



**I, Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer, hereby  
give notice that  
Infrastructure Committee Meeting will be held on:**

**Date: Tuesday, 18 May 2021**  
**Time: 1.30pm**  
**Location: Council Chamber, Wairoa District Council,  
Coronation Square, Wairoa**

# **AGENDA**

## **Infrastructure Committee Meeting**

**18 May 2021**

The agenda and associated papers are also available on our website: [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

For further information please contact us 06 838 7309 or by email [info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



**Order Of Business**

<b>1</b>	<b>Karakia .....</b>	<b>5</b>
<b>2</b>	<b>Apologies for Absence .....</b>	<b>5</b>
<b>3</b>	<b>Declarations of Conflict of Interest .....</b>	<b>5</b>
<b>4</b>	<b>Chairperson's Announcements.....</b>	<b>5</b>
<b>5</b>	<b>Late Items of Urgent Business .....</b>	<b>5</b>
<b>6</b>	<b>Public Participation .....</b>	<b>5</b>
<b>7</b>	<b>Minutes of the Previous Meeting .....</b>	<b>5</b>
<b>8</b>	<b>General Items.....</b>	<b>11</b>
8.1	Community Assets and Services Department - Update .....	11
8.2	3 Waters Stimulus Project Update .....	35





- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 CHAIRPERSON'S ANNOUNCEMENTS**
- 5 LATE ITEMS OF URGENT BUSINESS**
- 6 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 15.1 requests to speak must be made to the Chief Executive Officer at least one clear day before the meeting; however this requirement may be waived by the Chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

**7 MINUTES OF THE PREVIOUS MEETING**

Ordinary Meeting - 6 April 2021

**MINUTES OF WAIROA DISTRICT COUNCIL  
INFRASTRUCTURE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, WAIROA DISTRICT COUNCIL, CORONATION SQUARE, WAIROA  
ON TUESDAY, 6 APRIL 2021 AT 1.30PM**

**PRESENT:** His Worship the Mayor Craig Little, Cr Chaans Tumataroa-Clarke, Cr Denise Eaglesome-Karekare, Cr Hine Flood (Deputy Mayor), Mr Chris Olsen (via Zoom)

**IN ATTENDANCE:** **Kitea Tipuna** (Tumu Whakarae Taupua/Interim Chief Executive), **Stephen Heath** (Pouwhakarae – Hua Pūmau Hapori/Ratonga Group Manager Community Assets and Services), **Kimberley Tuapawa** (Pouwhakarae – Pārongo/Wheako Kiritaki Group Manager Information and Customer Experience), **Simon Mutohori** (Kaiwhakahaere Ratonga Kiritake-Waeture/Customer Service Manager – Regulatory), **Gay Waikawa** (Kaiurungi Mana Arahi/Governance Officer), **Karen Akuhata** (Kaiwhakahaere Whaipainga/Utilities Manager), **Mike Hardie** (Kaiwhakahaere Rawa Property Manager), **Jonny Hardie** (Kaiwhakahaere Kaupapa – Whaipainga/Project Manager – Infrastructure), **Luke Knight** (Kaiwhakahaere Rawa Property Manager), **Duane Culshaw** (Pouhurea Maori/Maori Relationships Manager), **Tyler Trafford-Misson** (Kaiwhakamahere/Planner)

**1 KARAKIA**

Karakia was given by Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive.

**2 APOLOGIES FOR ABSENCE**

Nil

**3 DECLARATION OF CONFLICT OF INTEREST**

None.

**4 CHAIRPERSON'S ANNOUNCEMENTS**

None.

**5 LATE ITEMS OF URGENT BUSINESS**

**LATE ITEM – UPDATED PHOTOS TO THE COMMUNITY ASSETS AND SERVICES DEPARTMENT  
UPDATE REPORT AND PUBLIC EXCLUDED-VERBAL UPDATE-WASTEWATER CONSULTATION  
DISCHARGE CONSENT**

**COMMITTEE RESOLUTION 2021/54**

Moved: Cr Chaans Tumataroa-Clarke

Seconded: Cr Denise Eaglesome-Karekare

That in accordance with Section 46A (7) of the Local Government Official Information and

Meetings Act 1987 the **Item 8.1 – Updated Photos to the Community Assets and Services Department Update Report and Public Excluded 9.2 – Verbal Update-Wastewater Consultation Discharge Consent** be considered given the item had not come to hand at the time of Agenda compilation and consideration of this matter is required now in order to respond within the timeframe allowed.

**CARRIED**

**6 PUBLIC PARTICIPATION**

None.

**7 MINUTES OF THE PREVIOUS MEETING**

**COMMITTEE RESOLUTION 2021/55**

Moved: His Worship the Mayor Craig Little

Seconded: Cr Hine Flood

That the minutes [and confidential minutes] of the Ordinary Meeting held on 23 February 2021 be confirmed with a word change.

**CARRIED**

**8 GENERAL ITEMS**

**8.1 COMMUNITY ASSETS AND SERVICES DEPARTMENT - UPDATE**

**COMMITTEE RESOLUTION 2021/56**

Moved: Cr Chaans Tumataroa-Clarke

Seconded: His Worship the Mayor Craig Little

That the Committee receive the report.

**CARRIED**

The Pouwhakarae-Hua Pumau Hapori/Ratonga Group Manager Community Assets and Services advised the Committee regarding the Wastewater and forming of Matangirau reserves board and abatement notices. Also meeting with the Hawke's Bay Regional Council (HBRC) to do the caucusing and table the opportunity to look at modifying the outfall with HBRC. The Environmental Court has ruled in favour of HBRC as far as allowing Wairoa District Council a further extension to discuss the opportunity for the abatement notice and appeal notice to protect Wairoa District Council and for both local authorities wanting a favourable outcome.

The Pouwhakarae-Hua Pumau Hapori/Ratonga Group Manager Community Assets and Services presented his report and reported on CASS Project Tracker, CAAS-CSRs and Maintenance spend, 2019-20 RCA Report-WDC, 2019-20 RCA Report-Simplified, Waka Kotahi CE Update, Photos-Property, Updated Photos-Land Transport, Wastewater overflow comms plan and Sealed Road Roughness Report.

The Committee discussed:

Roughness report.

Contract spend on roading.

Maintenance at entranceway.

Heavy vehicle routes mainly forestry.

**8.2 3 WATERS STIMULUS PROJECT UPDATE****COMMITTEE RESOLUTION 2021/57**

Moved: Cr Denise Eaglesome-Karekare

Seconded: Cr Hine Flood

That the Committee receive the report.

**CARRIED**

A report was presented by the Kaiwhakahaere Kaupapa-Whaipainga/Project Manager-Infrastructure. The report provided information on how projects are being delivered in line with relevant policies and strategies ie Infrastructure strategy, procurement guidelines, AMPs, LTP and Annual Plan.

The Project tracking spreadsheet, Geo-bag laydown area being filled and Project programme was also presented to the Committee with the report.

**9 PUBLIC EXCLUDED ITEMS****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2021/58**

Moved: Cr Denise Eaglesome-Karekare

Seconded: His Worship the Mayor Craig Little

That the public be excluded from the following parts of the proceedings of this meeting at 2.16pm.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>9.1 - 3-Waters &amp; Land Transport Contract Rollover/Procurement Review</b>	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to

	<p>information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>CARRIED</b>		

**COMMITTEE RESOLUTION 2021/59**

Moved: Cr Hine Flood

Seconded: Cr Chaans Tumataroa-Clarke

That Council moves out of Closed Council into Open Council at 2.42pm.

**CARRIED**

**The Meeting closed at 2.43 with a karakia by Kitea.**

**The minutes of this meeting were confirmed at the Infrastructure Committee Meeting held on 18 May 2021.**

.....  
**CHAIRPERSON**



## 8 GENERAL ITEMS

### 8.1 COMMUNITY ASSETS AND SERVICES DEPARTMENT - UPDATE

**Author:** Stephen Heath, Pouwhakarae – Hua Pūmau Hapori / Ratonga Group Manager Community Assets and Services

**Authoriser:** Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

**Appendices:**

1. CAAS Project tracker [↓](#)
2. Activity report [↓](#)
3. CSR report [↓](#)
4. Photos - Land Transport [↓](#)
5. 2018 Blue Bay Information Flyer [↓](#)
6. 2018 Blue Bay Letter [↓](#)
7. Example dashboard - 3 Waters [↓](#)

#### 1. PURPOSE

- 1.1 This report provides information for Committee on Community Assets and Services (CAAS) department projects.
- 1.2 No decisions are required by Committee at this stage.

#### RECOMMENDATION

The Pouwhakarae – Hua Pūmau Hapori / Ratonga Group Manager Community Assets and Services RECOMMENDS that Committee receive the report.

#### 2. BACKGROUND

- 2.1 This report forms a summary only of projects “at a glance”. Additional reports will continue to be provided where further direction is sought from Infrastructure Committee.
- 2.2 As a general rule, projects valued under \$100,000 will be reported by exception only, for example if considered of high public interest. As this is normally covered off under the delegations manual or within existing contracts.

#### 3. DIRECTION

- 3.1 This section will outline the direction that Infrastructure Committee & Council provide CAAS. It will outline how projects align with Council’s direction and how these projects are being delivered in line with relevant policies and strategies i.e. Infrastructure strategy, procurement guidelines, AMPs, LTP, Annual Plan.
- 3.2 A template and policy has been provided by Central Otago District Council, upon request following the last Infrastructure Committee, around how they determine which roads to maintain. The WDC Transport Asset Manager is working through this with the WDC CE, before bringing back to the Infrastructure Committee to workshop potential stopping of maintenance on certain roads.

#### 4. MONITORING

- 4.1 This section will refer to the project dashboard at Appendix 1. Any project areas such as budget or delivery that are highlighted Amber or Red in the dashboard will be commented on here. (please note this project dashboard forms part of an Excel spread sheet capturing all project activities, Property, Land Transport, 3 Waters)
- 4.2 Appendix 2 Monitoring report shows current spends on operational budgets and a summary of CSR data for 3 main area spends: Land Transport, 3 Waters, Property.

#### 5. RISKS

- 5.1 This section will refer to the project dashboard at Appendix 1. Any risks outlined will be summarised with mitigation actions outlined. This will focus on the high or extreme risk levels.
- 5.2 Please see below on section 7 for details around Kitchener Street piping open drain project risk

#### 6. RESOURCES

- 6.1 This section will discuss levels of resourcing such as budget, equipment, contractors or staffing.
- 6.2 No further to add on contract rollover/negotiation for 3 Waters and the roading maintenance contracts, except for the fact meetings have been set for negotiations and discussions to commence.

#### 7. GENERAL

- 7.1 **Wastewater discharge consent:** last month has seen a few developments with the wastewater programme. These are summarised below.
  - 7.1.1. Consent conditions: After experts from the Regional Council and WDC team met at the end of March, there has been further refinement of the consent conditions. They are collectively in agreement on most. These will be submitted back to the hearing panel for consideration within the next week.
  - 7.1.2. Council meeting: The management of the wastewater abatement notice is requiring WDC and HBRC to meet and agree on what needs to occur, specifically whether modifications can be made to the existing discharge structure before the consent is granted. HBRC have not confirmed a meeting date yet.
  - 7.1.3. Matangirau Reserve board: There has been a meeting of the Board to update them on the consent process and reiterate the proposal and its current status. The need to potentially change the concession application was also discussed. It was agreed that Hamish and if possible Matt would attend a meeting with Tatau Tatau and represent the proposal and update on the status of the application.
  - 7.1.4. Master planning: Staff are in the process of developing a master plan for the Wairoa WWTP facilities. This includes identification and tracking of future project. This include projects funded through the 3 water funding allocation.
  - 7.1.5. Irrigation: Despite not having the resource consent granted, there has been a meeting with Mucalo and Powdrell land owners to discuss irrigation design. There is to be a follow up meeting before the end of May.



## 7.2 Blue Bay

- 7.2.1. In October 2018 council put the Blue Bay water treatment plant upgrade on hold and at the time installed three roadside Non Potable water taps prior to Christmas 2018. Council had no obligation to offer this service ie: 3 road side taps and was done as a good will gesture for Blue Bay residents as they were expecting water for the 2018 Christmas holiday period, at the time Wairoa District Council were also concerned that Blue Bay residents may try to access water from other riskier sources. Wairoa District Council installed three taps on the roadside, connected to the existing Non-Potable water supply, and allowed the residents over the holiday periods to use this for general use such as, filling up caravan grey water systems etc (note: this water is non-potable, non-drinkable). – see appendices 3, and 4
- 7.2.2. Council have recently reviewed the risk and now consider it appropriate to remove the 3 roadside taps due to increasing risks such as:
- 7.2.3. Locals going into the Blue Bay subdivision and filling and taking bulk water in 1000 Litre cubes on trailers.
- 7.2.4. Public health risk will increase with the upgrade of the Opoutama/Blue Bay wastewater treatment plant.
- 7.2.5. Ongoing vandalism, taps broken, hose removed, signage removed.
- 7.2.6. Fire and Emergency New Zealand has expressed concern that the water tank levels may diminish over time as the public taps are utilised potentially resulting in insufficient water supply in the event of an emergency leaving the three fire hydrants compromised.
- 7.2.7. Council will communicate the removal of the three roadside taps to the property owners with the intention of removing the 3 x road side taps by approx. end of July / August 2021.

## 7.3 Clyde Road Cnr to Hospital Entrance (Kitchener Street piping open drain/safety improvements) - Following rainfall intensities of up to 27mm/hr, one section of the culverts currently being installed along Kitchener Street floated.



This is a very uncommon occurrence for concrete culverts. Each culvert weights 4.2 Tonne. It appears that the water from the heavy rain has penetrated the backfill around the culverts getting under the culverts creating an uplift. Ground water also attributes to this. This uplift can amount to up to 1 tonne of pressure per 1 square metre of pipe surface.

Normally there would be added weight additional to the weight of the culverts, created by the water inside the culverts which keeps the downward forces greater than the upward forces. However due to Fulton Hogan still being in the process of installing the culverts, they had a very efficient dewatering system in place. This resulted in only a little amount water being in the culverts. Also backfilling above the culverts had not been completed.

Fulton Hogan have Construction Insurance in place which is being looked at to cover this incident. The effected section of culverts are being removed and re-laid.

- 7.4 Indicative funding levels for Maintenance, Operations, and Renewals (NZTA) will be advised to Councils on 21 May 2021. This is the core funding WDC receive, so the outcome is very important.

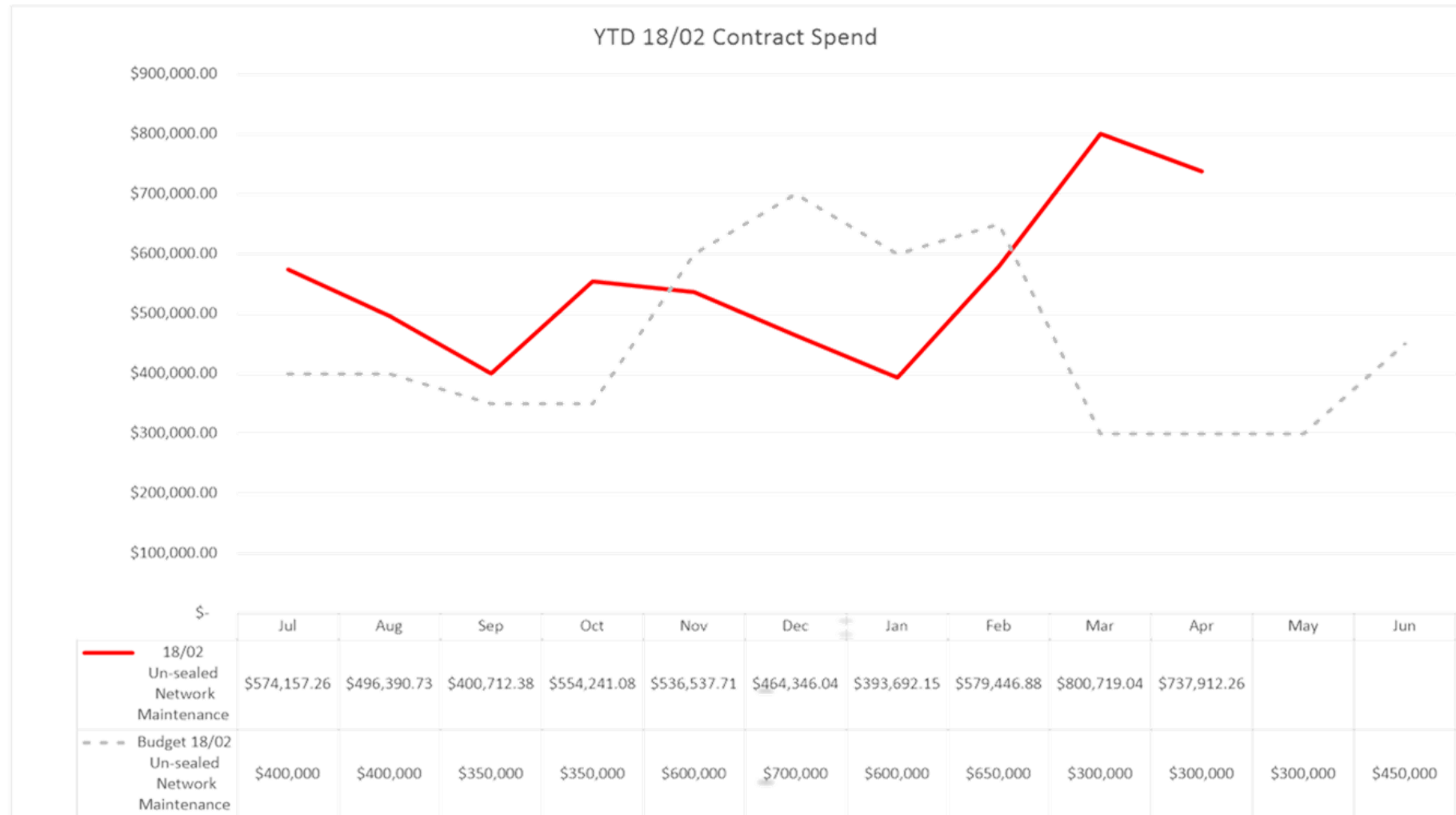
**Signatories**

	
Author Stephen Heath	Approved by Kitea Tipuna

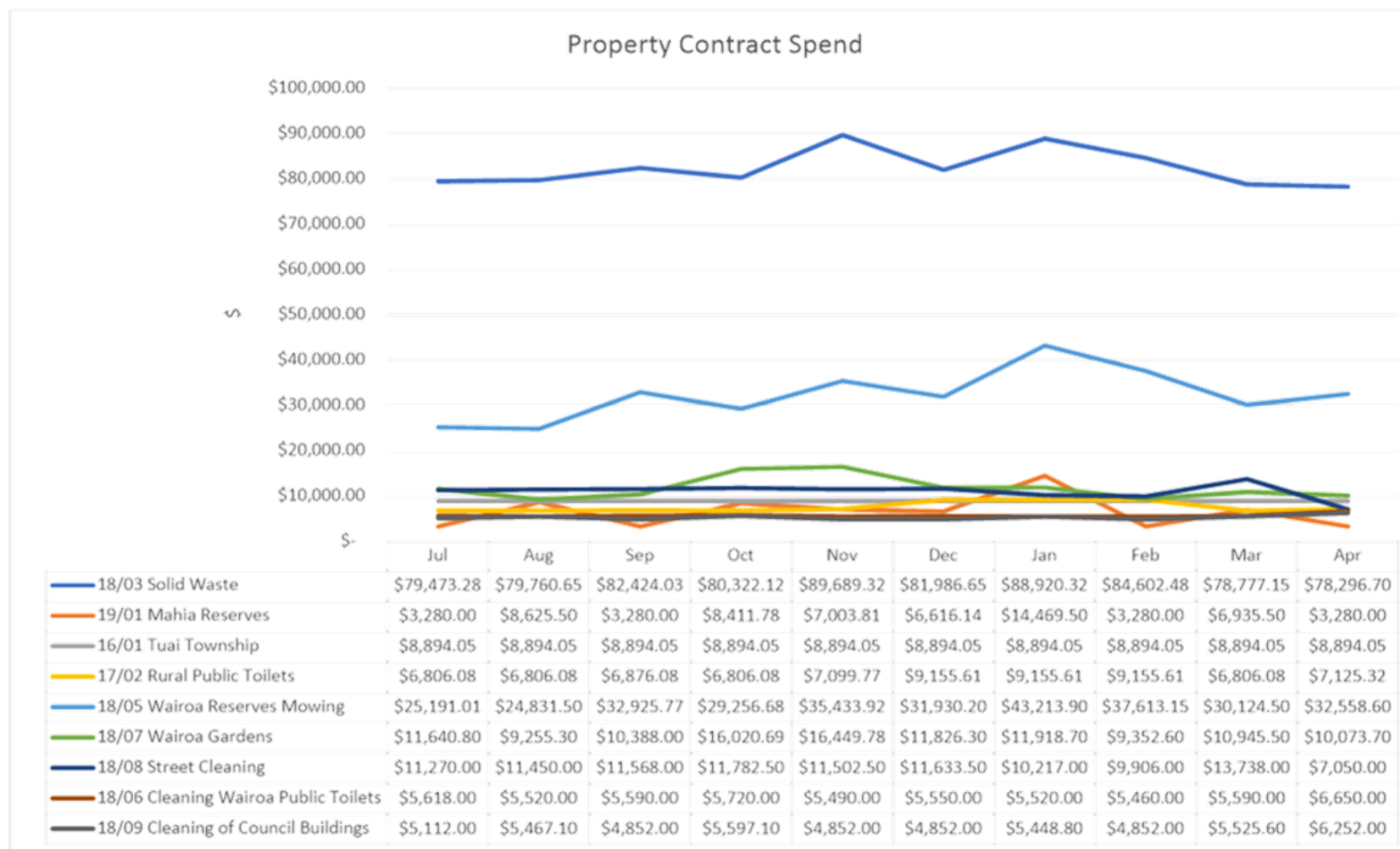
Project	Risk			Financials				Delivery			Commentary
	Raw	Res.	Phase	Budget	Variation Budget	Spend to date	Forecast spend	Delivery date	%		
20/08 PGF Bridge Strengthening Package 2			Delivery	\$ 317,000	\$ -	\$ 170,000	\$ 317,000	Jun 21	55	Awarded to Ritchies Civil.	
20/09 PGF Bridge Strengthening Package 3			Delivery	\$ 519,000	\$ -	\$ 226,000	\$ 519,000	Jun 21	50	Awarded to QRS under the preferred supplier agreement	
Clyde Road Cnr to Hospital Entrance (Kitchener Street Piping Open drain Safety Improvements)			Delivery	\$ 1,000,000	\$ -	\$ 586,000	\$ 1,000,000	Jun 21	50	Established site, started to lay pipes, issue with one section during heavy rain	
MEC Road dropout 8.90			Delivery	\$ 120,000	\$ -		\$ 120,000	Jun 21		Awarded to QRS as variation under existing contract	
MEC Road dropout 9.87			Delivery	\$ 195,000	\$ -		\$ 195,000	Jun 21		Awarded to QRS as variation under existing contract	
Mahia Recycling Centre			Design	\$ 325,000	\$ -	\$ 103,000	\$ 325,000	Jun 21	10	Containers used at temp. holiday site. Discussions with RIT chair on options.	
Realign water intake pipe to WTP			Delivery	\$ 550,000	\$ -	\$ 458,140	\$ 550,000	May 21		Delayed due to lack of materials resource. Complete in new year.	
Risk Key <div>Low</div> <div>Considerable</div> <div>High</div> <div>Extreme</div>											

41 requests received in April. 1 culvert blocked, 1 long grass along roads/boundaries, 2 trees fallen across roads, 2 flooding, 2 overhanging trees – paths/roads, 3 slips/dropouts, 3 signs, 3 stormwater/drainage, 4 footpath, 5 traffic safety/accidents, 7 surfaces and 8 street lighting.

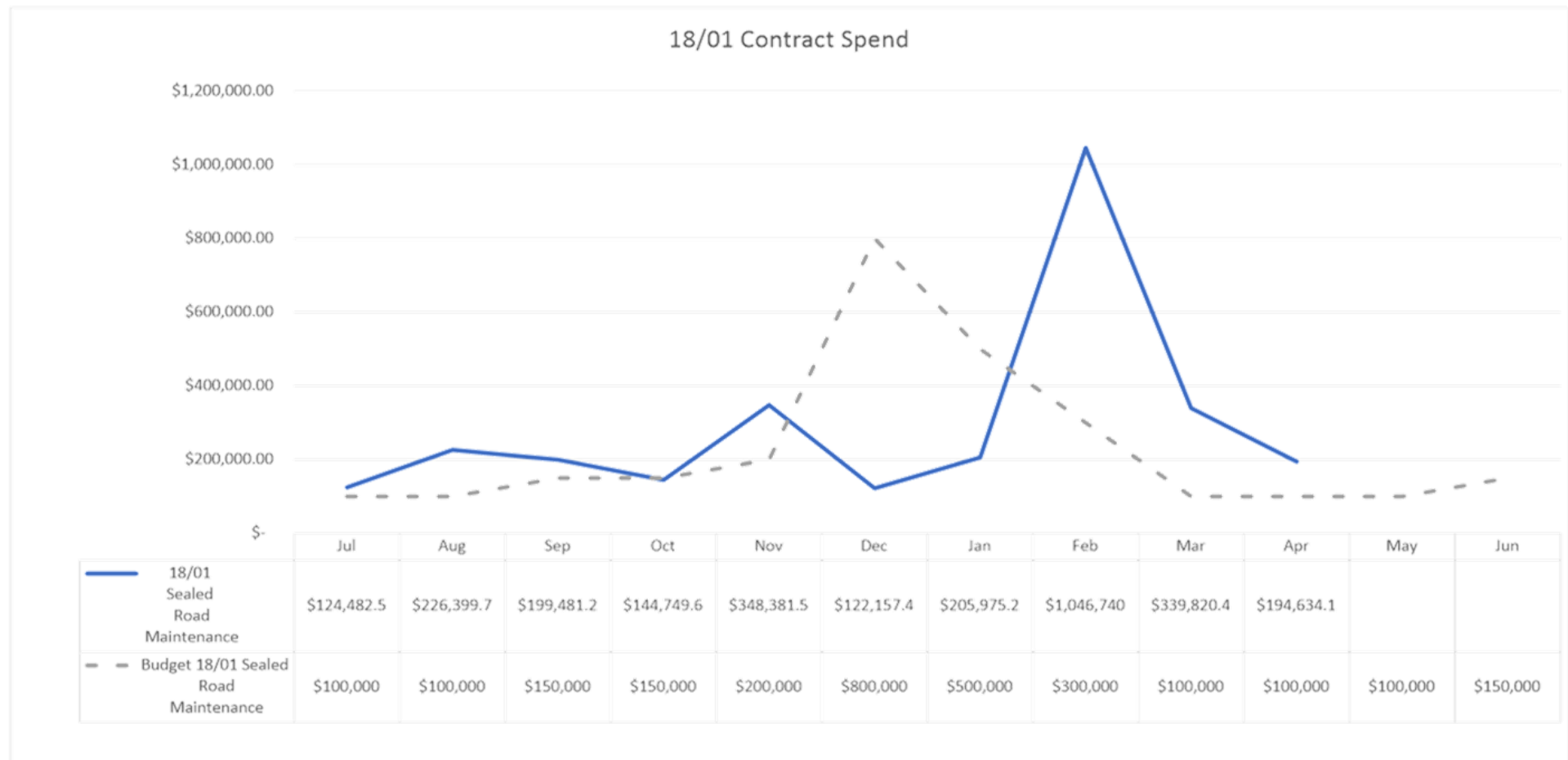




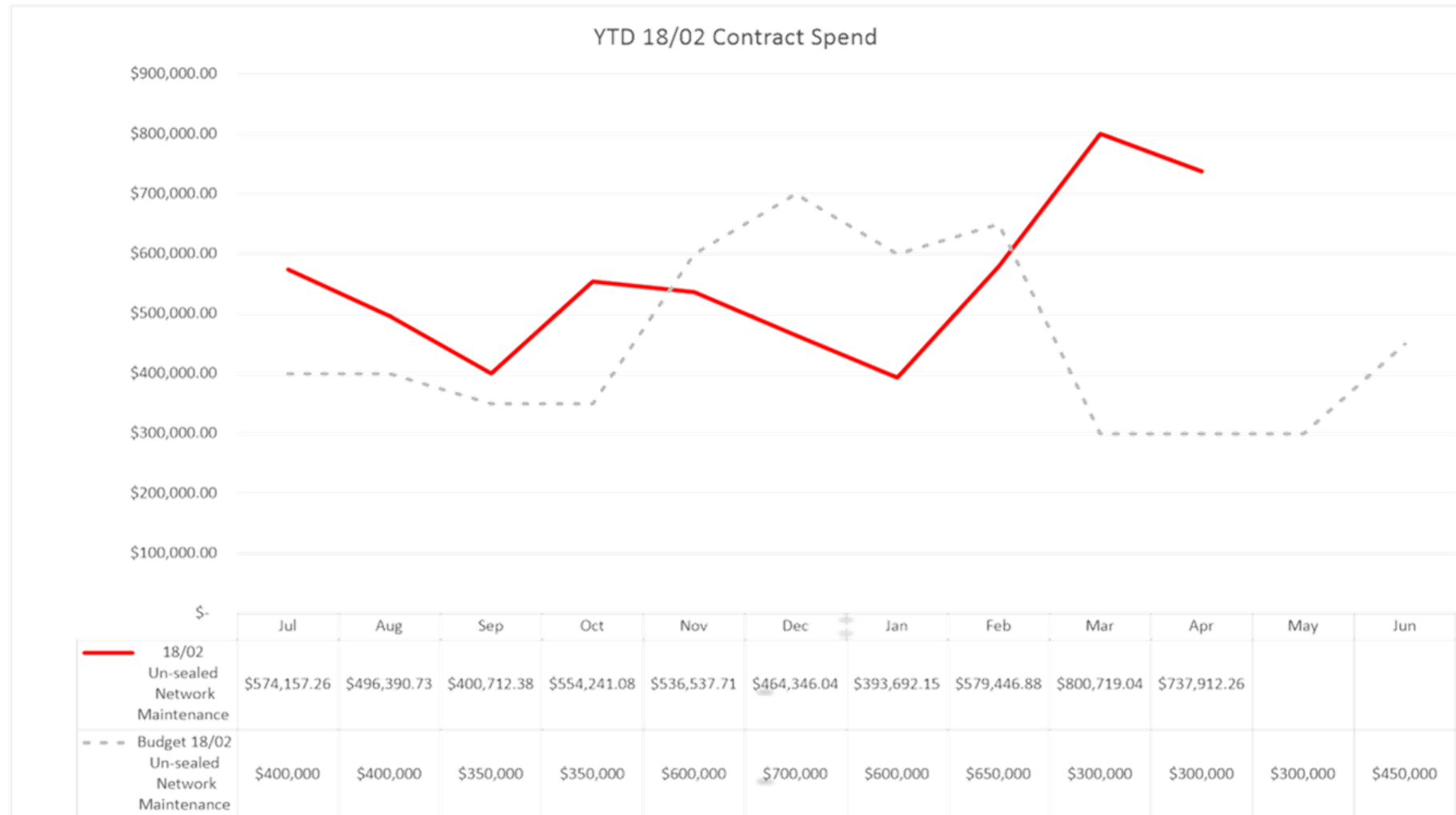
30 CSRs were received in April. 1 animal general, 1 council offices, 1 playgrounds, 1 public halls, 1 long grass along roads/boundaries, 2 public toilets/rest rooms, 2 3 cemeteries/plot enquires, 3 rubbish/litter, 4 abandoned vehicles, 5 housing & pensioner flats and 6 deemed as general.



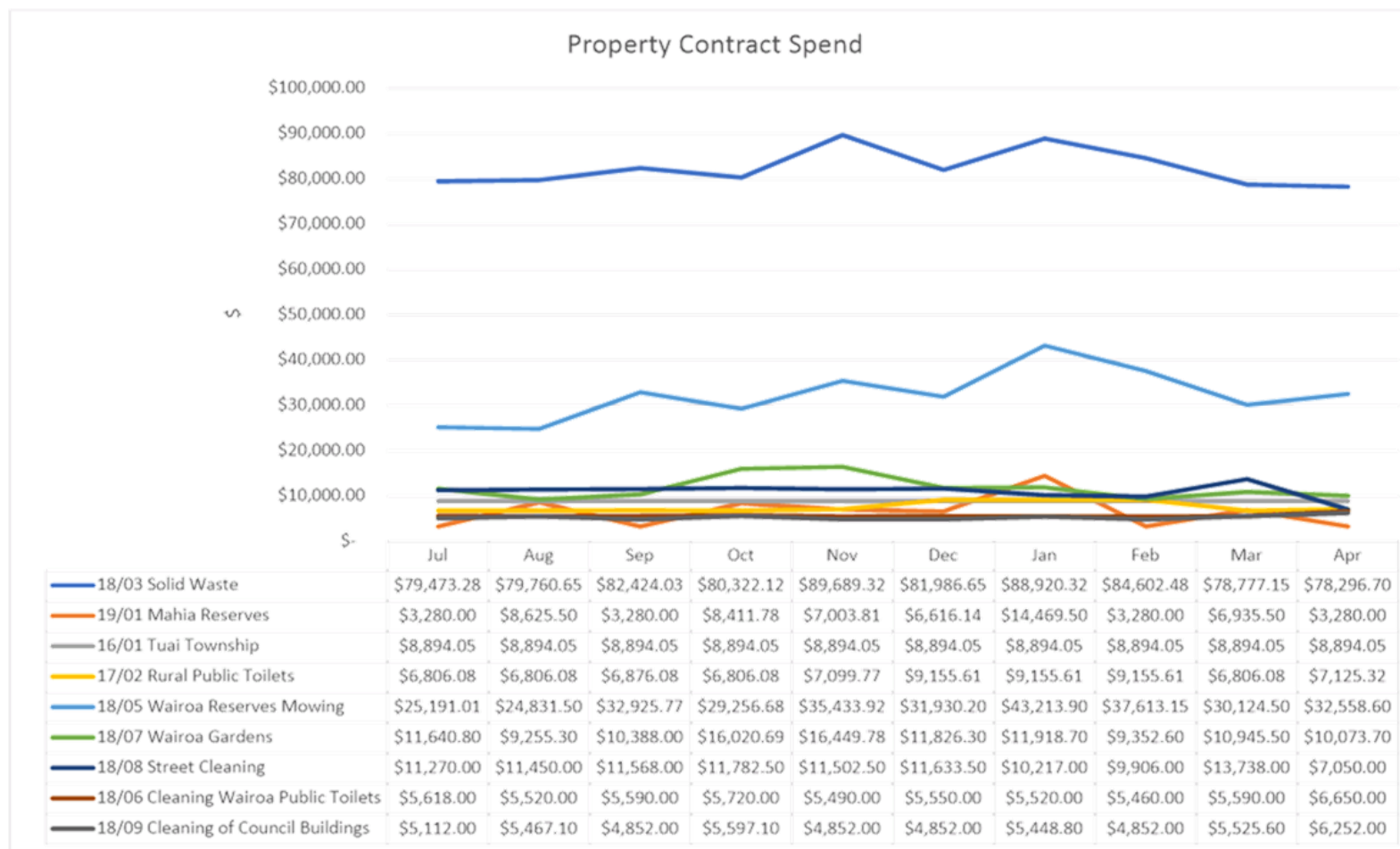
41 requests received in April. 1 culvert blocked, 1 long grass along roads/boundaries, 2 trees fallen across roads, 2 flooding, 2 overhanging trees – paths/roads, 3 slips/dropouts, 3 signs, 3 stormwater/drainage, 4 footpath, 5 traffic safety/accidents, 7 surfaces and 8 street lighting.







30 CSRs were received in April. 1 animal general, 1 council offices, 1 playgrounds, 1 public halls, 1 long grass along roads/boundaries, 2 public toilets/rest rooms, 2 3 cemeteries/plot enquires, 3 rubbish/litter, 4 abandoned vehicles, 5 housing & pensioner flats and 6 deemed as general.





## WAIROA DISTRICT COUNCIL

+64 6 838 7309

+64 6 838 8874

customerservices@wairoadc.govt.nz

www.wairoadc.govt.nz

PO Box 54, Wairoa 4160, Hawke's Bay

Coronation Square, Queen Street, Wairoa

### EXAMPLES OF LAND TRANSPORT PROJECTS

#### **20/08 PGF BRIDGE STRENGTHENING PACKAGE 2 - NGAMAHANGA BRIDGE**





## 20/09 PGF BRIDGE STRENGTHENING PACKAGE 3 - BARKER BRIDGE

Before



After



## MAINTENANCE CONTRACTS

### Dufty Low Level Bridge – Resilience Improvements





**Kitchener Street Safety Improvements – Piping open drains**



### Erepiti Road Retreat – Safety Improvements



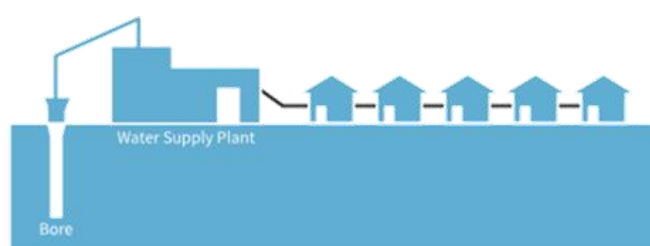


# BLUE BAY WATER SUPPLY

Unfortunately the water upgrade for the Blue Bay sections will not be completed by Christmas 2018 as initially planned. Council have considered possible solutions to solve the Blue Bay water challenges and now wish to formally engage with affected property owners.

## OPTION 1

### WATER SUPPLY PLANT UPGRADE



- **Economy of scale not favourable**  
Currently capital cost of approximately \$678,000 shared across 44 properties.
- **Risk of odour & colour issues**  
The bore at Blue Bay is shallow, therefore there will be an ongoing risk of odour and colour issues.

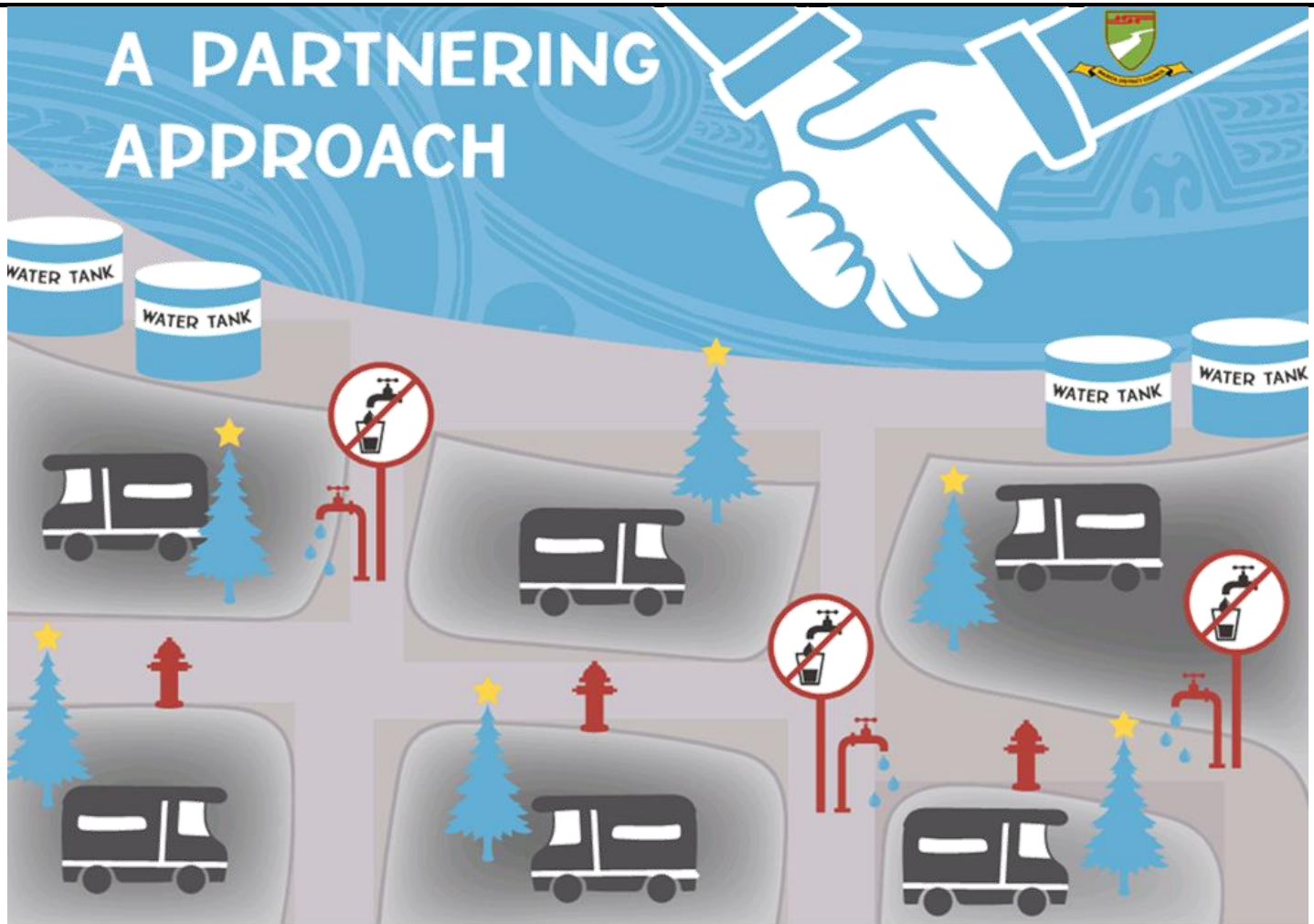
- **Risk of water restrictions**  
Due to bore limitations of 1.5 litres per second, strict restrictions will result in daily water limits and smart metering on each property. If daily limits are exceeded penalties will be incurred.
- **Risk of bore running dry**  
In extended dry periods there will be a risk of the bore running dry due to it being shallow. This may mean trucking in water, which will incur costs.
- **Risk of cyanotoxins/algae**  
Due to the shallowness of the bore and aquifer there will be a risk of cyanotoxins/algae.
- **Level of water treatment**  
Due to the shallowness of the bore and the aquifer a high level of ongoing water treatment will be required, i.e. chlorination, filtration, flocculation, UV disinfection etc which will incur a cost. Costs unknown at this time.

## OPTION 2

### RAIN WATER TANKS



- **Rain water tank installation**  
Property owners install rain water tanks, incurring initial installation costs. Council would encourage UV disinfection, 1 micron filter and leaf traps on downpipes as per Council's rural rain water tank recommendations.
- **On-going operational costs**  
On-going operational costs are low and will have to be borne by the owner.
- **Minimised health risks**
- **Management of storm water**  
Rain water tanks will help to manage storm water runoff from roofs.
- **Trucking in water**  
Possible costs to truck water in if the rain water tank runs dry.
- **No rates for water**  
Wairoa District Council's obligation to supply water will be removed off property title. This means that property owners won't have to pay ongoing rates for water.
- **Consenting Requirements**  
It should be noted that under the Operative Wairoa District Plan any structure, over 1.5m in height including water tanks are classed as a building and therefore the water tanks need to meet the minimum set back requirements. In the Residential (Mahia) Zone which includes the Blue Bay Subdivision these are 3m from the front and rear boundary and 1.5m from the sides. If the tank is to be inside the set-backs then a consent will be required. If the affected boundary is of a privately owned piece of land and the applicant can obtain the affected parties approval then they can apply for a deemed permitted boundary activity. If the affected boundary is to a council owned piece of land or the applicant cannot obtain affected parties approval then it will need go through to full RMA process. These costs would have to be borne by the applicant.
- **Drinkable water**



Wairoa District Council incurred costs of approximately \$57,000 in pursuing the option to utilise the old bore. However, Council acknowledge that the expectation from property owners was there would be a water supply available before Christmas 2018.

Wairoa District Council has filled the four existing water tanks from the existing Blue Bay bore and has energised the water system to give the subdivision (i.e. 44 sections) three active fire hydrants.

Fulton Hogan have completely isolated the 44 properties so the water to the properties are now inactive i.e. no water.

As Blue Bay residents were expecting water for this Christmas holiday period, Wairoa District Council are concerned that Blue Bay residents may try to access water from other more risky sources. Wairoa District Council would like to put three taps on the road side, connected to the existing water supply, and allow the residents over the holiday period to use this for general use such as, filling up caravan grey water systems etc (note: this water is non-potable, non-drinkable).

If Option Two is considered the best option by the property owners, then Wairoa District Council will continue to operate and maintain the three road side taps and fire hydrants.

Above each of the road side taps there will be signage to indicate that the water supplied is non-potable water not intended for drinking.

To help further reduce the risk, Wairoa District Council will filter the water with 5 and 20 micron filters, and regularly dose the water with minimal chlorine. (Note: This water is classed as non-potable water due to the Water Treatment Plant not meeting the Drinking Water Standards NZ).

The three taps by each fire hydrant will be on the road side and due to capital cost constraints can only be located by each fire hydrant.

Wairoa District Council has advised the Ministry of Health about the road side tap solution. They understand the reasoning and are happy with the solution.

## SUBMITTING YOUR FEEDBACK

Wairoa District Council are committed to working with Blue Bay property owners to find a solution and look forward to your feedback.

**CONSULTATION CLOSES ON  
30<sup>TH</sup> NOVEMBER 2018, 5PM**

### HOW TO SUBMIT YOUR FEEDBACK

🌐 **Complete our online feedback form**  
Visit [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz) and search for  
**#consultations**

✉ **Email us**  
Alternatively you can email your feedback to  
[stephen@wairoadc.govt.nz](mailto:stephen@wairoadc.govt.nz)





2 October 2018

**UPDATE: BLUE BAY WATER SUPPLY**

Dear Resident,

It is with regret I write to advise that the Blue Bay Opoutama drinking water upgrade has been put on hold following an intervention by the Hawke's Bay District Health Board Medical Officer of Health.

The decision by Dr Nick Jones to become an official interested party means the process could incur long delays and an alternative supply site is likely to be needed which will significantly increase costs.

The issue was discussed at the Wairoa District Council Infrastructure Committee meeting on Tuesday, October 2, 2018, with councillors told the upgrade could now cost \$678,000, significantly above the budgeted \$215,000.

The process has now been halted while councillors review the options and costings and consult with the affected property owners.

Wairoa District Council staff have spent most of the year working towards a suitable water supply for the Blue Bay subdivision, and a solution had been reached and recommended as appropriate by the Ministry of Health's Drinking Water Assessor.

Advice to Council from the Ministry of Health Drinking Water Assessor was that the existing water bore could be used providing Council met conditions of an approved water safety plan and because the existing bore is in a treated wastewater effluent disposal plume the increased risk must be managed.

The request by the Medical Officer of Health is based on concerns around abstracting raw water from an area that is influenced by a treated wastewater effluent discharge, despite the proposed treatment process exceeding the requirements of the Drinking Water Standards.

Council initially believed the existing Blue Bay bore would not be suitable because it is inside the area influenced by the treated wastewater plume and identified seven alternative water supply sites with the preferred location at Ormond Road east of the railway line.

Office of the Chief Executive, Coronation Square, PO Box 54, Wairoa 4160  
Telephone +64 6 838-7309 – Email [stevenmay@wairoadc.govt.nz](mailto:stevenmay@wairoadc.govt.nz)

A meeting with the Ministry of Health Drinking Water Assessor (DWA) in early March resulted in the existing bore being put back on the table with the assessor noting the Blue Bay water supply was a small one and if a water safety plan approach was followed under Section 10 of the Drinking Water Standards the existing bore could be considered.

The concept of using the existing bore was discussed at a joint meeting with the Hawke's Bay Regional Council and Drinking Water Assessor.

At that time the DWA had no issue using section 10 of the Drinking Water Standards provided they approved a water safety plan, and because the existing bore is in a treated wastewater effluent disposal plume the increased risk must be managed.

Based on those meetings Council considered it reasonable to proceed with using the existing bore and treat the water through a process that exceeded the requirements of the Drinking Water Standards and incorporated a series of multiple barriers.

A Water Safety Plan was prepared by OPUS and approved by the Drinking Water Assessor.

The Medical Officer of Health's intervention effectively shut down the proposal that until that time was recommended by the DWA as appropriate.

The new status of the application meant a hearing would be required, and regardless of the outcome, the process could cost around \$100,000.

The Blue Bay application is the first new water supply in the Hawke's Bay region since the Havelock North incident with everyone very aware of the consequences of not meeting the most stringent requirements.

For us, it is unfortunate timing as it is a new playing field, even for a supply as small as Blue Bay.

Council believed it was on the right track and it is disappointing to now have to start again but equally, there is no room for error, and we must get this right.

A safe water supply, for now, and into the future, is paramount.

I am very disappointed the water upgrade will not be completed by Christmas as initially planned and we apologise that this will now not happen.

It is important that Council now take stock of the situation and discuss our options with the owners of properties at the Blue Bay subdivision to ensure a safe water supply that is future proofed.

It needs to be remembered the original Blue Bay water supply was built by a private contractor to meet the requirements at the time.

Council inherited the water supply, and it does not comply with today's standards.

We aim to consult with residents as soon as possible to discuss all possibilities regarding a new water supply along with options of rates remissions and the use of water tankers.

I would like to personally thank you for your patience.

The Blue Bay subdivision is an exciting development for our district, and we want to work with residents to make sure we get it right.

Council has appointed utilities manager Stephen Heath as the main contact. Any queries should be made directly to Stephen by phoning 06 838 7309 or emailing [stephen@wairoadc.govt.nz](mailto:stephen@wairoadc.govt.nz)

Yours faithfully



Steven May  
**CHIEF EXECUTIVE OFFICER**

### 3 WATERS ACTIVITY

#### CONTRACTS ASSOCIATED WITH THE 3 WATERS ACTIVITY

NAME	TERM	VALUE
3 Waters Maintenance	3y 10m	\$7.7M

#### MONTHLY CONTRACT SPEND

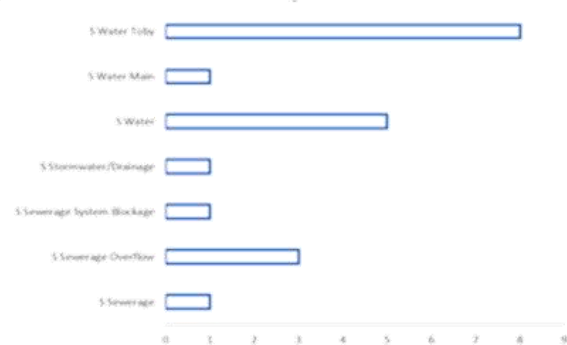


#### 3 WATERS SPEND - YTD

#### CUSTOMER REQUESTS YTD



#### APRIL CUSTOMER REQUESTS



#### COMPLIANCE



- Bluebay Scheme non compliant in effluent quality



- No compliance issues
- 2 yearly water compliance report has been delivered to HBRC



- Undergoing discharge consent process. There have been delays with dry conditions meaning we are unable to carry out stormwater sampling

**8.2 3 WATERS STIMULUS PROJECT UPDATE**

**Author:** Jonny Hardie, Kaiwhakahaere Kaupapa-Whaipainga Project Manager-Infrastructure

**Authoriser:** Stephen Heath, Pouwhakarae – Hua Pūmau Hapori / Ratonga Group Manager Community Assets and Services

**Appendices:**

1. Project Tracking spreadsheet [↓](#)
2. Memorandum - Three Waters Stimulus Procurement [↓](#)
3. NTC #15 - Separable Portions for 3W Stimulus [↓](#)
4. HBRC letter confirming Abatement Notice deadline extension [↓](#)
5. Photos [↓](#)

**1. PURPOSE**

- 1.1 This report provides information for Committee on the Three Waters Stimulus package.
- 1.2 No decisions are required by Committee at this stage.

**RECOMMENDATION**

The Kaiwhakahaere Kaupapa-Whaipainga Project Manager-Infrastructure RECOMMENDS that Committee receive the report.

**2. BACKGROUND**

- 2.1 This report forms a summary only of projects “at a glance”. Additional reports will continue to be provided where further direction is sought from Infrastructure Committee.

**3. DIRECTION**

- 3.1 This section will outline the direction that Infrastructure Committee & Council provide CAAS. It will outline how projects align with Council’s direction and how these projects are being delivered in line with relevant policies and strategies i.e. Infrastructure strategy, procurement guidelines, AMPs, LTP, Annual Plan.

- 3.2 **Delivery Plan** - 8<sup>th</sup> September 2020, Council Meeting.

Resolution: That Council approve the 3 Waters Reform tranche one and delegate the Chief Executive Officer to spend the grant funds.

- 3.3 **Memorandum of Understanding** - 11<sup>th</sup> August 2020, Extraordinary Council Meeting.

Resolution: Agreeing to sign a Memorandum of Understanding (MoU) with the Crown, agreeing to participate in the initial stage of a central/local government three waters service delivery reform programme and authorising the Chief Executive to enter into the Funding Agreement, to accept a grant from the Crown to spend on operating and/or capital expenditure relating to three waters infrastructure and service delivery.

#### 4. MONITORING

- 4.1 This section will refer to the project dashboard at Appendix 1. Any project areas such as budget or delivery that are highlighted Amber or Red in the dashboard will be commented on here.
- 4.2 Project budgets continue to be adjusted as more information becomes available. Some scopes are increased or reduced depending on the nature and priority of each project.
- 4.3 The Mahanga water supply referendum result indicated the supply will remain operational. The original budget for this project has been reduced to \$75,000 which will include an additional concrete water tank, upgrading the chlorination dosing system, electrical controls, new SCADA monitoring with alarming, new smart meter volumetric data collection, and reservoir level monitoring.
- 4.4 See below in Risks for the identified risks of the Three Waters Stimulus Projects.

#### 5. RISKS

- 5.1 This section will refer to the project dashboard at Appendix 1. Any risks outlined will be summarised with mitigation actions outlined. This will focus on the high or extreme risk levels.
- 5.2 Cost overruns are expected on certain projects, which will be balanced out by projects where known tender prices/quotes are less than budgets, or where projects have been removed or scaled down.
- 5.3 A memorandum included in Appendix 2 has been prepared by WSP with the intention of informing the committee of deviations from the previously agreed preferred supplier agreement. The procurement approach for the three waters stimulus package is outlined in this memorandum.
- 5.4 Project Smart Meters is experiencing supply and resourcing problems which resulted in a delayed start. Fulton Hogan have recently employed staff to get the delivery programme under way. Fulton Hogan have indicated Gisborne staff will also be available if required to ensure target delivery dates are met. Delivery of this project remains one of the most significant risks due to its size and value. As a result, WDC have imposed conditions on Fulton Hogan via. Separable Portions detailed in NTC #15 (Appendix 3), to provide tension and ensure FH's commitment to deliver by March 2022 is legitimate.
- 5.5 The quality of discharge from the Blue Bay / Opoutama Wastewater Treatment Plant is currently non-compliant and breaching conditions of resource consent AUTH-118685-02. WDC were ordered to meet discharge conditions or cease discharge from the plant by 31 July 2021. WDC submitted a request under section 325A(4) of the Resource Management Act (1991) to amend the deadline to comply, specified in Abatement Notice EAC-20428, by three months to 31 October 2021, to allow enough time to implement a suitable upgrade solution. HBRC agreed to this extension on 23/04/2021, removing the risk of breaching the abatement notice at this time. See Appendix 4 for HBRC letter confirmation.
- 5.6 Quarterly reporting to the Department of Internal Affairs (DIA) has identified several key risks to the project. The following table is taken from the most recent April quarterly report and identifies the current top 5 risks to the project.



## Quarter 2 (April 2021) Update

## Top 5 Risks and Contractor Claims

Risk Name	Risk Level	Commentary
Completion of programme by 31 March 2022	High	Current programme indicates completion by March 2022. However, some works are yet to be procured, and some are experiencing resourcing issues which may become more of an issue closer to the completion date. The programme completion deadline is putting extra pressure on our already stressed resources, especially in a small town like Wairoa where it can be difficult to attract skilled suppliers and competition.
Under expenditure - \$11.04M programme is significant compared to prior years' expenditure.	Medium	Three new WDC staff have been appointed to deliver this stimulus package. Suppliers are also resourcing to accommodate influx of work, however some are having issues finding suitably skilled staff.
Minor variation to existing consent and landowner approval required for the Opoutama/Blue Bay WWTP effluent disposal field.	Low	This amendment is ready to be lodged. This should not present any risk to programme delivery.
Smart metering (\$2.98M) is new to the Wairoa DC.	Medium	Fulton Hogan Gisborne have provided the expertise to begin delivery, originally planned to start March 2021, but has been delayed to April 2021. They are currently delivering a metering programme for Gisborne District Council, and have proven experience in this area. However, there remains a significant risk to completion in such a tight timeframe due to lack of resource readily available. The programme and completion trajectory will be monitored closely. Fulton Hogan will continue to advertise for extra resource as delivery begins to roll out.
Covid related delays for overseas equipment orders	High	This remains a significant risk to our delivery programme. Suppliers are experiencing shortages in the country and delays when ordering from overseas some items as basic as pipes. Other items with supply shortages/delays that have impacted our programme include: Inlet screens, water manifolds, water meter boxes.
Lack of suppliers available to deliver accelerated works programme in such a tight timeframe	High	As indicated above, resourcing a delivery programme of this scale in such a tight timeframe comes with its challenges. Wairoa often relies on suppliers from outside of the district, and this case is no different. Currently the largest risk to delivery is the 'smart' metering programme which has been allocated over a quarter of the funding alone.

## 6. RESOURCES

- 6.1 This section will discuss levels of resourcing such as budget, equipment, contractors or staffing.
- 6.2 Three full time Council staff have been employed through this stimulus package.
- 6.3 Overall budget remains on track. As scoping progresses, we will have more clarity on how final budgets will be allocated for each project. This will be an ongoing juggle as the majority of projects do not yet have a current fixed price, and variations are likely. An updated cashflow forecast has been submitted to DIA in the April quarterly report. This has indicated all funding to be spent by March 2022 at this stage. If delays are experienced and can be justified, DIA may agree to a time extension, however, we cannot rely on this and March 2022 will remain our target completion date for the foreseeable future.
- 6.4 The risk of delays due to COVID-19 remain high. Several items of equipment have been ordered from Europe with an estimated 6-month lead time. Ongoing COVID lockdowns are a possibility.
- 6.5 Several work packages are being delivered through our existing three waters contractor Fulton Hogan. Their size and presence allows access to further resource if required, which will help mitigate any project delays.

Signatories

	
<p>Author Jonny Hardie</p>	<p>Approved by Stephen Heath</p>

Project	Risk		Phase	Financials				Delivery		Commentary
	Low	High		Budget	Variance Budget	Spend to date	Forecast spend	Delivery date	%	
Water Meter Upgrade & Backflow Prevention ('Smart' Meters)			Delivery	\$ 2,725,876	\$ -54,624	\$ 67,611	\$ 2,780,500	Mar 22	1	Smart meters ordered through FH. Manifold & boxes supplied by Accuflow. Real risk of project duration extended beyond required March 2022 completion date; this will be monitored closely. FH contractually Preliminary quote from FH well under budget. Start date October 2021. Start date has been delayed due to resource availability.
Water Main Replacements - Achilles Street			Design	\$ 1,000,000	\$ -242,000	\$ -	\$ 758,000	Jun 21		- River Pde water main alignment selected. To be relocated in April, pending confirmation from Fulton Hogan. - Scope increased to include cemetery water main replacement.
Water Main Replacements - River Parade (Ferry Hotel); Cemetery (Kitchener St properties)			Design	\$ 180,000	\$ -120,000	\$ 90,000	\$ 300,000	Apr 21	5	Referendum complete. Residents chose to maintain existing supply. WDC to contribute for extra storage, pumping, SCADA. Max Tarr approached to help finalise scope and price work.
Mahanga Water Supply Improvements			Design	\$ 410,000	\$ -335,000	\$ -	\$ 75,000	Jan 22	5	Complete
Chlorination Dosing Pumps / Resilience - Raupunga Water Supply			Completed	\$ 12,000	\$ -1,565	\$ 10,435	\$ 10,435	Feb 21	100	Quote being finalised. Work expected to be in June.
Wairoa Water Treatment Plant Improvements			Design	\$ -	\$ -110,018	\$ -	\$ 110,018	Jul 21		Design being completed by Parklink & WaterSolutionNZ. Design to focus on a re-fit of the existing plant footprint. Dedicated underground encapsulated tanks to be installed to regain motorhome dump station compliance. Dumped waste will be monitored over a period, and if suitable will be pumped to the Blue Bay WWTP in future. Slightly higher than original budget, but will be covered comfortably by reductions in others. HBRC have agreed to move the date for compliance to October 2022 via an amendment to the abatement notice, to allow more time to implement measures.
Blue Bay WWTP Upgrade - Stage 1 (Plant / Dump Station)			Delivery	\$ 650,000	\$ -128,848	\$ 259,045	\$ 861,248	Oct 21	15	Reclassification of land adjacent to the existing disposal field is being completed by WSP, to allow disposal to take place. The design of the new field will be based on the original.
Blue Bay WWTP Upgrade - Stage 2 (Disposal Field)			Investigative	\$ 800,000	\$ -234,000	\$ 2,705	\$ 566,000	Aug 21	5	Forecasting slightly over budget due to actual quotes exceeding original estimate. Agreement recently signed for supply and installation of an Inlet Screen currently on order from Europe (\$610,000.00 value)
Wairoa WWTP Upgrade - Biological Nutrient Removal & Activated Sludge			Delivery	\$ 897,000	\$ -220,626	\$ 449,260	\$ 1,117,626	Aug 21	30	Memorandum of Understanding signed with landowners Powdrell and Mucalo. Site visit conducted in April with both landowners to discuss structure of trial irrigation system to be implemented this year. Irrigation supplier/designer of the Mahia scheme is being engaged to deliver here too. Lowe Environmental providing advice.
Wairoa WWTP Upgrade - Disposal to Land / Irrigation (Mucalo / Powdrell)			Design	\$ 308,000	\$ -	\$ -	\$ 308,000	Mar 22	5	Working on developing an overall strategy for the WWTP to ensure correct components are installed. Filtration method to be determined.
Wairoa WWTP Upgrade - Filtration / UV			Investigative	\$ 710,000	\$ -	\$ -	\$ 710,000	Mar 22	5	First package completed in March. Final package to be completed in May.
CCTV Wastewater Pipe Network - Wairoa Township			Delivery	\$ 157,950	\$ -85,400	\$ 1,585	\$ 72,550	Apr 21	65	- First package was completed in April by PipeTech via. Fulton Hogan. Remaining work to be completed in October 2021, and February 2022. An accelerated programme will allow 5 years of relining to be completed in 2021 & 2022.
Wastewater pipes upgraded / renewed or new - Relining Wastewater Pipe Network (Wairoa Township); Scott St Sewer; Mahia Sewer Rising Main Resilience			Delivery	\$ 1,140,500	\$ -585,000	\$ 9,378	\$ 1,525,500	Feb 22	15	- Scope increased to include Scott St Sewer construction, and Mahia Sewer Rising Main Resilience projects. These are both currently in the scoping and investigation phase. Generators have been ordered. Scoping is ongoing to determine how best to incorporate these with the existing pump stations. Walkover with H&S team to help with scoping.
Dedicated Pump Station Generators - Wairoa Township			Design	\$ 451,350	\$ -171,350	\$ 84,241	\$ 280,000	Oct 21	20	Scoping in progress. Budget reduced.
Telemetry Base Sets / Pump Station Renewals - Wairoa Township			Investigative	\$ 414,825	\$ -84,825	\$ -	\$ 330,000	Nov 21		RFP for private water supplies being developed currently. Other regional projects to follow.
Hawke's Bay Regional Contribution - Water Safety Plans, etc			Design	\$ 166,420	\$ -	\$ -	\$ 166,420	Mar 22	15	FH have begun work.
***NEW*** Piping Open Drains - Kitchener St to Clyde Rd intersection (contribution) - BACKUP PROJECT			Delivery	\$ -	\$ -100,000	\$ -	\$ 100,000	May 21	5	Removed from scope - no action required by Council; insufficient time to implement suitable solution
Blue Bay Water Supply Upgrade [DELETED]				\$ 200,000	\$ -200,000	\$ -	\$ -			
				\$ -	\$ -	\$ -	\$ -			
TOTAL OVERHEAD ALLOCATION				\$ 803,501	\$ -169,066	\$ 74,008	\$ 972,567			Overhead costs - Staff wages, including DIA RPI costs incurred
FUNDS COMMITTED TO DATE THROUGH WORK INSTRUCTIONS				\$ -	\$ -	\$ 7,023,312	\$ -			Smart meters contract; Achilles St water main; river parade water main contribution incl. Scott St; CCTV wastewater pipes; BNRAS total; Regional project contribution; Water Treatment Plant minor resilience; Blue Bay design & components
						\$ 8,071,561	\$ 11,041,863			

Risk Key Low Considerable High Extreme



## Memorandum

To	Kitea Tipuna / Stephen Heath
Copy	Jonny Hardie / Mike Hardie / Aaron Bright
From	Brendon Thomson
Office	Napier
Date	7 May 2021
File/Ref	2-S5555.40 3W101
Subject	3-Waters Procurement – 3 Waters Reform Package

### Background

In October 2020, Wairoa District Council adopted a preferred supplier agreement model for procuring suppliers for infrastructure projects that are 100% externally funded, including the 3 Waters Reform Package, funded by the Department of Internal Affairs (DIA).

The preferred supplier agreement model allows Council to be confident that they are following a sound and best practice procurement approach by creating market tension, while contributing to the district's development of local workforce and organisations.

The preferred supplier agreement allows Council to initially direct award 50% of the package works to local Contractors and tender the remainder. The percentage that can be direct awarded can increase over time up to 80%, provided the local suppliers are showing superior performance through KPI's including cost and time management, quality and relationship management.

### DIA funded 3-Waters Reform Package – Procurement Approach

In July 2020, the Government announced funding to provide immediate Covid stimulus package to maintain and improve water networks infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements. Wairoa received \$11.04 million to help fix the backlog of wastewater and water infrastructure projects. The timeframes imposed on Council by the DIA for utilisation of the funding are very short, with the \$11.04 million funding needing to be utilised by March 2022. Failure to utilise funding by this date means the funding will disappear and results in a lost opportunity for Council. In order to meet these timeframes, Contractors need to be procured quickly so works can commence as soon as possible. While the preferred supplier agreement model goes some way to expediting Contractor engagement, the requirement to tender even 20 – 50% of the package may impact Council's ability to successfully utilise the full funding amount.

Open tender processes are very time consuming, and do not allow for quick procurement of contracting resources. There is also currently a lot of pressure on Contracting resources regionally due to the reform package funding and other accelerated infrastructure funding. It is likely that open tendering of 3-Waters project in the next year will not attract a lot of interest from other Contractors, or result in meaningful tension on pricing.

As a result, it is recommended that Council remove the requirement for a percentage of the works to be open tendered for the 3 Waters Reform Package of work. Council should still endeavour to seek value for money to



obtain maximum benefits from the funding, but only where this will not compromise successful utilisation of the full funding amount. This could be achieved through an open tendering a small portion of the works if it is considered possible and beneficial to do so. Another approach could be to go to invited tender, where two (or more) Contractors are approached directly and asked to price the package of work to provide tension on pricing. This approach has been used successfully in the Land Transport Activity, with QRS & Fulton Hogan tendering against one another for small packages of work, resulting in tension on pricing and good value for money for Council, with a significantly reduced timeframe compared to open tendering.

#### **DIA funded 3-Waters Reform Package – Contract Model**

Council currently have an existing 3-Waters Maintenance Contract (Contract Number 17/01) with Fulton Hogan. The contract is approaching the end of its second rollover period, with the final two-year rollover commencing on 1 July 2021. While the performance of Fulton Hogan under this contract has not been good, the short timeframes to rollover, significant contracting resource required to deliver the reform package, and unlikelihood of finding an alternative supplier at short notice, means the contract will likely be rolled over. However, Council will attempt to obtain better outcomes from Fulton Hogan as part of the rollover negotiations. A separate paper has been prepared and accepted by the Council Infrastructure committee for this approach.

It is recommended that Council establish Separable Portions as per NZS 3910:2013 to the existing 3-Waters Maintenance Contract for the 3 Waters Reform Package Works, where work is direct awarded under this Contract. Separable Portions will allow Council to impose further conditions not specifically mentioned in the maintenance contract conditions. The following conditions are recommended to be included in the separable portion conditions.

- Completion Dates specific to each package of work/separable portion
- Liquidated Damages specific to each package of work/separable portion. Liquidated damages are a payment from the Contractor to the Principal (Council) as compensation of damages for late completion of the works (should the specified completion date not be achieved).
- The addition of retention monies, where the Principal (Council) retains a percentage of the money that would otherwise be payable to the Contractor until after completion of the defect's notification period (52 weeks typically). The retentions money can be used to cover costs related to remediation of defects in the Contractor's work. The Contractor may provide a bond in lieu of retentions. Given the value of the works in the 3-Waters Reform Package, if a bond in lieu of retentions is acceptable to Council, it is recommended the bond amount is increased in the conditions of the separable portions from what is required under the existing maintenance contract.
- Changes to the defect notification period to a minimum of 52-weeks. This is the period of time the Contractor is responsible for repairing defects to the Contract works at their cost.
- New specifications & hold points, basis of payment, and drawings for works which do not have appropriate specifications under the existing maintenance contract.

For works completed outside the existing maintenance Contract, works should be completed under a new Contract as per NZS 3910:2013.

#### **Summary of Recommendations**

- It is recommended that Council accept a greater percentage of work being direct awarded to local and specialist Contractors than specified in Council's Preferred Supplier agreement model, to expedite physical works commencement and ensure the full funding amount can be utilised by Council. Where possible the Project Manager – Infrastructure should attempt to gain value for money outcomes for Council, where this will not impact successful utilisation of the funding. This may be done through open tender or invited tender as deemed appropriate.
- It is recommended Council utilise Separable Portions to the existing maintenance contract for works direct awarded to allow Council to impose stricter conditions on Contractors and provide better

protection to Council. For works completed outside this Contract, works should be completed under a new Contract as per NZS 3910:2013.



## WAIROA DISTRICT COUNCIL

☎ +64 6 838 7309

☎ +64 6 838 8874

✉ administrator@wairoadc.govt.nz

🌐 www.wairoadc.govt.nz

📦 PO Box 54, Wairoa 4160, Hawke's Bay

🏠 Coronation Square, Queen Street, Wairoa

### NOTICE TO CONTRACTOR 15

Consecutive Notice No. 015

Date: 19/04/2021

Contractor: Fulton Hogan  
Parkinson Street  
GISBORNE 4010

Contract: Contract No. 17/01  
3 Waters Maintenance Contract

File No: 17/01

Page 1

#### RE: Award of Separable Portions – Meter Upgrade Programme

The WDC Meter Upgrade Programme is to be awarded as three no. Separable Portions, One, Two & Three (SP1, SP2 & SP3) to Contract 17/01 WDC 3 Waters Maintenance Contract.

The Schedule of Prices, Basis of Payment, Project Spec, and Construction Drawings for the Separable Portions are attached to this Notice, and form part of the Contract documents.

Further Contractual details are as follows:

- Separable Portions (replaces Clause 1.2, 10.2 in the CoC):
  - Separable Portion 1 – For installation of 800 manifolds, meter boxes and bases, and Sensus 'smart meters' as detailed in the specification & drawings.
  - Separable Portion 2 – For installation of 800 manifolds, meter boxes and bases, and Sensus 'smart meters' as detailed in the specification & drawings.
  - Separable Portion 3 – For installation of 700 (or part thereof) manifolds, meter boxes and bases, and Sensus 'smart meters' as detailed in the specification & drawings. Total number of units to install may be adjusted follow reconciliation.
- Due Date for Completion (replaces Clause 10.2.1 of the CoC):
  - For Separable Portion 1 – 14-August-2021
  - For Separable Portion 2 – 14-December-2021
  - For Separable Portion 3 – To be confirmed and agreed by both parties before completion of Separable Portion 2.
- Liquidated Damages (replaces clause 10.5.1 of the CoC):
  - In respect of Separable Portion 1
 

*Liquidated Damages shall apply in accordance with Clause 10.5 of NZS 3910:2013.*  
*Liquidated Damages shall be \$1,000.00 per Calendar Day*
  - In respect of Separable Portion 2

## NOTICE TO CONTRACTOR

**Consecutive Notice No. 015**

Contract: Contract No. 17/01  
3 Waters Maintenance Contract  
Wairoa District

File No: 17/01

Page 2 of 3

*Liquidated Damages shall apply in accordance with Clause 10.5 of NZS 3910:2013.  
Liquidated Damages shall be \$1,000.00 per Calendar Day*

- In respect of Separable Portion 3

*Liquidated Damages shall apply in accordance with Clause 10.5 of NZS 3910:2013.  
Liquidated Damages shall be \$1,000.00 per Calendar Day*

- Defects Notification Period (replaces Clause 11.1 of the CoC):

- In respect of Separable Portion 1

*Defects Notification Period shall expire 52 Weeks from Practical Completion.*

- In respect of Separable Portion 2

*Defects Notification Period shall expire 52 Weeks from Practical Completion.*

- In respect of Separable Portion 3

*Defects Notification Period shall expire 52 Weeks from Practical Completion.*

- Programme (replaces clause 5.10.1 of the CoC):

- In respect of Separable Portion 1, 2 and 3

*The Contractor is required to prepare a programme in accordance with section 5.10 of NZS3910:2013. The programme shall be a Comprehensive programme and shall be updated fortnightly and provided to the Engineer for review.*

- Cost Fluctuations (replaces clause 12.8.2 of the CoC):

- In respect of Separable Portion 1, 2 and 3

*Cost Fluctuations shall not be paid.*

- Retentions (replaces clause 12.3.3 of the CoC):

- In respect of Separable Portion 1, 2 and 3

*No retentions will be held in this case.*

- As per email correspondence between Jonny Hardie (WDC) and Joel Robinson (Fulton Hogan), the following points are agreed with respect to price:

- *Fulton Hogan have purchased the 2300 no. Sensus water meters and software at a provisional cost (subject to currency fluctuation) of \$591,692.00. Fulton Hogan will pass this onto the Wairoa District*





## Schedule

Client Name  
Client Customer Number  
Location

Contract Name  
Contract Number  
Job Description  
Tender Total \$2,676,405.50

Item	Item Description	UOM	Qty	Rate	Amount
<b>A1</b>	<b>Manifolds, Toby Boxes &amp; BFP's</b>				
A.1.0	Preliminaries & General: to cover Admin, project support, UFB locates, CAR Process	weeks	72	\$1,500.00	\$108,000.00
A.1.1	Supply & Install new dual check valve and blank blue cap ONLY (reuse existing Manifold and Toby Box)	ea	115	\$68.90	\$7,923.50
A.1.2	Install new DN20 CM2000 Manifold Assembly and AMB300 Toby Box and base	ea	2070	\$362.12	\$749,588.40
A.1.3	Re-use existing Manifold and reset vertically and supply & install Supply & check valve & blank blue cap, AMB300 Toby Box and base	ea	115	\$348.08	\$40,029.20
A.1.4	Reset existing AMB300 Toby Box horizontally AND supply & install new dual check valve and blank blue cap	ea	75	\$327.53	\$24,564.75
A.1.5	Extra over: to Reset water service line vertically if deeper than 500mm.	ea	115	\$303.56	\$34,909.40
A.1.6	Reinstatement of grassed/unsealed Berm	m2	1900	Included	\$0.00
A.1.7	Reinstatement of Hot-Mix Asphalt footpath/driveway	m2	300	\$246.02	\$73,806.00
A.1.8	Reinstatement of concrete footpath/driveway	m2	100	\$318.51	\$31,851.00
<b>A2</b>	<b>Installation, relocation or separation of service/supply pipe</b>				
A.2.1	Re-Route water service line (≤ 1m distance from existing). Supply & Install new DN20 CM2000 Manifold Assembly and AMB300 Toby Box and base (PROVISIONAL ITEM)	ea	2300	\$0.00	\$0.00
A.2.2	Supply & Install Ø25 (OD) PE80b water service line, new DN20 Manifold Assembly and Toby Box & new tapping band on Ø50 & Ø100mm NB water main (short sider open trenching) (PROVISIONAL ITEM)	ea	345	\$1,200.00	\$414,000.00
A.2.3	Supply & Install Ø25 (OD) PE80b water service line, new DN20 Manifold Assembly and Toby Box & new tapping band on Ø100mm NB water main (long sider using impact mole) (PROVISIONAL ITEM)	ea	345	\$2,000.00	\$690,000.00
A.2.4	Extra over for new tapping band on Ø150mm NB water main (PROVISIONAL ITEM)	ea	690	\$0.00	\$0.00
A.2.5	Disconnection of Existing Service Line (PROVISIONAL ITEM)	ea	23	\$500.00	\$11,500.00
A.2.6	Separation of multiple tobys connected to one service line (PROVISIONAL ITEM)	ea	230	\$500.00	\$115,000.00
<b>A3</b>	<b>Reinstatement of trench for service/supply pipe</b>				
A.3.1	Reinstatement of grassed/unsealed Berm.	lm	115	\$50.43	\$5,799.45
A.3.2	Reinstatement of Hot-Mix Asphalt footpath/driveway.	lm	115	\$246.06	\$28,296.90
A.3.3	Reinstatement of concrete footpath/driveway.	lm	115	\$318.06	\$36,576.90

Additional:

Supply of Sensus water meters and software at a provisional cost(subject to currency fluctuation)	ea	2300	\$257.26	\$591,692.00
Supply of manifolds, meter boxes and bases	ea	2300	\$100.16	\$230,368.00
Smart Meter Install (TO BE AGREED AND CONFIRMED)	ea	2300	\$10.00	\$23,000.00

Subtotal: **\$2,676,405.50**

PS Items: \$1,230,500.00

## NOTICE TO CONTRACTOR

Consecutive Notice No. 015

Contract: Contract No. 17/01  
3 Waters Maintenance Contract  
Wairoa District

File No: 17/01

Page 3 of 3

*Council at cost plus 3% as per sliding scale for percentage on costs for materials page 90 of Contract No 17/01.*


- *Fulton Hogan have purchased the 2300 no. manifolds, meter boxes and bases at a cost of \$230,368.00. Fulton Hogan will pass this cost onto the Wairoa District Council at cost plus 3% as per sliding scale for percentage on costs for materials page 90 of Contract No 17/01.*
- *The balance of the labour, plant and materials for installation and reinstatement will be paid from the agreed schedule of prices attached to this NTC.*

There is a possibility that if works are not completed by the end of March 2022, the remaining funding for this project will be lost. In this case the Contractor will not be entitled to claiming loss of profit, or payment for materials already purchased without acceptance of the Principal, or other expenses.

Kind Regards,

Signed:  
Engineer to the Contract:



Received:   
Contractor: .....1.5.21.....  
(Please sign and return duplicate copy to Engineer's Rep)



## Notice of change to Abatement Notice under Section 325A(5) and (6) of the Resource Management Act 1991

23 April 2021

Wairoa District Council  
PO Box 54  
Wairoa 4160

attention: Stephen Heath

Dear Stephen,

### APPLICATION TO CHANGE ABATEMENT NOTICE EAC-20428

Abatement notice EAC-20428 (attached) was issued to Wairoa District Council (WDC) on 10 December 2020. On the 20 January 2021, WDC submitted a request under section 325A(4) of the Resource Management Act (1991) to extend the date in section 3 from the 31 July 2021 to the 31 December 2021. The Hawke's Bay Regional Council (HBRC) considered that the timeframe specified in section 3 of abatement notice EAC-20428 provided sufficient time for WDC to undertake works to ensure compliance with resource consent AUTH-118685-02 and did not extend the date as applied for.

A further application was received on the 8 April 2021 requesting a change to the date specified in section 3 from the 31 July 2021 to the 31 October 2021 to enable the physical plant upgrades to be procured, installed, and commissioned. An application to vary resource consent AUTH-118685-02 was lodged with HBRC on the same date. The supporting information provided with both applications provides a detailed plan for procurement, consenting, undertaking the works, and detailing why the date cannot be met as currently specified. HBRC agree that the proposed plan will not be able to be completed by the 31 July 2021, as some components sourced from overseas are affected by Covid-19 delays.

The Hawke's Bay Regional Council considers that the application to vary section 3 of abatement notice EAC-20428 is reasonable for the reasons stated above and agree to extend the date to the 31 October 2021.



The **Compliance Section** of the Hawke's Bay Regional Council is ISO 9001:2015 certified  
159 Dalton Street, Napier 4110 or Private Bag 6006, Napier 4142, New Zealand  
Telephone 06 835 9200 Fax 06 835 3601  
[www.hbrc.govt.nz](http://www.hbrc.govt.nz)

As the resource consent process may result in alterations to the design and therefore the delivery timeframe, we will reconfirm the date specified in section 3 of abatement notice EAC-20428 upon issuing of any new resource consent. HBRC will then reissue the abatement notice with the updated date and applicable resource consent number in accordance with your application.

In the interim please accept this letter as confirmation of the date extension as applied for.

**PLEASE NOTE:**

1. An abatement notice is a legal notice which requires that you cease a non-compliant activity by the date specified in the abatement notice.
2. Failure to cease will mean that you are in contravention of an abatement notice and are therefore liable for fines of \$750 per contravention.
3. Every additional contravention may also be considered a new offence which makes you liable for fines of \$750 per offence.
4. Continued breaches may also lead to prosecution.

Yours sincerely,



**JACK BLUNDEN**

**TEAM LEADER COMPLIANCE – URBAN & INDUSTRIAL  
POLICY & REGULATION GROUP**

Phone 835 9200

Email: jack.blunden@hbrc.govt.nz



















































