

Freshwater Improvement Fund

Annual Work Plan for Waimea Water Augmentation Project

**Undertaken by
Tasman District Council
Year 1 - 2019/20**

Official information and privacy

Official Information Act 1982

Important: Information presented to the Minister for the Environment or the Ministry for the Environment is subject to disclosure under the Official Information Act 1982 (OIA). Certain information may be withheld in accordance with the grounds for withholding information under the OIA. Further information on the OIA is available at www.ombudsmen.parliament.nz.

Information held by the Minister or the Ministry may have to be released under the OIA in response to a request from a member of the public (or any other body) for that information. If you wish to provide sensitive information to the Minister or the Ministry which you do not want released, it is recommended you consult with the Ministry as to whether the information is necessary for the application, and whether there may be grounds in the OIA for withholding the information. For instance, if release of the information would disclose a trade secret, or be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information, then there may be grounds to withhold the information. If an OIA request relating to your application is received, the Ministry will endeavour to contact you to discuss it, and what the implications of releasing your information are.

The grounds for withholding information must always be balanced against consideration of public interest that may justify release. Although the Ministry does not give any guarantees as to whether information can be withheld under the OIA, it may be helpful to discuss OIA issues with the Ministry in advance if information provided with an application is sensitive.

Privacy Act 1993

Important: The Ministry for the Environment (Environment House, 23 Kate Sheppard Place, Wellington 6011) may collect, use, hold or disclose personal information for the purpose of assessing eligibility and suitability for Freshwater Improvement Fund funding. Individuals have the right in accordance with the Privacy Act 1993 to request access to and correction of their personal information. While the provision of personal information is not mandatory, failure to provide requested information could lead to a delay in considering the application or a decline of the same.

Introduction

This Annual Work Plan template is completed by successful applicants to the Freshwater Improvement Fund.

This Annual Work Plan provides a detailed breakdown of the interventions to be undertaken in the first year of the project. Annual Work Plans are developed prior to the commencement of each financial year during the life of the project. The Annual Work Plan is to be attached to the Project's Work Programme, which gives an overview of the entire life of the project, including purpose, objectives, benefits and costs.

While completing this template, be aware that at least 10 per cent of the total Freshwater Improvement Fund contribution for the year will be withheld until approval of the Annual Report by the Ministry.

Completing the Annual Work Plan template

Complete this Annual Work Plan template by fully completing all sections.

If you have a question about the work plan you can email or phone your assigned analyst at the Ministry.

When your Annual Work Plan is complete

Email this completed draft work plan to your assigned analyst. They will review it and advise you if there are any issues that need to be addressed, or if there are any outstanding questions.

Important information

This Annual Work Plan template is pre-populated with some of the information you provided in your original application form and Work Programme. Update this information as required to reflect the current status of your project.

1 Project details

Check that the information below about your project is correct, and update this as required.

Project name	Waimea Water Augmentation Project
Project purpose	<p>The purpose of the Project is to improve and enhance environmental minimum flows in the Waimea River and support the public good component through the construction of Waimea Community Dam. The dam will provide improved water security of supply, and improved minimum flows in the Waimea River.</p> <p>Tasman District Council (TDC) and Waimea Irrigators Limited (WIL) have set up a joint venture partnership called Waimea Water who will construct and operate the consented Waimea Community Dam.</p> <p>This constructed dam and associated infrastructure will create a ~13 million m³ water storage reservoir in the upper Lee Valley, on the western flank of the Richmond Range in Tasman District (appendix 1). The Lee River is a tributary of the Wairoa River, which in turn flows to the Waimea River.</p> <p>The dam, reservoir and its associated works require the removal of vegetation (forestry, exotic and native shrublands and forest) and substantial earthworks cross the site.</p> <p>Conditions of resource consents require that a Biodiversity Management Plan (BMP) be prepared and approved prior to the start of construction activities. This FIF funded project will see the implementation of the BMP.</p>
For how many years has this project been granted funding, and what year is the project currently in?	The project has been approved for three and a half years and is in year one.

2 Contact details for this project

Check that the contact information below is correct, and update this as required.

Recipient's main contact (name and organisation)	Dennis Bush-King	Ministry's main contact	Julia Price, Analyst – Freshwater Investments
Role in the organisation			
Email address	9(2)(a)	Email address	Julia.price@mfe.govt.nz
Phone	9(2)(a) Landline 9(2)(a) Mobile	Phone	N/A Landline 9(2)(a) Mobile
Postal address	Private Bag 4, Richmond, Nelson 7050	Postal address	PO Box 10362 Wellington
Physical address	189 Queen Street, Richmond	Physical address	23 Kate Sheppard Pl, Wellington

3 Project team

Provide details of your project team and confirmation of their availability for the duration of the project. Please provide details for your project manager in the first row.

Name	Organisation	Role in project	Phone	Email
Dennis Bush-King	Tasman District Council	Project manager	9(2)(a)	
Mike Scott	Waimea Water Limited	CEO		
Richard Milsom	Waimea Water Limited	Project Service manager		
Richard Timpany	Waimea Water Limited	Commercial Manager		
Alisdair Mawdsley	Waimea Water Limited	Environmental Manager		

4 Environmental compliance

Please complete this section for any statutory permissions or consents that you require in this financial year.

Do you require any statutory or non-statutory permissions to complete activities set out in this Annual Work Plan?

For example, resource consents, planning consents, or landowner permissions?

☒ Yes ☐ No

If yes, which permission(s) are required? Have you applied for these? If so, when is a decision expected? (If date of decision is unknown, please provide a comment.)

Resource consents RM140540, RM140542 – RM140559 have been approved and are in place.

5 Project key tasks/activities for this financial Year One (2019/20)

List the main tasks/activities that will be undertaken during this financial year. The achievement of these tasks and activities will be a primary measure for evaluating the project's success. Note that the costs detailed here will be transferred onto your budget spreadsheet for this financial year.

Objectives	YEAR 1 Project tasks/activities	Deliverables	YEAR 1 Estimated budget		
			FIF contribution	Contribution from external sources (including your organisation)	TOTAL Budget
1. By mid 2022, the Waimea Community Dam will be constructed and commissioned to enhance environmental minimum flows.	1.1 Undertake dam site clearance - vegetation removal and earthworks	1.1 Copy of site clearance plan 1.1.2 Copy of invoices for works undertaken	\$3,000,000	\$24,600,000	\$28,100,000
	1.2 Undertake river diversions	1.2 Copy of project schedule from the contractor showing % complete, or written confirmation from the contractor that the task is complete			
2 By October 2022, the construction of the Waimea Community Dam will be complete in accordance with the Biodiversity Management Plan	2.1 Start of carbon offset planting regime	2.1 Project schedule or evidence of carbon credits payment			
	2.2 Obtain samples from parent plants for propagation and relocation	2.2 Copy of report on sample plants relocated			
	2.3 Following plant relocation - monitor to assess the severity and extent of effects on downstream gorge turf plant communities	2.3 Results of monitoring following plant relocation			
	2.4 Engage weed and animal control contractor to advise on appropriate means to control pest species for 'protection, restoration and enhancement	2.3 Copy of weed & animal control contract, and written summary of weed and animal control advice			

Classification

	of alluvial and riparian forest downstream of the dam.				
3 Other/miscellaneous	3.1 Establish a Council Senior Leaders Governance Group (CSL)	3.1 Copy of terms of reference for the CSL Governance Group			
	3.2 Hold CSL Governance Group meetings as required	3.2 Copy of agenda and minutes from CSL Governance Group meeting			
	3.3 Report to Council on dam progress	3.3 Copy of dam progress report			
	3.3 Health and Safety Plan	3.3 Copy of Health and Safety Plan for the delivery of the project by 1 August 2019			
	3.4 Engage auditor for annual independent financial audit	3.4 Financial audit report for the year 2019/20 – due 31 October 2020			
	3.5 Complete Ministry reporting	3.5 Quarterly reports, payment claim form, budget tracking spreadsheet and corresponding tax invoice. 3.5.1 Annual Work Plan Year 2 approved by CSL Governance Group name] (for Ministry approval) by 30 April 2020			
	Total Estimated Budget for Year One (2019/20)		\$3,000,000	\$24,600,000	\$28,100,000

6 Funding Information for Year One

Please provide details of all organisations that are contributing cash to the project (this excludes in-kind costs such as donations of time, equipment etc for this financial year). Please identify whether these contributions are confirmed or pending. If pending please provide an estimation on when you expect these funds to be confirmed.

Funding parties	Contribution	Funding confirmed or pending
Your organisation's cash contribution to the project for this financial year	\$4,900,000	Confirmed
Waimea Irrigators Limited	9(2)(b)(ii)	Confirmed
Crown Irrigation Investment Limited (loan and grant)		Confirmed
Interest revenue		Confirmed
Maximum FIF contribution approved for the year	\$3,000,000	Confirmed
Total cost of project for this financial year	\$27,600,000	
FIF % of total project costs	11%	

7 Partnership and collaboration (non-funding)

Please provide details of any other organisations or individuals that you are partnering with to deliver the project, though are not contributing cash.

Organisation name	Contact details <i>Name, phone number and email</i>	Details of involvement or collaboration <i>For example, contribution of funding or resources, involvement in decision-making, responsibility for delivering a component of the project.</i>
Waimea Water Limited	Mike Scott 9(2)(a)	Council controlled organisation to build, own and operate the dam
Ngati Koata Iwi Trust	Hemi Toia Chief Executive 9(2)(a)	Contributing land to the project
Department of Conservation	Lionel Solly 9(2)(a)	Biodiversity offset works, including pest management activity
Fulton Hogan Taylors Joint Venture	Peter Wissel Project Manager 9(2)(a)	Construct the dam, site clearance, access, roading
Damwatch Engineering	Peter Amos 9(2)(a)	Construction related professional services, ECI, design

Rawlinsons	Lawrie Saegers 9(2)(a)	Quantity surveyors providing construction related quantity surveying services
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8 Consultant and/or sub-contractor details (if applicable)

Provide information about any third party you intend to sub-contract to undertake work on the project. The Ministry may request evidence of all contracts (and associated procurement process followed, for each sub-contractor) as part of the milestone reporting requirements. Please refer to the Guide for Grantees for guidance on the use of sub-contractors

Company name of consultant/sub-contractor <i>Please include trading name if different</i>	Work to be undertaken in the delivery of the project	Value of contract <i>Total estimated value of contract, excluding GST</i>	Potential conflict of interest <i>(eg, financial interest in sub-contractor's company, commercial or business relationship with sub-contractor, friend or relative working for sub-contractor, etc)</i>
Fulton Hogan Taylors Joint Venture	Construct the dam, site clearance, access, roading	9(2)(b)(ii)	n/a
Damwatch Engineering	Construction related professional services, ECI, design		n/a
Rawlinsons et al	Quantity surveyors providing construction related quantity surveying services		n/a

9 Risk management

Provide a brief description of the major risks to the project achieving the tasks and activities in this financial year. Include consideration of potential barriers that may pose a risk to the success of the project. Where possible give an indication of the likelihood and significance of the risk and any mitigation strategies to be included in the project.

Potential risk	Level of risk	Impact on project	Consequence on project	Strategy to mitigate
Identify the potential risk to your project (for example, project not completed on time, unpredictable events such as weather, lack of resource commitment, time and cost estimates too optimistic, unexpected budget cuts, stakeholders changing requirements after the project has started, risks to the industry or sector to which the organisation belongs).	Low, medium or high.	Describe the impact the risk would have on the project (for example, misunderstandings, duplication of work, incomplete work).	Minor, moderate or severe.	Describe the process you will use to minimise and manage the risk (for example, project manager monitors functional roles to ensure enough time is allocated to complete each task/activity and the project as a whole).
Cost Escalation for the Project	Low	<p>The construction contract for the Project was negotiated by the Council and Waimea Irrigators Limited (WIL) with Fulton Hogan/ Taylors Joint Venture. The construction contract final estimate is 9(2)(b)(ii). In estimating the costs the Council and WIL have used robust methods and engaged professional advisors to verify cost estimates including the construction, operation, maintenance and financing costs of the Project. Of the total Project cost 9(2)(b)(ii)</p> <ul style="list-style-type: none"> • 9(2)(b)(ii) is the construction price • 9(2)(b)(ii) is direct costs (includes design); and • 9(2)(b)(ii) risk is the remaining contingency and risk allowances. 	Severe	<p>The Project Governance Board has used all reasonable endeavours to budget for the costs associated with the Project. The budget does include contingencies. Cost drivers are strictly monitored. Particular attention being given to minimise the risk of escalation including going back and asking the designer and contractor to see where savings can be made without jeopardising the success of the project.</p> <p>Agreed budgets form the basis for the detailed set of funding and shareholder agreements that include clauses that assign liability for any cost over-runs (see the Governance section above for further detail).</p>

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		The available risk and contingency allowance of 9(2)(b)(ii) can be broken down into allocated risk of 9(2)(b)(ii) and 9(2)(b)(ii) unallocated.		
Construction and Infrastructure Risks for the Project	Medium	<p>The construction contract for the Project will involve risk for the Project including:</p> <ul style="list-style-type: none"> delays occurring at the start of construction the ground conditions and dewatering solutions presenting challenges poor contractor or sub-contractor execution unforeseen contractor project costs contractors or sub-contractors experiencing financial distress 	Moderate – high proportion of costs have been fixed but some risk is still attached to other project variables	Construction contracts: A competitive proposal process, run under probity conditions, ensured that the contractor awarded the Early Contractor Involvement (ECI) process has the appropriate level of expertise and capacity to perform the works. The WWL Board will ensure the construction contract with the successful contractor (Fulton Hogan/Taylor's Joint Venture) will include the appropriate levels of warranties and contractor performance bonds.

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		<ul style="list-style-type: none"> third party damage/interference affecting the Project infrastructure a cost risk in ensuring the Project is completed within budget amounts design risks relating to the performance of the works undertaken and the design of the Dam (both during construction and post-construction). 		<p>The contractors selected are reputable, very well established and have substantial Balance Sheets. Appropriate types and levels of insurance for the Project will be in place.</p> <p>Performance: The Project has endeavoured to mitigate performance risks where possible by using competent design engineers, peer reviews and engaging experts who have successfully designed other dams. The construction contract will contain the appropriate warranties and contractor performance bonds. The Dam has been designed to requirements set out by the New Zealand Society of Large Dams (NZSOLD), the guidelines specifying dam construction in New Zealand. An Engineer to the Contract has been appointed and will have an independent role to ensure the</p>

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				<p>contractor and the designer perform to the required standards.</p> <p>Geotechnical: The Project has commissioned site sampling, geotechnical assessments and modelling that has been peer reviewed. The Geotechnical work includes the assessment of the impact of earthquakes on the Dam. Further, the construction method has been chosen to mitigate any potential damage caused by seismic activity during construction.</p> <p>Hydrological: Detailed hydrological advice has been received on the connectivity of the groundwater system to ensure environmental and other benefits will be delivered.</p> <p>During the ECI process the contractor obtained independent expert advice related to the effects of potential flood events during the</p>

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				construction phase. The methods for handling such events have been planned and financial allowance, including insurances, have been factored into the various probabilities.
Land and Access	Medium	Land and access negotiations are still being finalised with one landowner regarding 2 hectares. Full access to the project office site has been obtained; tail end negotiations are in progress to tie up loose ends. Mitigation strategies are in place should negotiations fail.	Severe – failure to gain necessary land owner approvals is essentially fatal to the project	Negotiations with landowners are well advanced and they are aware of the project timeline.
Dam Design in Relation to Over-topping	Low	All dams have the potential to be overtopped during an extraordinarily extreme weather event in the dam catchment.	Severe (Although, in addition to the details provided in the column to the right, this dam is comparatively resilient if overtopping was to	This dam has both a conservative freeboard designed to cope with simultaneous large waves and high water levels. The dam has also been designed with an open flow spillway so that neither operator intervention nor

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			occur. For example, many dams in New Zealand have power houses and expensive machinery below the dam.)	mechanical/electrical activation is required to spill water. The spillway by its very nature passes increasingly high water volumes as the reservoir level rises. This is a conservative dam design.

10 Conflicts of interest

Describe any known conflicts of interest (actual or potential) that may arise during this financial year and steps you will take to manage them.

None known.

Declaration

This declaration must be completed by a person with the organisation's signing authority.

As a duly authorised representative of the organisation:

- I declare that to the best of my knowledge, the information contained in all sections of this Annual Work Plan, or supplied by us in support of our Annual Work Plan is complete, true and correct.
- I declare that I have the authority to sign this Annual Work Plan and to provide this information.
- I understand that information presented to the Minister for the Environment and Ministry for the Environment is subject to disclosure under the Official Information Act 1982.

Name

Dennis Bush-King

Position

Environment and Planning Manager

Signature

By typing your name in the space provided you are electronically signing this Annual Work Plan.

Date