report #7

Report/ Document History

Report No.	Report Date	Report Frequency	Project Sponsor	Project Manager
1	28/07/2018	Bi-Monthly	Josh Lloyd	Josh Lloyd - Interim
2	27/08/2018	Bi-Monthly	Josh Lloyd	Darren de Klerk
3	16/11/2018	Bi-Monthly	Josh Lloyd	Darren de Klerk
4	01/02/2019	Bi-Monthly	Josh Lloyd	Darren de Klerk
5	15/08/2019	Bi-Monthly	Josh Lloyd	Darren de Klerk
6	14/02/2020	Bi-Monthly	Josh Lloyd	Darren de Klerk
7	05/06/2020	Quarterly	Josh Lloyd	Darren de Klerk

Sponsor's Project Delivery Confidence Assessment

Appears Highly Likely	Appears Probable	Appears Feasible	Appears In Doubt	Appears Unachievable

INTRODUCTION

This report will provide regular information on the fixed objectives and dynamic progress and risks of the Big Water Story.

The report provides an introduction as well as background and contextual information on the Big Water Story and then becomes more detailed discussing programme and project progress and risk.

BACKGROUND

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure is how **#thebigwaterstory** began.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following project THRIVE, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

OBJECTIVE

Following the conception of **#thebigwaterstory**, Council set about implementing the programme, a programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

This key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards.

Key Project Status Report #7

1. Overall Confidence Assessment

Programme Manager's Status Summary				
Key Questions Impacting on Project Objectives		**No**	**Yes**	**Explanation & Proposed Resolution to Problem**
1	Are there **Business Case Benefit** attainment problems?	✓	☐	The business case is self-supporting and based on relatively simple science. The assets are proven to require replacement, upgrade or augmentation. By delivering the specified projects, the asset constraints will be mitigated and business case benefits realised.
2	Are there **Scope Control** problems?	✓	☐	The scope of the Big Water Story is defined with listed projects. The scope will be better defined as each project progresses through design phases.
3	Will Target **Dates** be missed?	☐	✓	There is greater confidence most projects will be delivered within timeframes, Waipukurau second supply is unlikely to be completed within the original two-year timeframe. This has been re-forecast to 30 June 2022, and will be re-evaluated as it progresses through its planning lifecycle.
4	Will **Project Costs** be overrun?	☐	✓	Confidence has been given on majority of the listed projects, some risk still lies within the wastewater projects, these will be managed case by case as the scope is better understood. The SH2 borefield project has been highlighted and is likely to exceed original budget, but will be managed in the wider project/ programme budgets.
5	Are there **Quality** problems?	✓	☐	The risk of poor quality outcomes (e.g. poorly constructed projects) is considered low. The quality of physical works is considered a non-negotiable and is managed through routine project management processes.
6	Are there **Resource** problems?	✓	☐	As the programme has progressed this resourcing risk has been well managed internally, and through engaging a diverse external market to deliver physical and design services.
7	Are there **Risk Management** problems?	✓	☐	No significant risk management problems perceived at present, risks will be identified below and managed as per project management practices. Safety in design workshops held for each project.
8	Are there **Review and Approval** problems?	✓	☐	Governance and internal management structures for the review and approval of project and programme outcomes are sufficient to meet the requirements of the Big Water Story. Robust gateways in place, in particular for procurements.
9	Are there **Teamwork** problems?	✓	☐	The team are engaged and enthusiastic about the Big Water Story.
10	Are there **Stakeholder** problems?	✓	☐	Key affected stakeholders will be communicated with and managed as per defined stakeholder

Key Project Status Report #7

				management and communication plans for each project.
11	Are there **Iwi** issues?	✓	☐	Impact on Iwi considered to be minimal with little impact on land or changes in use of infrastructure planned as part of Big Water Story. Greater engagement with Iwi is ongoing as we progress the wastewater projects.
12	Are there **Communication** problems?	✓	☐	Communication Strategy for Big Water Story developed, website content regularly updated and templates developed for regular distribution on all projects in line with project specific communication and stakeholder plans.
13	Are there **Change Management** problems?	✓	☐	Not at present, some change may be imminent in project scope - these will be managed through our design review, and approval process.
14	Are there **Health & Safety** issues?	✓	☐	H&S management is another non-negotiable for the delivery of all Big Water Story projects. It is mandatory that robust H&S management plans and procedures are provided for each Big Water Story Project. This will develop further as construction progresses through with site specific Health and Safety Plans

Project Manager's Progress Summary

Achievements/Activities since last status report

This is the seventh report on the programme, and the fifth report where some achievements can be recognised;

Project	Achievement	When
Waipukurau Second Water Supply	Workshopped option in April 2020, update to F&I committee in June 2020, awaiting funding before progressing preferred option	Ongoing
Waipawa Trunk Sewer Main Renewal	Works completed on the relining in early Jan 2020, working through power requirements to complete pump station works. Delays due to COVID-19, and landowner changing	Stage 1 – Jan 2020 Stage 2 – Aug 2020
Waipukurau Stormwater Improvement Project	Works completed on Churchill and Woburn improvements, designing and investigating Ruataniwha solutions	Nov 2019
Otane Wastewater Pipeline	Awarded extension of water contract to Fulton Hogan, works commencing onsite now to Oct 2020	June 2020
WPK, WPA and Otane Wastewater Project	Responded to court order 10 Sep 2019 Currently preparing concept design for LTP input	Sep 2019 June / July 2020

Otane Infiltration and Inflow	Works complete, findings collated and presented to F&I committee for discussion June 2020.	June 2020
Floating Wetlands	Trial methodology approved, contractor mobilising and working with surrounding landowners.	July 2020
Waipukurau Water SH2 Borefield Upgrade	New bores drilled, works well underway through to mid 2020 – Bore B commissioned 9 June 2020, remaining work to be completed by August 2020	August 2020 2020
Waipukurau Firefighting and Shortfalls project	Stages 1 and 2 complete, working on preparing for Stage 3 in July 2020.	Nov 2019 July 2020 – Oct 2020
Takapau and Porangahau WTP Upgrades	Takapau Complete and Commissioned, monitoring stakeholders and performance Porangahau commissioned late Jan 2020, Storage tank commissioned Feb 2020 – opening March 2020	Nov 2019 March 2020
Waipawa Firefighting	Tender released, awarding to commence design/ programme	May- June 2020
Kairakau Water	Options investigated and presented	June 2020

Issues/ Risks that have arisen since the last status report

This section will be expanded/ updated in subsequent quarterly Key Project Status Reports.

Project	Risk	Proposed Control
Waipukurau Second Water Supply	Failure of existing assets	Work commencing on mutually beneficial items now.
Waipukurau Second Water Supply	Meeting timeframes - Due to the amount of planning and cogs in the process, each activity takes time	Robust project plan and visibility on timeframes, thinking ahead and undertaking tasks simultaneously with another that adds value.
SH2 Borefield Upgrade	Budget risk	Bore assessment, robust planning and equipment planning, use of other projects.
Wastewater Projects	Risk highlighted with budget for Takapau, Porangahau and Te-Paerahi	To be managed case by case, and largely driven by outcome of scope. Robust community session to understand drivers
Waipawa Trunk Sewer Main Renewal	Power to site and working with landowners	Robust stakeholder plan and engagement process followed. Ongoing management and risk mitigation required

Key Project Status Report #7

Key Activities to be started/completed or in progress over the next 2-3 months		
Project/ Item	**Action/ Activity**	**Forecast Completion**
Waipawa Trunk Sewer Main Renewal	Reline complete, power upgrades are the current focus	August 2020
Waipukurau Second Supply	Identify preferred option and progress	August 2020
Waipukurau and Waipawa WW I&I	Review historic I&I and make plan to reduce and improve network	Ongoing
Wastewater Improvements	Sludge work underway, leachate removal, minor improvements, UV etc…	Ongoing
Takapau, Porangahau and Te-Paerahi WW Upgrades	As per comms project plan, we are across the main milestones required to deliver these upgrades.	Dec 2020 – Te Paerahi and Porangahau March 2021 - Takapau
Otane, Waipukurau and Waipawa	Preparation for the LTP 2021. Concepts design drafts targeted for June 2020. Pat of WW comms plan.	July 2020
Otane WW Pipeline–Stage 1	Stage 1 awarded and due to commence March 2020	Oct 2020
SH2 Borefield	Bores constructed, Bore B setup underway, New Bore D and E progressing, expected completion June 2020.	August 2020
Kairakau Water	Options and design to be undertaken over next 3 months, construction for late 2020	Dec 2020

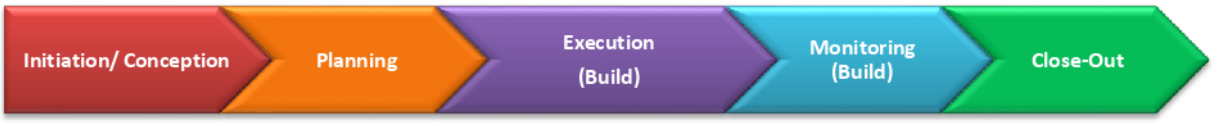
General Comments

As outlined in the previous key project status report, the momentum shifted to construction, but in the last 3 months, we have seen a number of projects completed, and the number under construction reduce, a large focus turns to the large water project, and the six wastewater projects.

We have seen delays to site construction works due to COVID-19 this has though not resulted in any major implications due to good communication and relationships with our contractors.

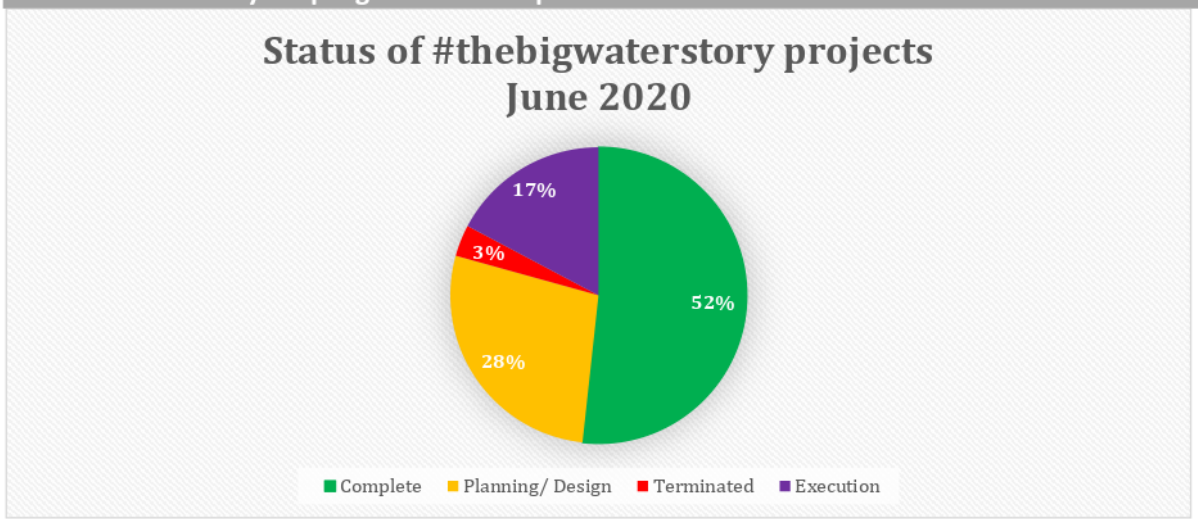
Design works has progressed well, and the team continue to juggle multiple projects and timelines/ deliverables for each. More increased focus on wastewater as we prepare for LTP engagement.

By Project Status Update



Key Project Status Report #7

Overview of the 3-year programme to Sep 2021



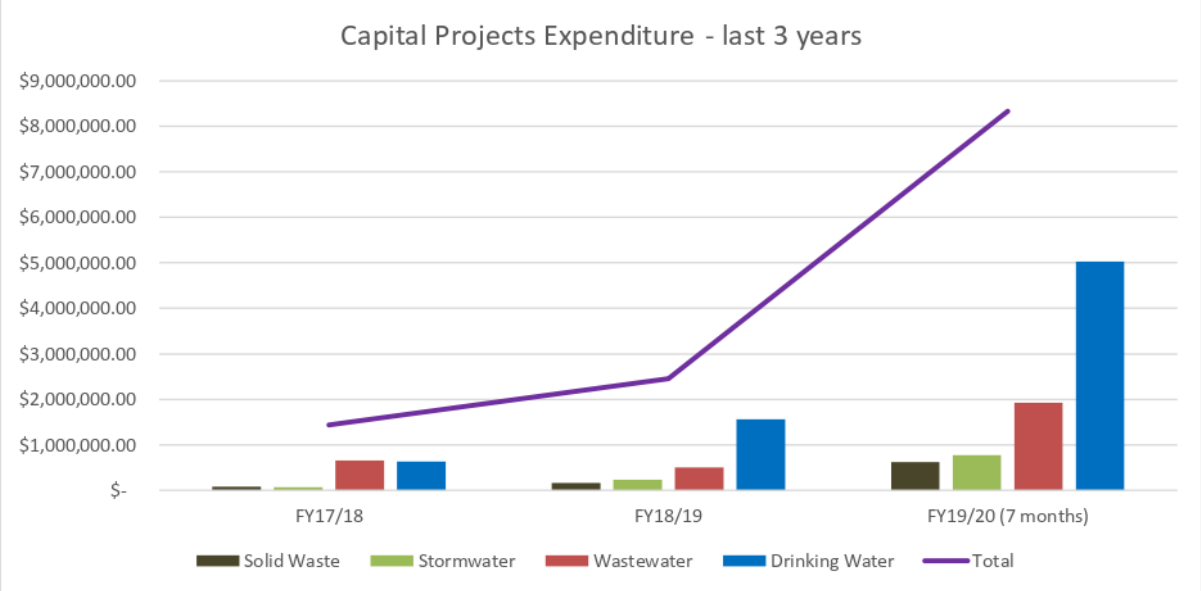
Asset Type	Project Description	Status
Drinking Water	Waipukurau - Mackie, Mclean, Mt View	Complete
Drinking Water	Takapau Water treatment improvement	Complete
Drinking Water	Porritt Place Water Renewal	Complete
Drinking Water	Waipukurau Firefighting and Improvements (Stage 1 and 2)	Complete
Drinking Water	Porangahau water treatment improvement	Complete
Drinking Water	Otane Land Development (Water)	Complete
Drinking Water	Otane Alternative Water supply	Complete
Drinking Water	Kairakau water system upgrade	Planning/ Design
Drinking Water	Waipawa Firefighting and Improvements	Planning/ Design
Drinking Water	Waipukurau Second water supply	Planning/ Design
Drinking Water	Waipukurau Water SH2 Bore Upgrade	Execution
Drinking Water	Waipukurau Firefighting and Improvements (Stage 3)	Execution
Stormwater	Rathbone to Bush Drain extension	Complete
Stormwater	SW Helicoil Upgrades – Tavistock/ Francis Drake	Complete
Stormwater	Waipukurau CBD Stormwater - Churchill / Woburn	Complete
Stormwater	Waipukurau CBD Stormwater improvements	Planning/ Design
Stormwater	SW Helicoil Upgrades – Tutanekai / Tavistock	Execution
Wastewater	Takapau Resource Consent Extension	Complete
Wastewater	Otane wastewater I&I Study	Complete
Wastewater	Otane wastewater Resource Consent Extension	Complete
Wastewater	Waipawa trunk sewer main renewal (stage 1 - reline)	Complete
Wastewater	Otane Land Development (Wastewater)	Complete
Wastewater	WPK WPA Wastewater Treatment Investigation	Planning/ Design
Wastewater	CHB District Wastewater Renewals	Planning/ Design
Wastewater	Porangahau/ Te Paerahi Wastewater Upgrade	Planning/ Design
Wastewater	Takapau Wastewater Upgrade	Planning/ Design
Wastewater	Otane wastewater treatment upgrade	Terminated
Wastewater	Otane to Waipawa Pipeline – Stage 1	Execution
Wastewater	Waipawa trunk sewer main renewal (stage 2 - pumps/power)	Execution

Key Project Status Report #7

Programme Financial Update

Financial management of Big Water Story projects requires creation internally of a project specific ID for each project. This allows for management of costs and understanding of progress against budget – further detail available on request

Programme Statistics	Expenditure	
	Whole Life ($) 10 year	Current Year ($) 2019/20
Approved Project Budget (Baseline)	37,966,321	14,135,509
Actual Spent to Date (as at 30/05/2020)	11,045,608	9,254,639
% Spend against budget (as at 30/05/2020)	29%	65%
Estimate to Complete Reminder of FY19/20	-	10,398,243



Key Project Statistics	Budget	Expenditure	Variance	Project Status
	Whole Life ($)	30 May 2020		
Otane Alternative Water supply	$2,616,720	2,375,027	$266,676	Complete
Waipukurau Second water supply	$5,716,012	412,960	$5,334,196	Ongoing
WPK WPA Wastewater Treatment Investigation	$2,121,267	$1,481,143.5	$640,122	Ongoing
Waipawa trunk sewer main renewal	$1,769,790	$1,585,950	$196,921	Ongoing
Waipukurau Water SH2 Bore Upgrade	$850,258	1,248,085	-$412,827	Ongoing
Takapau Water Treatment Upgrade	$681,800	850,094	-$168,294	Complete
Porangahau Water Treatment Upgrade	$1,037,889	1,081,711	-$43,822	Complete

Key Project Status Report #7

Project Delivery Confidence Assessment Key

Overall confidence remains high, with attention required constant by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable. Risks will be addressed through the project, and monitored through the project lifecycle.

Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
X	Constant	Potential	Delays Probable
	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess

Project Photos

Below are photos of **#thebigwaterstory** projects in action.
Photo can also found on the council website: *https://www.chbdc.govt.nz/our-district/projects/*

SH2 Borefield upgrade – Bore B new Pump Preparation

#the BIG Water Story

Key Project Status Report #7

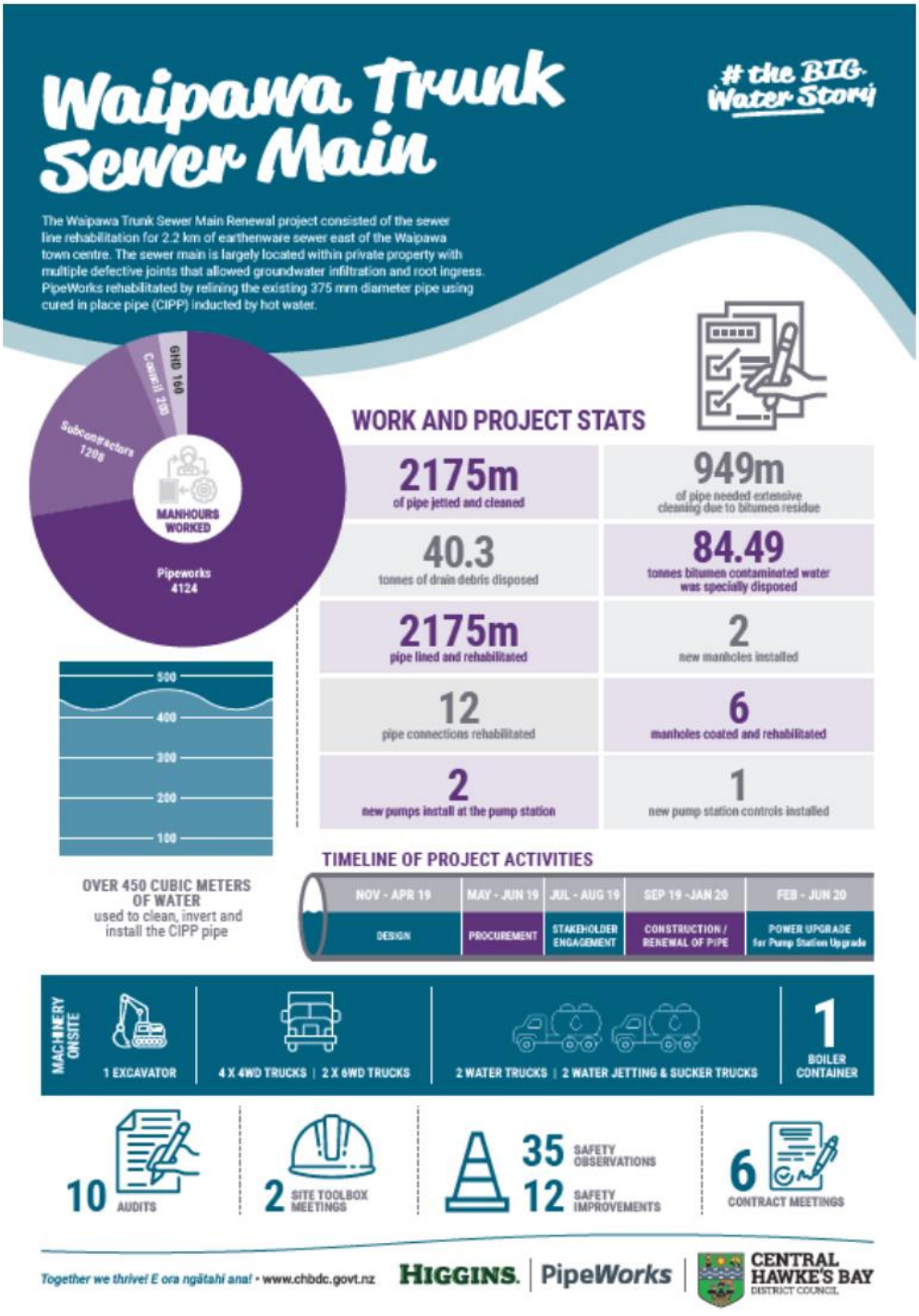
CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Otane to Waipawa Wastewater Pipeline Delivery

Porangahau Water Upgrade

Key Project Status Report #7

Waipawa Trunk Sewer – Project Overview



5.12 KEY PROJECT STATUS REPORT - WASTEWATER PROJECTS

File Number: 121212

Author: Darren de Klerk, 3 Waters Programme Manager

Authoriser: Monique Davidson, Chief Executive

Attachments:
1. HBRC Update on Wastewater Project Progress - May 2020 ⇩
2. Key Project Status Report #1 - 18 June 2020 ⇩

PURPOSE

Following the conception of #thebigwaterstory, Council set about implementing the programme that makes up #thebigwaterstory. A programme manager was appointed and focus given to defining the projects that form the programme in greater detail.

The six wastewater plants form a significant programme of works themselves, and we have prudently decided to report on the progress of these six wastewater plants and their subsequent upgrades and re-consenting separately from #thebigwaterstory.

The purpose of this key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards against the larger programme objectives.

RECOMMENDATION

That, having considered all matters raised in the report,

1. **That the report be noted.**
2. **That the committee endorses the formation of a project control group and a project governance group to ensure appropriate leadership and oversight is applied to the project.**

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as of minor significance.

BACKGROUND

Following charges in relation to the Waipawa wastewater treatment plant in 2017, Council commissioned technical reviews into the Waipawa and Waipukurau wastewater plants, in summary the advice received from two independent experts, outlined the plants with their current treatment system and in their current state would never be able to meet consent compliance, in particular for ammonia. Council commenced work to respond to the court order and investigate a new treatment and discharge scheme in 2018.

The Otane wastewater plant had in 2017, received a new consent to upgrade the treatment system onsite and continue to discharge to the ‘unnamed farm drain’ and eventually to the Papanui stream. In mid-2018, just prior to awarding tenders for this upgrade, Council officers recommended to Council, that the Otane wastewater system be included in the Waipawa and Waipukurau review, and the onsite upgrade be placed on hold. In 2019, it was identified that the best practicable option for Otane was to convey to Waipawa for treatment and ultimately discharge, Otane is now firmly in the planning for the future of these plants.

The plants went through a robust community engagement process via a community reference group to identify preferred options to investigate and design for engagement in Long Term Plan 2021.

These options will be presented at concept design level to the community as part of pre engagement in July 2020, and as formal engagement in early 2021. While some necessary works continue at all plants in conjunction with these major long term plans.

The Takapau wastewater plant received a 3 year consent extension through to October 2021, to allow Council to investigate different options for discharge.

The Porangahau and Te Paerahi wastewater plants both have their consents expiring in May 2021.

This programme of work across the six wastewater plants signals the need for specific reporting across this programme and its progress. In addition the need to implement robust management controls through the formation of a project control group and project governance group.

DISCUSSION

The detail is outlined with the attached key project status report.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

To continue to progress the short term improvements, and the long term programme in conjunction, in preparation for community engagement as part of long term plan 2021, with pre-engagement commencing in July/ August 2020.

To continue with prudent and robust programme management, the six wastewater projects now form their own programme, to provide appropriate oversight, it is planned that Council form a formal project control group, and a project governance group.

Officers will work with the chair of the finance and infrastructure committee to setup the relevant groups and determine roles and responsibilities to be presented for adoption at the next finance and committee meeting.

RECOMMENDATION

That, having considered all matters raised in the report,

1. **That the report be noted.**
2. **That the committee endorses the formation of a project control group and a project governance group to ensure appropriate leadership and oversight is applied to the project.**

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

CHBDC Update on Wastewater Projects to HBRC

Report #2

January to April 2020

Date Released: 25 May 2020

Prepared by: Darren de Klerk

Approved for release by: Josh Lloyd

Wastewater Projects Update

EXECUTIVE SUMMARY

In the early part of 2020, Council has continued to focus on developing the long term upgrades for each of the six wastewater treatments, where four have consents expiring in 2021, and two have significant performance issues.

Council along with the four other Hawkes Bay councils submitted an application to Crown Infrastructure Partners and identified the upgrades to all six of our wastewater systems as key projects that could have components that become 'shovel ready' within 12 months if funding was obtained. Pleasingly the application for funding passed the first threshold of the Infrastructure Industry Reference Group and was submitted to the government for review on the 18th May 2020.

Central Hawkes Bay District Council continues to work in the background on preparing the options for the future of wastewater system in Waipawa, Waipukurau and Otane for public consultation as part of the Long Term Plan 2021. Early pre-engagement is planned to commence in late July/ August 2020, prior to formal engagement in early 2021.

The Otane to Waipawa conveyance pipeline is expected to commence with our contractor Fulton Hogan in early June 2020, and we anticipate to complete the first 3500m of approx. 8000m by October 2020 – within the budget we currently available. To support this, we anticipate to submit a consent variation by October 2020 to the existing Otane WWTP resource consent. Along with a land use consent for the proposed discharge site at Walker Road in Waipawa. Positioning us well once LTP 2021 is adopted to move forward with physical construction works to complete the pump station at Otane and the remainder of the pipeline to Waipawa WWTP, we will then commence an approx. 3km pipeline from the Waipawa WWTP to the Walker Road RIB site, and commence the physical construction of the RIB site. Subject to relevant consents.

Improvement works continue at all sites, but predominantly Waipawa and Waipukurau to improve performance and consent compliance while we work on the long term upgrades.

The three smaller WWTPs, all have consents expiring in 2021.

The Porangahau and Te Paerahi projects build on the long term strategy developed following the granting of the 2009 consent, and ultimately progressing to ceasing river discharge at Porangahau and removing the wastewater pond and discharge on the sand dunes in Te Paerahi.

A second community hui was held just before lockdown in mid-March 2020, to further progress and gather feedback from the community on potential options. We continue to engage with the local iwi, and community to understand land suitability for potential land discharge sites. We are monitoring the performance at these sites and may implement a solution to reduce TSS at Porangahau if required, and upon confirming suitability to the wider project.

The Takapau re-consenting and upgrade project progresses well – following a good steer from the community meeting held in mid-Dec 2019. Consistent with the wider community views and wastewater strategy to remove discharge from the rivers. We are developing a land based solution for the discharge and are currently working with neighbouring landowners to identify the most suitable land.

Minor improvements are also underway at Takapau with a recent engagement of Veolia to install an inlet screen, inlet flow meter and replace and improve the outlet flow meter arrangement.

Central Hawkes Bay District Council remains committed to delivering on a long term wastewater solution that aligns with our community and THRIVE objectives.

Wastewater Projects Update

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

LARGE WWTPs PROJECT

Waipukurau, Waipawa and Otane

INTRODUCTION

In 2017, Council received a prosecution in relation to the Waipawa WWTP, specifically regarding conditions of the consent that specified the concentration of nutrients in the discharged wastewater were being exceeded.

At the sentencing hearing lawyers for CHBDC and HBRC advised the Court that it would be appropriate to seek enforcement orders requiring an independent two stage technical review of the Waipawa WWTP with a view to implementing any recommendations that may be made in that review for improvements or upgrades. This was instead of simply fining CHBDC.

These technical reviews have now been undertaken, and reported back to the Court, with a summary of possible changes presented to the Court in September this year. While the Court order was specifically to address discharges from Waipawa, CHBDC has included Waipukurau and Otane.

THE REVIEW

Following the court proceedings, Central Hawkes Bay District Council commissioned reviews into the wastewater treatment plants at Waipawa and Waipukurau. These reviews were to address and meet environment court requirements, as well as understand the ability to improve treatment and/ or processes to meet compliance requirements.

Two reviews were commissioned, BECA Ltd under orders from the environment court, commissioned a report into the Waipawa WWTP, and found:

While in theory it should be possible to achieve reliable ammonia removal through an attached growth-type system, due to the following factors we consider it unlikely that such a system will provide the required level of treatment at Waipawa without significant additional investment:

a) *Stormwater I&I into the Waipawa reticulation is very significant. Following the heavy rains in 2017, the theoretical HRT reduced to approximately 10 days. Nitrification i s very unlikely to be achieved through a modified waste stabilization pond (WSP) at such a low HRT*

b) *The BOD concentration entering the nitrification zone is considered likely to be too high to allow nitrifying bacteria to remain established on the BAS media*

a) *Significant population growth is expected in Waipawa. This will further increase the wastewater flows and loads d) The New Zealand experience of modifying WSP's to achieve low effluent ammonia concentrations is checkered, even in WWTP's with higher HRT's and more robust design and installation*

In addition, the hydraulic capacity of the tertiary treatment processes (lamella clarifier, sand filters, UV system) is insufficient. Discharge flow rates greater than 1,400 m3/d bypass tertiary treatment which could result in breach of the TSS, BOD, DRP and/or E. coli resource consent conditions. Table 6 below presents a qualitative summary of what we consider, at this stage, Waipawa WWTP to be capable of with respect to Consent Condition 8.

On that basis, it is likely that in the longer term a rebuild will be required in the form of one of the commonly available activated sludge variants. This thinking will be expanded upon in the final review.

Wastewater Projects Update

Central Hawkes Bay District Council (CHBDC) commissioned The Wastewater Specialists (TWWS) to undertake a review of the Waipukurau and Waipawa WwTPs to address the scope of work identified in the Council resolution. The report details the results of the investigations, and makes recommendations for both short-term and long-term improvements to the Waipukurau and Waipawa WwTPs. The Wastewater Specialists review into the Waipukurau and Waipawa treatment plants, noted and found:

To reliably and consistently meet the conditions of the existing resource consents, we recommend that wastewater from both Waipukurau and Waipawa should be treated using activated sludge (AS)-based technology, either at individual or a combined WwTP.

While further WSP-based processes, and/or other enhancements, could be added to the Waipawa WwTP, further modifications would come with a higher risk of failure and would still likely cost in excess of $1 M.

Council has continued to utilise the experience of BECA Ltd, through John Crawford to develop and progress the solution. Additionally, Hamish Lowe and his team from Lowe Environmental Impact (LEI), land and bio solid experts have been engaged to provide support with the consenting and land based options.

CURRENT PROJECT PROGRESS

The focus largely centres on packaging the 3 options for inclusion in Central Hawkes Bay District Council's long term plan 2021.

In the first four months of 2020, Council has completed the basis of design work to allow the 3 options to progress through to concept design, and is on track to have concept design work completed by the end of June 2020, included in the early work is the proposed communications plan for the pre LTP engagement of these projects which is planned for July/ August 2020, and formal community engagement that is planned for 2020.

Focus continues on working to improve the performance of the wastewater plants agains their consent conditions while also making improvements to better inform the design works.

The COVID-19 situation has slowed down some of the projects ongoing at the treatment plant like the removal of the wetlands and the completion of the tertiary treatment improvements and inlet works at Waipawa, as well as the work completing the recommendations on process improvements at Waipukurau, and the installation of an additional aerator at Otane.

Now that the restrictions have been eased, work is progressing along again, and the teams are planning for the wetlands removal and the sludge clearing work at Waipawa and Waipukurau.

Further progress will be provided in the next update, along with consents being lodged for the ability to de-sludge the ponds later in 2020, and to allow biosolids discharge to land at the two forest blocks in Waipawa and Waipukurau.

The three options are listed below;

1. Waipawa stand alone **new** WWTP, discharge to Walker Road RIB, and Otane and Waipukurau conveyed via pipeline to Waipawa WWTP = 1 new WWTP and 1 new Discharge
2. Waipawa **new** WWTP, discharge to Walker Road RIB, and Otane conveyed via pipeline to Waipawa WWTP / Waipukurau new WWTP and discharge to Ford Road (or similar) RIB = 2 new WWTP and 2 new Discharge
3. Waipawa **existing** WWTP, discharge to Walker Road RIB, and Otane conveyed via pipeline to Waipawa WWTP / Waipukurau **existing** WWTP and discharge to Ford Road (or similar) RIB = 0 new WWTPs, and 2 new Discharge

Wastewater Projects Update

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

IMPROVEMENTS (UNDERWAY OR PLANNED)

Waipukurau

- Veolia process engineers have spent time reviewing the WWTP plant, and recommended improvements, these recommendations are currently being worked through.
- Leachate to Land project 50% complete, expected to be operational by Sep 2020, removing the need to dispose of leachate at the WWTP – subject to resource consent.
- Geobag clearing, and liner repairs is scheduled for mid 2020, timed with wetland removal.
- Sludge survey and understanding of de-sludging requirements – along with consent to de-sludge
- Plan to commence wetland removals in June/ July 2020
- Commence I&I Study mid 2020 in Waipukurau to determine areas needing rectification
- Concept design works package for LTP 2021
- Engagement and communications strategy for LTP 2021.
- Funding application to Crown Infrastructure Partners – passed first review.

Waipawa

- Improvements to the inlet works
- Improvements to the tertiary plant processes to
- Wetland removal trials are being scheduled for June 2020
- Upgrades to the McGreevy Street pump station for June/ July 2020 – foillowing power upgrade
- Resource consent for de-sludging of ponds later in 2020.
- Continued clearing and removal of dry sludge from geobag area, along with liner repairs, and drainage installation to make way for de-sludging to take place.
- Commence I&I Study mid 2020 in Waipawa to determine areas needing rectification
- Plan to delsudge ponds between July and Dec 2020.
- Waipukurau and Waipawa biosolids discharge to land consents
- 51 Walker Road Conceptual design
- 51 Walker Road groundwater investigations
- Investigation works at Walker Road – Rapid Infiltration bed (RIB) site;
    - Piezometers
    - Geotech works
- Concept design works for LTP 2021

Otane

- Wetland removal trials are being scheduled for June/ July 2020.
- Investigate opportunities to improve on compliance, in particular around CBOD5 – progress investigations of a plug and play DAF unit.
- Installation of an additional aerator.
- Present I&I Study findings to council along with rectification plan.
- Commence physical construction of stage 1 of the pipeline to Waipawa (approx. 3200m)
- Concept design works for LTP 2021
- Otane consent variation

Wastewater Projects Update

SMALL WWTPs PROJECT

Porangahau and Te Paerahi

INTRODUCTION

Council is acutely aware the resource consents for these two WWTPs expire 31 May 2021, and is working with the community and its advisers to prepare a new consent package.

CURRENT PROJECT PROGRESS

Through a community/stakeholder reference group, we make good progress towards the proposed BPO for these two plants. Community meetings were held in December 2019 and a second meeting just before lock down in March 2020. Council project team presented a short list of option for feedback from the community group. Further direction was given and good input from local iwi. Council are currently arranging for the next hui to be held at Rongomaraeroa marae, and are working closely with iwi to understand the baseline maori world-view to be used through the concept development. Further engagement also continues with the community to understand potential land sites.

Recently completing an options and basis of design report to allow the BPO and concept design work to now progress.

IMPROVEMENTS (UNDERWAY OR PLANNED)

Porangahau

- Veolia are currently reviewing how best to consistently improve TSS.
- Improvements to the Porangahau discharge outflow chamber.
- I&I Study to be commenced to determine extent of I&I and assist with design parameters.

Te Paerahi

- I&I Study to be commenced to determine extent of I&I and assist with design parameters

Takapau

INTRODUCTION

Council is aware the resource consent for this WWTP expires in October 2021, and is currently preparing a new consent package to meet community and consenting requirements. Additionally, acknowledging the work required as part of the existing consent.

CURRENT PROJECT PROGRESS

Through a Council-formed community/stakeholder reference group, and the support of our technical advisers we have made progress on the short list of options, additionally we continue to engage with suitable land owners as we identify and confirm suitable land for the concept and consenting to discharge wastewater. Recently completing an options and basis of design report to allow the BPO and concept design work to now progress.

We plan to meet with the community in the next few months to take forward the best practicable option for feedback.

Wastewater Projects Update

IMPROVEMENTS (UNDERWAY/ PLANNED)

- Works required to install an inlet flow meter is currently being undertaken by Veolia to deal with condition 7 of the resource consent.
- Propose to also replace the outflow meter.
- Maintenance of the wetlands is being planned.
- Preparation of a short list of options to take back to the community regarding options for the future of wastewater in Takapau.
- Ground water monitoring bores are being planned along with the bores planned for the Waipawa RIB site at Walker Road.

APPENDICES

One: Basis of Design Report – Waipawa, Waipukurau and Otane
Two: Basis of Design Report/ Options Report – Porangahau and Te Paerahi
Three: Basis of Design Report/ Options Report - Takapau
Four: Land Suitability Report - Porangahau and Te Paerahi
Five: Otane WW Network I&I Findings, and Rectification Plan
Six: Waipawa WWTP Inlet Works - Progress Report
Seven: Wastewater Communications Strategy

Key Project Status Report #1

Project Status Report Overview			
PROJECT NAME	#theBigWastewaterStory - Key Project Status Report		
Release Date	05/06/2020	Report #	1
Key Benefits	**#thebigwastewaterstory is the overarching programme of works required to upgrade and re-consent all six of our wastewater projects. These plants either have compliance problems, or have consents expiring in the near future.** **Consistent with #thebigwaterstory, the following key objectives identify the drivers for the projects.** • Upgrade infrastructure so that it will last longer and we can maintain and improve service levels • Meet changing legislative and compliance requirements relevant to 3 waters assets • Ensure we are providing for smart growth in the District including the rapidly growing number of new homes being built in our residential areas and forecast over the next 10 years • Deal with wastewater and stormwater to ensure minimal impact on our rivers • Ensure we do not burden future generations with aging infrastructure The **vision** created by the wastewater reference group is to ensure: "Our effluent is treated in a sustainable way that creates a resource, protects our environment and continues to do so for generations to come"		
Project Delivery Objectives	**To deliver the capital projects in the allocated year/s that align with future resource consent together to budget and quality whilst ensuring maximum community benefit from these projects. Communicate and engage with the community on the programme and the progress of each project.** **Provide input through the design and improvement projects to future infrastructure works and asset management plans, to inform where future expenditure and improvements are targeted for the betterment of infrastructure in the district.**		

Report/ Document History

Report No.	Report Date	Report Frequency	Project Sponsor	Project Manager
1	05/06/2020	Quarterly	Josh Lloyd	Darren de Klerk

#the BIG Waste Water Story

Key Project Status Report #1

CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Sponsor's Project Delivery Confidence Assessment

Appears Highly Likely	Appears Probable	Appears Feasible	Appears In Doubt	Appears Unachievable

INTRODUCTION

This report will provide regular information on the fixed objectives and dynamic progress of the wastewater upgrade projects across the district.

The report provides an introduction as well as background and contextual information on the wastewater projects and then becomes more detailed discussing programme and project progress and risk.

BACKGROUND

As part of Project Thrive, the importance of water to our community was one of the loudest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, as well as strong and durable infrastructure is how **#thebigwaterstory** began.

To deliver the improvements required, Council has developed a programme of upgrades and improvements to ensure that the drinking water, wastewater and stormwater infrastructure is able to meet the current and future needs of the community.

Following project THRIVE, creation of The Big Water Story brand, and adoption of the LTP in 2018, attention and focus have shifted from discussion and consultation to planning and delivery. Projects must be sequenced and prioritised based on several factors. This holistic approach to managing several interrelated projects to achieve a single promised outcome is referred to as Programme Management.

The wastewater projects due to their significance have now been removed from #thebigwaterstory report and will now be reported specifically through this report.

This report will cover the six wastewater plants and provide transparency on the process and developments for each.

OBJECTIVE

To deliver upgrades as outlined in design and consenting packages that are endorsed by community and regional council while remaining fit for purpose, affordable and able to be financed.

This key project status report serves as an opportunity to formally report to elected members on the progress of each of the projects and their expected delivery against time, scope, budget and quality standards.

SUMMARY and NEXT STEPS

While the programme across the six wastewater plants continues to progress well, we now commence work to prepare to take each upgrade in varying forms to the community for feedback.

The project control group led by Council and made up of

#the BIG Waste Water Story

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CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Overall Confidence Assessment

	Key Questions Impacting on Project Objectives	No	Yes	
1	Are there **Business Case Benefit** attainment problems?	✓	☐	As we create the design and consultation documentation for LTP 2021 – we undertake a business case like review for each project through a MCA options review process.
2	Are there **Scope Control** problems?	✓	☐	Options will be identified which when refined will allow us to refine the scope for each option
3	Will Target **Dates** be missed?	✓	☐	Currently on track to deliver each package to agreed timeframes
4	Will **Project Costs** be overrun?	☐	✓	Currently project costs are being developed. General funding is a major risk.
5	Are there **Quality** problems?	✓	☐	None at present
6	Are there **Resource** problems?	✓	☐	Internal resourcing is tight and stretched to deliver the packages of upgrades – but we continue to make good progress
7	Are there **Risk Management** problems?	✓	☐	Risk workshops are held and registers developed for each project to highlight and allow mitigation
8	Are there **Review and Approval** problems?	✓	☐	The process for internal review and approval is working well.
9	Are there **Teamwork** problems?	✓	☐	None present
10	Are there **Stakeholder** problems?	✓	☐	Community meetings are progressing for each project at milestones and information progresses
11	Are there **Iwi** issues?	✓	☐	Iwi engagement is ongoing, and we would benefit from additional assistance in this area
12	Are there **Communication** problems?	✓	☐	None present
13	Are there **Change Management** problems?	✓	☐	None present
14	Are there **Health & Safety** issues?	✓	☐	None present

Project Manager's Progress Summary

Achievements/Activities since last status report

This is the first key project status report on the programme, but the fifth update. Significant work continues behind the scenes, with focus on delivering input as part of LTP engagement in July 2020 for pre-engagement and then again for formal engagement in early 2021.

A recent update was provided to HBRC as part of our agreed regular updates as outlined in our environment court response.

Project	Achievement	When
Waipawa Wastewater		

Basis of Design	Reviewed and finalised	March 2020
Concept Design	Draft reviewed – to be finalised	May 2020
Inlet Works	Pipeline redirected, flow meters installed	May 2020
Tertiary Improvements	New sludge pump installed, and analysers commissioned	May 2020
Walker Road GW monitoring bores	Consent lodged and received for 6 bores	March 2020
Walker Road Land	FEMP lodged with HBRC	May 2020
Waipawa Trunk Sewer Main	Lining completed	Feb 2020
Waipukurau Wastewater		
Basis of Design	Reviewed and finalised	March 2020
Concept Design	Draft reviewed – to be finalised	May 2020
Sludge Survey	Survey of pond with boat completed	May 2020
Dry Weather Flow Gauging	Completed and incorporated into I&I studies	April 2020
Otane Wastewater		
Otane Infiltration and Inflow	Study completed and findings to be presented	March 2020
Sludge Survey	Survey of pond with boat completed	May 2020
Stage 1 – Otane to Waipawa Pipeline	Site established – pipe delivered	May 2020
Takapau Wastewater		
Basis of Design	Reviewed and finalised	March 2020
Flow Meter/ Screen Project	Awarded to Veolia	May 2020
Groundwater monitoring bores	Consent lodged	June 2020
Porangahau Wastewater		
Basis of Design	Reviewed and finalised	March 2020

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Community meeting #2	Meeting held and minutes released	March 2020
Te Paerahi Wastewater		
Basis of Design	Reviewed and finalised	March 2020
Community meeting #2	Meeting held and minutes released	March 2020

Issues/ Risks that have arisen since the last status report

This section will be expanded/ updated in subsequent quarterly Key Project Status Reports. A risk register is live and forms an integral part of the project and ensures the PCG manages and identifies risk appropriately. The formation of a Project Governance Group, will receive risks that are elevated, below is a simplistic overview of risks that are of concern.

Project	Risk	Proposed Control
Funding	Unable to fund project	Funding applications, understanding
Operational Compliance	Compliance breaches during planning for long term upgrades	Heightened maintenance, improvements to plants
Land Acquisition	Land for pipeline routes will require landowner engagement and negotiations – this may cause unease or concerns with the community	Proactive but targeted communications with landowners at appropriate times.
Timelines	Unable to deliver on milestones	Strict and robust project management
Community Engagement	Negative community perception, or lack of understanding	Planned engagement, and use of reference groups
Iwi Engagement	Negative perception, or lack of understanding, or ability to be involved	Targeted engagement

Key Activities to be started/completed or in progress over the next 2-3 months

Project/ Item	Action/ Activity	Forecast Completion
Waipawa Wastewater		
Wetlands	Removal of wetlands	July/ Aug 2020
Dry sludge	Consent for dry sludge removal to forest blocks and implementation along with prep for future desludging	July/ Aug 2020

De-sludging	Gain consent for future de-sludging and tender this work out	Oct 2020
Comms package	Release stage 1 of comms package as part of LTP pre-engagement	July 2020 ->
Waipawa Pump Station	Complete power upgrade and commission upgrade McGreevy Street pump station	Aug 2020
Waipukurau Wastewater		
Wetlands	Removal of wetlands	July/ Aug 2020
Dry sludge	Consent for dry sludge removal to forest blocks and implementation along with prep for future desludging	July/ Aug 2020
De-sludging	Gain consent for future de-sludging and tender this work out	Oct 2020
Compliance improvements	Process, programming and ongoing operational improvements	ongoing
Otane Wastewater		
Wetlands	Removal of wetlands	July/ Aug 2020
Pump station design	Develop Pump Station design	Sep 2020
Otane to Waipawa Pipeline (Stage 1)	Complete Stage 1	Oct 2020
Otane consent variation	Lodge consent variation	Oct 2020
Compliance improvements	Install new Aerator, investigate proposed DAF solution as minor improvement for TSS, CBOD5, and P reduction aligned with consent variation	July 2020 – Oct 2020
Takapau Wastewater		
Flow Meter/ Screen	Delivery of new inlet flow meter	Dec 2020
GW monitoring bores	Installation of bores for monitoring water flow, pond leakage	Oct 2020
Concept Design	Release draft Concept Design incl. BPO	Sep 2020
Community engagement	Present BPO and gain feedback	Aug/ Sep 2020

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Iwi Engagement	Work with Iwi to gain input into option, and commence a CIA	Ongoing
Landowner engagement	Work with neighbouring landowners to develop an provide input into BPO	Ongoing
Porangahau Wastewater		
Concept Design	Release draft Concept Design incl. BPO	July 2020
Community engagement	Present BPO and gain feedback	July 2020
Iwi Engagement	Work with Iwi to gain input into option, and commence a CIA	Ongoing
Landowner engagement	Work with neighbouring landowners to develop an provide input into BPO	Ongoing
Compliance improvement	Investigate short term improvement for TSS over summer	Aug 2020
Te Paerahi Wastewater		
Concept Design	Release draft Concept Design incl. BPO	July 2020
Community engagement	Present BPO and gain feedback	July 2020
Iwi Engagement	Work with Iwi to gain input into option, and commence a CIA	Ongoing
Landowner engagement	Work with neighbouring landowners to develop an provide input into BPO	Ongoing
General Comments		
A lot of work is happening across the wastewater plants and we continue to apply focus on the delivery, communication, operational improvements as we deliver on short term improvements as we focus and create the longer term solution.		

Waipawa, Waipukurau, Otane - Wastewater Project Progress to Conceptual Design

80% — Due: 31 June 2020

Porangahau and Te Paerahi - Wastewater Project Progress to New Consent Lodgement

50% — Due: 31 November 2020

Takapau - Wastewater Project Progress to New Consent Lodgement

50% — Due: 31 March 2020

Wastewater Plants – Pre-Engagement Comms Package

40% — Due: 25 July 2020

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Consenting Status Overview

Wastewater Plant (WWTP)	Comments	Consent Expiry
Waipawa WWTP	Consent current, but unable to fully comply with conditions, significant project to consult on future plans and funding before re-consenting and implementing	30 September 2030
Waipukurau WWTP	Consent current, but unable to fully comply with conditions, significant project to consult on future plans and funding before re-consenting and implementing	30 September 2030
Otane WWTP	Consent granted to 2042, but deemed not appropriate – variation to be obtained to meet new plan to include in Waipawa and Waipukurau long term solution	2042 31 March 2021*
Takapau WWTP	Working towards new consent to be lodged in early 2021 – signalling new approach to discharge.	30 October 2021
Porangahau WWTP	Working towards new consent to be lodged in late 2020 – signalling significant change.	31 May 2021
Te Paerahi WWTP	Working towards new consent to be lodged in late 2020 – signalling significant change.	31 May 2021

Programme Financial Update

Financial management of these projects requires creation internally of a project specific ID for each project.
This allows for management of costs and understanding of progress against budget – further detail available on request

Key Project Statistics	Budget	Expenditure incl. commitments	Variance
	Whole Life ($)	@ 22 May 2020	
WPK WPA Wastewater Treatment Investigation	2,121,267	1,481,144	640,122
Takapau Wastewater Upgrades	936,353	372,710	563,643
Porangahau/ Te Paerahi Wastewater Upgrades	1,849,485	163,103	1,686,382
Otane Wastewater Pipeline (Stage 1)	1,204,570	208,784	995,786
Waipawa Trunk Sewer Main Renewal	1,782,871	1,680,792	102,079

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Programme Sponsors Confidence

Overall confidence remains high, with attention required constantly by the programme team to deliver on outcomes. There remains potential for issues/ risks to arise and some delays may be probable. Risks will be addressed through the project, and monitored through the project lifecycle. Funding and community engagement remain the highest risks currently.

Key	Attention Required	Issues/Risks	Delivery
	Minimal	None	On Time
	Constant	Potential	Delays Probable
x	Manage	Exist but resolvable	Delays Likely
	Urgent	Major	Delays
	Critical	Critical	Major delays. Re-scope/Re-assess

Project Photos

Below are photos of the projects in action.
Photo can also found on the council website: *https://www.chbdc.govt.nz/our-district/projects/*

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CENTRAL HAWKE'S BAY DISTRICT COUNCIL

Waipawa Wastewater Plant – Concept Treatment Plant

Concept – Subsurface Rapid Infiltration Bed – Shotover, Queenstown

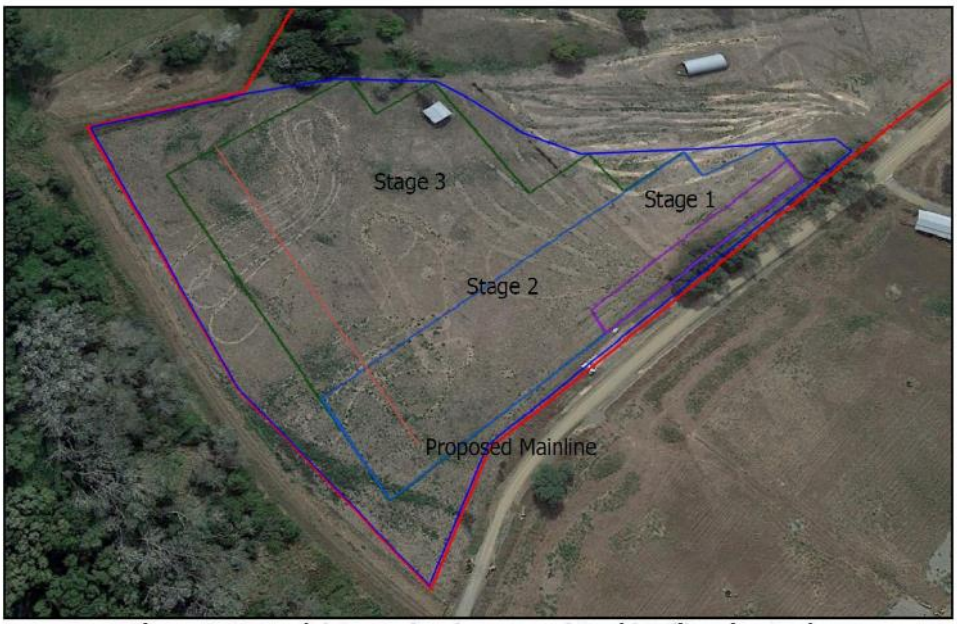

Figure 1: Potential Stage development of Rapid Infiltration Basin

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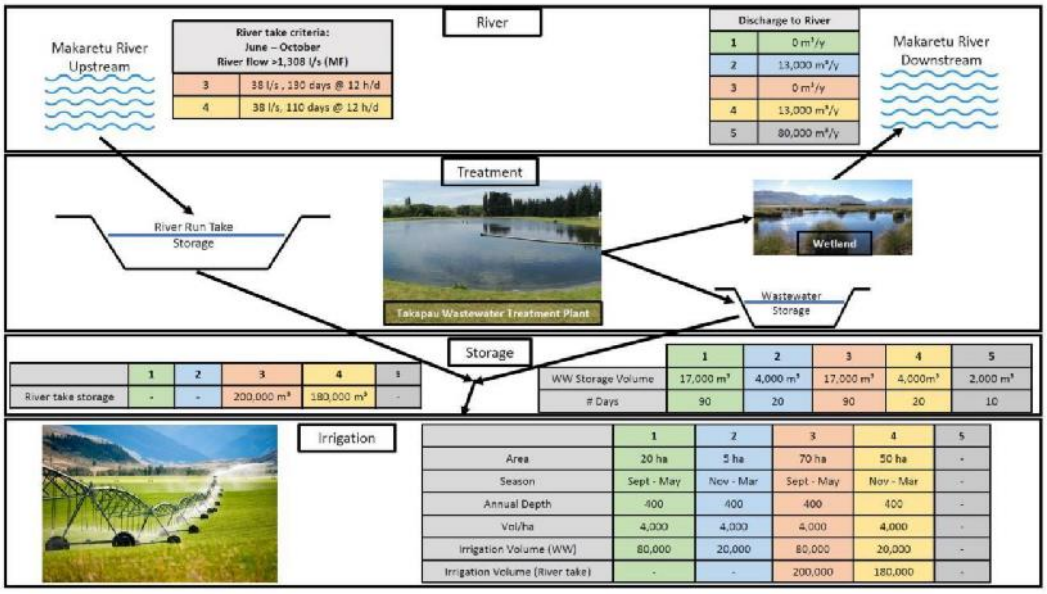
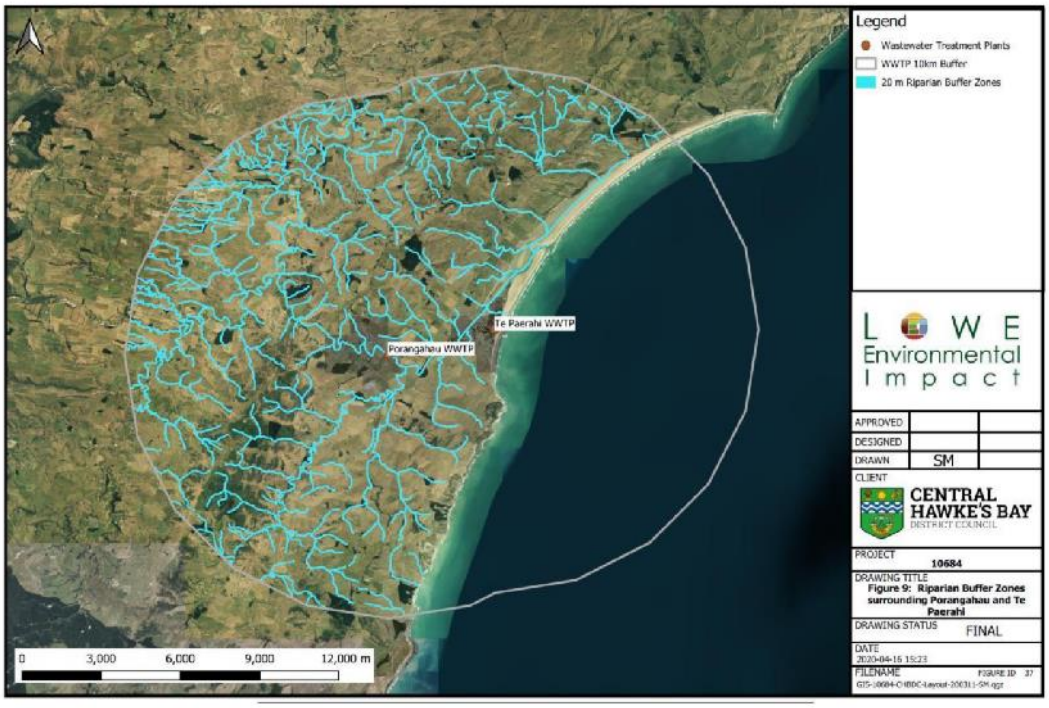
Takapau Concept Option for Landowner discussion

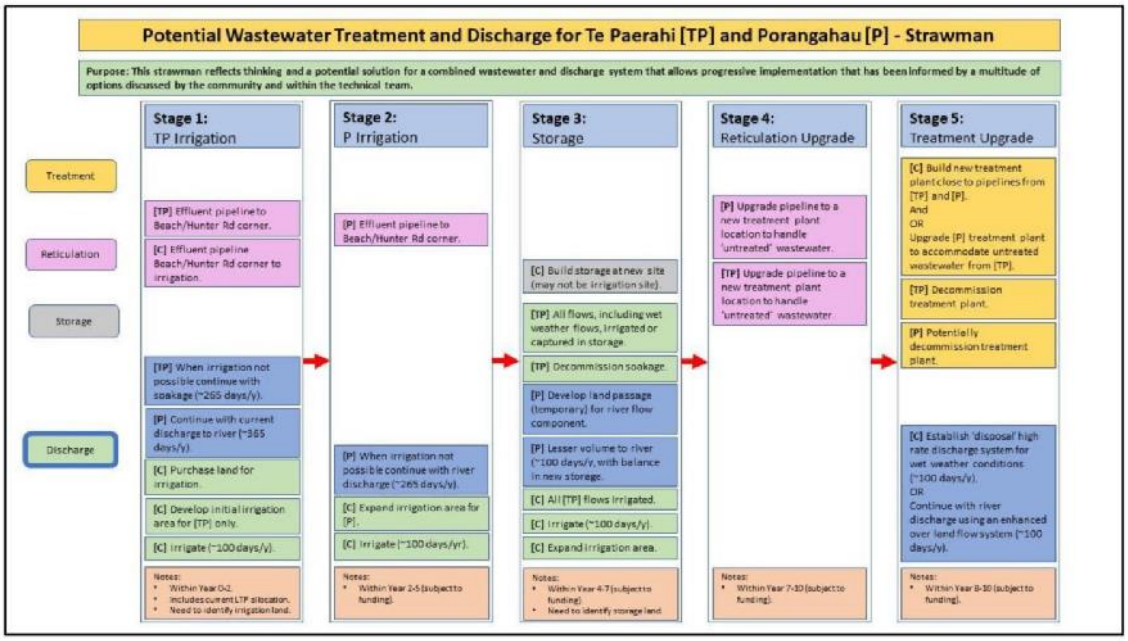


Key Project Status Report #1

Porangahau / Te Paerahi Land Suitability Review



Porangahau/ Te Paerahi – Staging Strawman



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Waipawa Inlet Works

Pump chamber overflow pipes - Completed
Screening Chamber Over flow screen


Reinstatement works - Completed


Otane to Waipawa Pipeline – Stage 1

5 DATE OF NEXT MEETING

RECOMMENDATION

That the next meeting of the Central Hawke's Bay District Council be held on 13 August 2020.

6 TIME OF CLOSURE

8 KARAKIA