



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

Open Council Meeting Agenda

Date: Wednesday 30 September 2020
Time: 9.30 am
Location: Lighthouse Function Centre
32 Mount Wesley Coast Road
Dargaville

Elected Members: Mayor Dr Jason Smith
Deputy Mayor Anna Curnow
Councillor Victoria del la Varis-Woodcock
Councillor Karen Joyce-Paki
Councillor Jonathan Larsen
Councillor Mark Vincent
Councillor Peter Wethey
Councillor David Wills
Councillor Eryn Wilson-Collins

*For any queries regarding this meeting please contact
the Kaipara District Council on (09) 439 7059*

Wednesday, 30 September, 2020

9:30 am

Lighthouse Function Centre / Te Whare Taonga o Tunatahi

32 Mount Wesley Coast Road

Dargaville

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Confirmation of open Council meeting minutes 26 August 2020

Meeting: Kaipara District Council
Date of meeting: 30 September 2020

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Confirms that the open minutes of the Council meeting held on 26 August 2020 are a true and correct record.

Attachments/Ngā tapiritanga

	Title
A	Unconfirmed open minutes of Council meeting 26 August 2020

Open minutes of the Ordinary meeting of
Kaipara District Council

Date: 26 August 2020
Time: 9:30 a.m. - 2:11 p.m.
Location: Conference Room, Northern Wairoa Memorial Hall, Dargaville

Members present:

Mayor Jason Smith
Deputy Mayor Anna Curnow
Councillor Victoria del la Varis-Woodcock
Councillor Karen Joyce-Paki
Councillor Jonathan Larsen
Councillor Mark Vincent
Councillor Peter Wethey
Councillor David Wills
Councillor Eryn Wilson-Collins

1. Opening

1.1 Karakia

Mayor Smith opened the meeting with a karakia.

1.2 Apologies

Nil.

1.3 Confirmation of agenda

Moved: Mayor Smith

Seconded: Deputy Mayor Curnow

That the agenda for the 26 August 2020 meeting be confirmed.

Carried

1.4 Conflict of interest declaration

Member	Item
Cr Wilson-Collins	Item 6.3 'Exceptions Report for July 2020' – Cr Wilson-Collins declared a conflict of interest for matters regarding the Murphy Bower Stopbank.

2. Presentations and petitions

Nil.

3. Minutes

3.1 Confirmation of open Council meeting minutes 29 July 2020

Moved: Cr Vincent

Seconded: Cr Wilson-Collins

That the Kaipara District Council:

- a) Confirms that the open minutes of the Council meeting held on 29 July 2020 are a true and correct record.

Carried

3.2 Confirmed open committee minutes October 2019 – July 2020

Moved: Deputy Mayor Curnow

Seconded: Cr Joyce-Paki

That the Kaipara District Council:

- a) Notes the confirmed open minutes of the following committee meetings:
 - Awards and Grants Committee meeting held 10 December 2019
 - Remuneration and Development Committee meeting held 18 February 2020
 - Audit, Risk and Finance Committee meeting held 12 March 2020
 - Awards and Grants Committee meeting held 29 June 2020.

Carried

4. Notice of motion

Nil.

5. Decision

5.1 Kaipara District Licensing Committee Annual Report 2019/20 - Adoption

Moved: Mayor Smith

Seconded: Cr Vincent

That the Kaipara District Council:

- a) Approves the report 'Kaipara Territorial Authority District Licensing Committee Annual Report 2019/20' for public release.
- b) Delegates to the Mayor and the Chief Executive the authority to approve minor editorial changes to the 'Kaipara Territorial Authority District Licensing Committee Annual Report 2019/20'.

Carried

5.2 Electoral voting systems – 2022 local body elections

Moved: Cr Larsen**Seconded: Cr del la Varis-Woodcock**

That the Kaipara District Council:

- a) Agrees to retain the Single Transferable Voting (STV) electoral system for the 2022 and 2025 Local Government elections.

Carried

[Secretarial note: This motion was carried unanimously.]

5.3 Three Waters Reform – Memorandum of Understanding

Moved: Mayor Smith**Seconded: Deputy Mayor Curnow**

That Kaipara District Council:

- a) Agrees to sign the Memorandum of Understanding (MoU) (Attachment B)
- b) Delegates the Mayor the authority to sign the Memorandum of Understanding on behalf of the Council.
- c) Nominates the Chief Executive as the primary point of communication for the purposes of the Memorandum of Understanding and reform programme (as referred to on page 6 of the MoU).
- d) Delegates decisions about the allocation of regional funding to the Chief Executive, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct council allocations, and noting that participation by two-thirds of territorial authorities within the Northland region is required to access the regional allocation.
- e) Notes that the Memorandum of Understanding cannot be amended or modified by either party, and doing so would void these documents.
- f) Notes that participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU).
- g) Notes that the Council has been allocated funding of \$2.35m (excluding the regional proportion to be determined), which will be received as a grant as soon as practicable once the signed Memorandum of Understanding and Funding Agreement are returned to the Department of Internal Affairs, and a Delivery Plan has been supplied and approved (as described on page 5 of the MoU).

- h) Notes that staff will report to the September Council meeting for decision on the Funding Agreement and Delivery Plan.

A division was called, and voting was as follows:

<u>For</u>	<u>Against</u>
Deputy Mayor Curnow	Cr del la Varis-Woodcock
Cr Joyce-Paki	
Cr Larsen	
Cr Vincent	
Cr Wethey	
Cr Wills	
Cr Wilson Collins	
Mayor Smith	

The motion was declared carried.

Meeting adjourned for morning tea at 10:46 a.m.

Meeting reconvened at 10:56 a.m.

5.4 CON960: Pōuto Road Seal Extension Physical Works – Delegation of Authority to Award

Moved: Cr Wilson-Collins

Seconded: Cr Wethey

That the Kaipara District Council:

- a) Delegates authority to the Chief Executive to approve the award of Contract CON960 for Pōuto Road Seal Extension Physical Works subject to the contract price being within the approved project budget of \$5,050,000.

Carried

5.5 Procurement Plan – Pōuto Road Seal Extension Phase 2 Physical

Moved: Cr Wills

Seconded: Cr Wethey

That the Kaipara District Council:

- a) Approves the Procurement Plan of Phase 2 of the Pōuto Road Seal Extension Physical Works.

Carried

5.6 Greenhill Quarry – Lease and Contract Award

Moved: Cr Wethey

Seconded: Deputy Mayor Curnow

That the Kaipara District Council:

- a) Approves that a Deed of Lease – Greenhill Quarry, between Kaipara District Council and Broadspectrum NZ Ltd, be prepared by Council's legal advisors with an ability for Council to terminate the lease on six months notice, which notice can be given at any time under section 8(6) of the Public Bodies leases Act 1969, but with an end date no later than 30 June 2026 to coincide with the final expiry date of Contract 888.
- b) Delegates authority to the Chief Executive to execute the Deed of Lease – Greenhill Quarry subject to the necessary resource consents being acquired prior to executing the Lease.
- c) Approves the award of Contract CON961 – Greenhill Quarry Operation to Broadspectrum NZ Ltd for the contract price of \$1,406,500 + GST subject to the Deed of Lease – Greenhill Quarry being executed by both parties to the Lease.
- d) Notes that the quarry will primarily supply roading metal for Pōuto Road, parts 1 and 2, which is funded by the PGF Pōuto Road Parts 1 and 2 sealing grants.

Carried

5.7 Mangawhai old fire station demolition

Moved: Cr Wethey

Seconded: Cr Joyce-Paki

That the Kaipara District Council:

- a) Approves the demolition of the Council property on 9 Wood Street, Mangawhai (the former fire station building).

Carried

5.8 Delegations Register update August 2020

Moved: Mayor Smith

Seconded: Cr Wilson-Collins

That the Kaipara District Council

- a) Approves the revisions to the Delegation Register as specified in the appendix of this report.

Amendment moved: Cr Vincent

Seconded: Cr Larsen

That the Kaipara District Council

- a) Approves the revisions to the Delegation Register as specified in the appendix of this report except for item 2 'Resource Consent Manager' that option 2 is adopted (status quo).

Carried

The substantive motion was then put:

That the Kaipara District Council

- a) Approves the revisions to the Delegation Register as specified in the appendix of this report except for item 2 'Resource Consent Manager' that option 2 is adopted (status quo).

Carried

Meeting adjourned for lunch at 12:51 p.m.

Meeting reconvened at 1:20 p.m.

6. Information

6.1 Clause 20A Correction of the District Plan Rule 12.10.18 Traffic Intensity

Moved: Deputy Mayor Curnow

Seconded: Cr Wilson-Collins

That the Kaipara District Council:

- a) Notes the decision made under delegation to correct Note 4 in Rule 12.10.18: Traffic Intensity of the Operative Kaipara District Plan.

Carried

6.2 Exceptions Report for July 2020

Moved: Cr Wethey

Seconded: Mayor Smith

That the Kaipara District Council:

- a) Notes the Exceptions Report for July 2020.

Carried

6.3 Resolutions Register update August 2020

Moved: Cr Wills

Seconded: Cr Larsen

That the Kaipara District Council:

- a) Notes the Resolutions Register at 17 August 2020.

Carried

7. Recommendation to move into public excluded session 26 August 2020

Moved: Mayor Smith

Seconded: Cr Wilson-Collins

- a) That the following items are considered with the public excluded:

Item	Grounds for excluding the public
Confirmation of public excluded minutes 27 May 2020	To protect the privacy of natural persons, including that of deceased natural persons (LGOIMA s7(2)(a))
Confirmed public excluded committee minutes October 2019 – July 2020	To protect the privacy of natural persons, including that of deceased natural persons (LGOIMA s7(2)(a)), to avoid prejudice to measures protecting the health or safety of members of the public (LGOIMA s7(2)(d)), to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (LGOIMA s7(2)(h)) and to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (LGOIMA s7(2)(i))
Chief Executive's Performance Review (01 July 2019 to 30 June 2020)	To protect the privacy of natural persons, including that of deceased natural persons (LGOIMA s7(2)(a))

Carried

Meeting moved into public excluded session at 1:46 p.m.

Meeting returned to open session at 2:06 p.m.

During the public excluded session, Council resolved to make the following decisions publicly available after the meeting:

8. Public Excluded

8.1 Confirmation public excluded Council meeting minutes 29 July 2020

Moved: Deputy Mayor Curnow

Seconded: Cr Larsen

That the Kaipara District Council:

- a) Confirms that the public excluded minutes of the Council meeting held on 29 July 2020 are a true and correct record.
- b) Agrees that this decision will be published in the open minutes of this meeting.

Carried

8.2 Confirmed public excluded committee minutes October 2019 - July 2020

Moved: Deputy Mayor Curnow

Seconded: Cr Larsen

That the Kaipara District Council:

- a) Notes the confirmed public excluded minutes of the following committee meetings:
 - Remuneration and Development Committee meeting held 18 February 2020
 - Audit, Risk and Finance Committee meeting held 12 March 2020.
 - Agrees that this decision will be published in the open minutes of this meeting.

Carried

8.3 Chief Executive's Performance Review (01 July 2019 to 30 June 2020)

Moved: Mayor Smith

Seconded: Deputy Mayor Curnow

That the Kaipara District Council:

- a) Notes the Chief Executive's performance for the year against the agreed critical success factors and measures for 2019/2020 as self-assessed in Attachment A.
- b) Approves the Committees recommendation to Council to award an additional 5 (five) days annual leave for the Chief Executive for the extraordinary achievements for the 2019/2020 year, to be used within the 2020/2021 year.
- c) Joins the committee in congratulating the Chief Executive on her performance for the 2019/2020 year

- d) Notes the committee has delegated the Mayor to resolve the car clause in the Chief Executive's contract.
- e) Agrees that this decision be published in the open minutes of the meeting, and that the report will remain confidential due to the confidential information within the report.

Carried

8.4 Recommendation to return to open session 26 August 2020

Moved: Cr Wills

Seconded: Cr Wilson-Collins

That the Kaipara District Council:

- a) Returns to open session of the meeting.
- b) Notes that all decisions and reports that were resolved to be made publicly available during the public excluded session will be included in the open minutes of this meeting and published on the Kaipara District Council website.

Carried

9. Closure

9.1 Karakia

Mayor Smith closed the meeting with a karakia.

Meeting closed at 2:11 p.m.

Kaipara District Council

Confirmed open committee minutes August 2020 – September 2020

Meeting: Kaipara District Council
Date of meeting: 30 September 2020

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Notes the confirmed open minutes from other KDC governance committee meetings held between August and September 2020 (**Attachment A**).

Minutes of Mangawhai Community Park Governance Committee

Date: Monday 08 June 2020
Time: 10.00 am – 12.25 pm
Location: Ground Floor Meeting Room
Kaipara District Council
The Hub, Mangawhai

Members Present: Deputy Mayor Anna Curnow (Chairperson)
Councillor Jonathan Larsen
Councillor Victoria del la Varis-Woodcock
Maurice Langdon
Jim Wintle

Apologies: Councillor Eryn Wilson-Collins
Mayor Dr Jason Smith
Georgina Connelly

1. Opening

1.1 Karakia

Deputy Mayor Curnow opened the meeting with a karakia.

1.2 Apologies

Moved By: Deputy Mayor Curnow

Seconded By: Cr Larsen

That the Mangawhai Community Park Governance Committee:

- a) Accept the apology from Councillor Eryn Wilson-Collins, Mayor Dr Jason Smith and Georgina Connelly.

Carried

1.3 Confirmation of agenda

Moved By: Deputy Mayor Curnow
Seconded By: Cr del la Varis-Woodcock

That the Mangawhai Community Park Governance Committee:

- a) Confirms the agenda for the meeting held Monday 8 June 2020 with the following amendments:
 - Agenda item 6 moved to agenda item 3.

Carried

1.4 Conflict of interest declaration

Nil.

2. Mangawhai Community Park Master Plan Operations Update - July 2019 to May 2020

Moved By: Cr del la Varis-Woodcock
Second By: M Langdon

That the Mangawhai Community Park Governance Committee:

- a) Notes the Parks and Recreation Manager's operations report update on the Mangawhai Community Park Master Plan from July 2019 to May 2020.

Carried

3. Mangawhai Community Park Urban Landscape Design Plan Report

Moved By: Cr del la Varis-Woodcock
Second By: M Langdon

That the Mangawhai Community Park Governance Committee:

- a) Approves the draft discussion Urban Landscape Design Report with the amendments:
 - Emphasise track number 28
 - Ground truth the wetlands, streams, and other items in the park
 - Include carparking zones
 - Remove the Phoenix Palms.
- b) Delegates the Chief Executive to start formal consultation on the report.

Carried

4. **Mangawhai Community Park Forward Works Plan LTP 2021-2031**

Moved By: Cr Larsen

Second By: Deputy Mayor Curnow

That the Mangawhai Community Park Governance Committee:

- a) Recommends the works in **minutes attachment A** be included for consideration in the draft Long Term Plan, with the addition of budget for the implementation of the Urban Landscape Plan, investigation and implementation of alternative access points and parking off Thelma Rd, and continuation of in depth master planning for the whole park.
- b) Notes that the final decision will be made by Council.

5. **Mangawhai Club and Golf Club Access Traffic Review Report**

Moved By: Cr del la Varis-Woodcock

Seconded By: Deputy Mayor Curnow

That the Mangawhai Community Park Governance Committee:

- a) Agrees to pursue Option 2 as per the report.
- b) Delegates the Chief Executive to engage Stellar Projects to continue with the agreed option and bring a report back to the Committee with Computer aided design (CAD) plans and costs.

Carried

6. **Mangawhai Community Park Work Plan 2020/2021**

Moved By: Cr del la Varis-Woodcock

Seconded By: Deputy Mayor Curnow

That the Mangawhai Community Park Governance Committee:

- a) Approves the indicative 2020-21 work plan as below:
 - Develop wetland pan - \$30,000.00
 - Develop cleared area behind St John/Fire Station – \$30,000.00
 - Resource consent and bridge above historic village - \$40,00.00.
- b) Requests the Chief Executive to implement the works as above.

Carried

7. **Closure**

7.1 Deputy Mayor Curnow closed the meeting with a karakia.

The meeting closed at 12.35 pm.

**Minutes of the meeting of the
General Bylaws Hearing Panel**

Date: Tuesday 30 June, 2020
Time: 1:00 p.m. - 2.00 p.m.
Location: Kaipara District Council Offices
The Hub
6/6 Molesworth Drive
Mangawhai

Members present: Deputy Mayor Anna Curnow (**Chair**)
Councillor Jonathan Larsen
Councillor Mark Vincent

1. Opening and Karakia

The Deputy Mayor opened the Hearing with a Karakia.

2. Introductions and Hearing process information

The Hearing Panel and Council staff were introduced. Processes and guidelines for the Hearing were explained.

3. Submissions

Moved By: Cr Larsen

Seconded By: Cr Vincent

That the General Consolidated Bylaw Panel:

- a) Receives the submissions as attached in Attachment A.
- b) Hears the individuals or organisations who have requested to present their views in person.

Carried

The following submitters presented at the Hearing.

Name	Organisation
Ayla Wiles (by video conferencing)	Department of Conservation
Reg Whale (in person)	
Rachel Williams (in person)	

3. Next steps

It was explained that an informal Public Excluded deliberations workshop would take place on Monday 20 July, followed by a final deliberation hearing on Wednesday 6 August, where final recommendations would be made to the Kaipara District Council.

4. Closure and Karakia

The Deputy Mayor closed the Hearing with a Karakia.

The hearing closed at 2.00 pm.

Kaipara District Council

Open minutes of the Ordinary meeting of the **Awards and Grants Committee**

Date: 09 July 2020
Time: 10:03 a.m. – 10:55 a.m.
Location: Tokatoka Room, KDC Dargaville Office

Members present: Councillor Peter Wethey (Chair, via audio visual link)
Councillor Karen Joyce-Paki
Councillor Mark Vincent

[Secretarial note: The venue was changed from Northern Wairoa War Memorial Hall to the KDC Dargaville Office on the day of the meeting to better accommodate audio visual link to the meeting. A sign was posted at the original venue and at KDC Dargaville Office reception to redirect the public. No members of the public attended the meeting.]

1. Opening

1.1 Opening karakia

Cr Joyce-Paki opened the meeting with a karakia.

1.2 Apologies

Nil.

[Secretarial note: Pursuant to section 8 of the COVID-19 Response (Urgent Management Measures) Legislation Act 2020, members who attend meetings by means of audio visual link is counted for the purposes off quorum while an epidemic notice is in force. At the time of the meeting, the epidemic notice had been extended to 24 September 2020.

Two members of this Committee attended the meeting physically and the Chair attended via audio visual link. The quorum of members was present.]

1.3 Confirmation of agenda

Moved: Cr Vincent

Seconded: Cr Joyce-Paki

That the agenda for the 09 July 2020 meeting be confirmed.

Carried

1.4 Conflict of interest declaration

Nil.

2. Presentations

Nil.

3. Confirmation of minutes

3.1 Awards and Grants Committee meeting 29 June 2020

Moved: Cr Joyce-Paki

Seconded: Cr Vincent

That the Awards and Grants Committee:

- a) Confirms that the minutes of the Awards and Grants Committee meeting held 29 June 2020 are a true and correct record.

Carried

4. Recommendation to move into public excluded session

That the following items are considered with the public excluded:

Item	Grounds for excluding the public
Citizens Awards Nominations 2020	To protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))
Environmental Awards Nominations 2020	To protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))

Carried

Meeting went into public excluded session at 10:07 a.m.

Meeting returned to open session at 10:51 a.m.

5. Closure

5.1 Closing karakia

Cr Joyce-Paki closed the meeting with a karakia.

Meeting closed at 10:55 a.m.

Confirmed **27 August 2020**

Chair **Cr Peter Wethey**

Kaipara District Council

Confirmed

**Minutes of the first meeting of the
Combined Pou Tu O Te Rangi Joint Management Committee
and Harding Park Committee**

Date: 19 May 2020
Time: 2:00 p.m. - 3:24 p.m.
Location: Conference Room, Northern Wairoa Memorial Hall,
Dargaville

Member present Rex Nathan (Chair)
Georgina Connelly
Rob Harding
Councillor Karen Joyce-Paki
Councillor Peter Wethey
Willie Wright

1. Opening

[Secretarial note: At COVID-19 Alert Level 2, additional precautions were observed for this meeting, including contact tracing and social distancing.

The venue was changed after the publication of the agenda. Due to technical difficulties, virtual meeting could not be held and livestreamed. The public was informed by on the Council Facebook page and website.]

1.1 Karakia

Rex Nathan opened the meeting with a karakia.

1.2 Apologies

Nil.

1.3 Confirmation of agenda

The agenda for the 19 May 2020 meeting was confirmed with no changes.

1.4 Conflict of interest declaration

Member	Item
Cr Joyce-Paki	Cr Joyce-Paki disclosed an interest as an employee of the Department of Conservation (DOC). The Pou Tu O Te Rangi Harding Park land is owned by DOC and vested to Te Uri o Hau and Kaipara District Council.

2. Public input

Nil.

3. Decision

3.1 Reserve Management Plan Review

Moved: Cr Wethey

Seconded: Wright

That the Pou Tu O Te Rangi Harding Park Committee:

- a) Approves the review of the current Reserve Management Plan as part of the complete update process.
- b) Requests the Chief Executive to engage Stellar Projects to complete a review of the Reserve Management Plan and provide recommendations on next steps.

Carried

3.2 Traffic Flow Feasibility Report

Moved: Cr Joyce-Paki

Seconded: Connelly

That the Pou Tu O Te Rangi Harding Park Committee:

- a) Delegates the Chief Executive to include the review of the traffic flow options as part of the Reserve Management Plan review [Option 3 in the report].

Carried

3.3 Pou Tu o Te Rangi Harding Park Work Plan 2020/2021

Moved: Cr Wethey

Seconded: Wright

That the Pou Tu O Te Rangi Harding Park Committee:

- a) Approves the indicative 2020-21 work plan as below:

Project	Budget
RMP review and update (including cultural impact assessment or engaging mana whenua)	\$60,500
Planting	\$10,000
Landscaping	\$9,500
Develop weed management plan	\$5,000
Pā site pest control/landscaping	\$15,000
Total	\$100,000

- b) Requests the Chief Executive to implement the works as above.

Carried

3.4 Pou Tu o Te Rangi Harding Park Forward Works Plan LTP 2021-2031

Moved: Wright

Seconded: Connelly

That the Pou Tu O Te Rangi Harding Park Committee:

- a) Recommends the works in Attachment B of the report be included in the draft Long Term Plan for Council's consideration, noting that the final decision will be made by Council and depend on the budget available.

Carried

4. Information

4.1 Operations Update

Moved: Wright

Seconded: Connelly

That the Pou Tu O Te Rangi Harding Park Committee:

- a) Notes the Parks and Recreation Manager's report 'Pou Tu o Te Rangi Harding Park Operations Update'.

Carried

5. Closure

5.1 Karakia

Rex Nathan closed the meeting with a karakia.

Meeting closed at 3:24 p.m.

Confirmed 18 August 2020

Chair Rex Nathan

Kaipara District Council

**Minutes of the first meeting of the
Taharoa Domain Governance Committee**

Date: 28 May 2020
Time: 2:00 p.m. - 4:21 p.m.
Location: Conference Room, Northern Wairoa Memorial Hall,
Dargaville

Member Present Councillor Jonathan Larsen (Chair)
Councillor Karen Joyce-Paki
Sonny Nesbit (Te Roroa)
Ric Parore (Te Kuihi)

1. Opening

1.1 Opening karakia

Sonny Nesbit opened the meeting with a karakia.

1.2 Apologies

Nil.

1.3 Confirmation of agenda

Moved: Cr Joyce-Paki

Seconded: Cr Larsen

That the agenda for 28 May 2020 be confirmed.

Carried

1.4 Conflict of interest declaration

Member	Item
Cr Joyce-Paki	Cr Joyce-Paki disclosed that she is an employee of the Department of Conservation.

2. Presentations

2.1 Freshwater Improvement Fund Dune Lakes Project update - Jackie Byrd, Biodiversity Advisor, Northland Regional Council

Jackie Byrd spoke in the public forum.

2.2 Animal and pest control update - Megan Topia, Biosecurity Officer, Northland Regional Council

Megan Topia spoke in the public forum.

2.3 Taharoa Research Partnership proposal - Taoho Patuawa, Te Roroa

Taoho Patuawa spoke in the public forum.

3. Decision

3.1 Taharoa Domain Fish and Game Trout Release May 2020

Moved: Cr Joyce-Paki

Seconded: Cr Larsen

That the Taharoa Domain Governance Committee:

- a) Approves the release of trout into Lake Taharoa and Lake Waikare in 2020.

A division was called, and voting was as follows:

<u>For</u>	<u>Against</u>
Cr Larsen	Cr Joyce-Paki
	Nesbit
	Parore

The motion was declared lost.

3.2 Taharoa Domain Work Plan 2020/2021

Moved: Cr Larsen

Seconded: Cr Joyce-Paki

That the Taharoa Domain Governance Committee:

- a) Approves the 2020/2021 work plan as below, noting that
 - some costs will be externally funded and
 - the total budget available for 2020/2021 year is \$100,000:

Project	Budget
Bollards along road entrance to Lake Waikare	\$15,000
Day visitor toilet Pine Beach (refit of old changing rooms)	\$85,000
Total	\$100,000

- b) Requests the Chief Executive to implement the works as agreed.
- c) Requests the Chief Executive investigate security issues and electronic gate options, and report back to the Committee with the results.

Carried

3.3 Taharoa Domain Forward Works Plan for Long Term Plan 2021-2031

Moved: Cr Larsen

Seconded: Cr Joyce-Paki

That the Taharoa Domain Governance Committee:

- a) Recommends the works in Attachment B of the report be included in the draft Long Term Plan for Council's consideration, noting that the final decision will be made by Council and depend on the budget available from general rates and external funding.

Carried

4. Information

4.1 Taharoa Domain operations update for August 2019 to March 2020

Moved: Parore

Seconded: Nesbit

That the Taharoa Domain Governance Committee:

- a) Notes the Taharoa Domain operations update report for August 2019 to March 2020.

Carried

4.2 Financial report at 31 March 2020

Moved: Nesbit

Seconded: Parore

That the Taharoa Domain Governance Committee:

- a) Notes the financial report as at 31 March 2020.

Carried

4.3 Kai Iwi Lakes Dune Lakes Galaxias Working Group update

Moved: Cr Larsen

Seconded: Parore

That the Taharoa Domain Governance Committee:

- a) Notes the report 'Kai Iwi Lakes Dune Lakes Galaxias Working Group update, and its Attachment A.

Carried

5. Closure

5.1 Closing karakia

Iwi Relations Manager Francis Toko closed the meeting with a karakia.

Meeting closed at 4:21 p.m.

Confirmed 11 August 2020

Chair Ric Parore

Kaipara District Council

Confirmed

Kaipara District Council

Raupo Drainage Committee Minutes

Date: Thursday 21 May 2020
Time: 10:00 am
Location: Ruawai Tokatoka War Memorial Hall
16 Ruawai Wharf Road
Ruawai

Members Present: Ian Beattie (**Chair**)
Deputy Mayor Cr Anna Curnow
Cr David Wills
David Hart
Greg Gent
Grace Le Gros
Brian Madsen
Ross McKinley
Mayor Dr Jason Smith

1. Opening

1.1 Karakia

Grace Le Gros opened the meeting opened with a Karakia.

1.2 Apologies

There were no apologies.

1.3 Confirmation of agenda

Moved: I Beattie

Seconded By: G Le Gros

That the Raupo Drainage Committee confirms the agenda for the meeting held 21 May 2020.

Carried

1.4 Conflict of interest declaration

No conflicts were declared.

2. Raupo drainage management and performance report

Moved: I Beattie

Seconded: G Le Gros

That the Raupo Drainage Committee:

- a) Receives the Raupo Drainage Management and Performance Report.
- b) Receives the report tabled by the Chair (Minutes attachment A).
- c) Establish the Raupo Drainage Operations Working Group to report to the Raupo Drainage Committee, with a purpose limited to the oversight of operational maintenance work for the Raupo Drainage District, subject to the drafting of terms of reference and the approval of the Committee and Council.
- d) Delegates authority to the Chair of the Raupo Drainage Committee to represent, consider, negotiate, and agree to matters and projects for inclusion into the Kaipara District Council Long Term Plan.
- e) Notes that the Chair will report back to the next Raupo Drainage Committee and Raupo Drainage Operations Working Group which follows any decision made under the delegation granted in (d).

Carried

3. Closure

Grace Le Gross closed the meeting with a Karakia.

The meeting closed at 12.15 pm.

Three Waters Review – delivery plan and funding agreement

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Jason Marris, General Manager Engagement and Transformation
 Donnick Mugutso, Waste and Water Manager

Purpose/Ngā whāinga

To seek approval to sign the Funding Agreement and agree to the Delivery Plan, which are the next steps in the Three Waters Review programme.

Executive summary/Whakarāpopototanga

At the August Council meeting, it was agreed that Kaipara District Council (KDC) would sign the Memorandum of Understanding (MoU), the first step in the Three Waters Review programme. The MoU was subsequently provided to the Department of Internal Affairs (DIA).

The next step in this process is for Council to agree to the Funding Agreement (**Attachment A**) and approve the Delivery Plan (**Attachment B**). This is what this report is seeking from Council. Assuming agreement/approval, the documents will then be provided to DIA and Crown Infrastructure Partners (CIP) for their review and approval. The documents are due to be submitted by the day of this meeting, 30 September 2020. Delegation is also sought for the Chief Executive to work with DIA to approve any subsequent changes to the delivery plan, if any feedback is received. Once final approval is received by central government, staff will work with DIA to release the funding with work to be commenced soon after.

Recommendation/Ngā tūtohunga

That Kaipara District Council;

- a) Notes that the Funding Agreement cannot be amended or modified by either party and doing so would void the document.
- b) Delegates the Mayor the authority to sign the Funding Agreement located (at Attachment A) on behalf of the Council, for submission to the Department of Internal Affairs and Crown Infrastructure Partners.
- c) Notes that the Delivery Plan shows that the funding is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, which:
 - a. supports economic recovery through job creation; and
 - b. maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance
- d) Approves the Delivery Plan located (at Attachment B) for submission to the Department of Internal Affairs.
- e) Delegates the Chief Executive the authority to finalise the Delivery Plan, if any feedback from central government is received, in order to obtain approval and release funding
- f) Notes that the agreed share of the regional pool is \$2,345,524 in accordance with the regional national formula, bringing the total available pool to \$4,691,048.

Context/Horopaki

Council was provided an overview of the Three Waters Review Programme at the August briefing. At the August Council meeting, Council agreed to sign the MoU which was the first step in the review process. Following that Council decision, the MoU was provided to, and acknowledged by DIA.

The next step in the process is for Councils to sign the Funding Agreement and seek approval of their Delivery Plan. Once approval of the Delivery Plan is received from central government, the allocated direct funding of \$2,345,524 (and subsequent proportion of the regional pool of \$14,131,798) can be released to Council for the commencement of works.

Council delegated the negotiation of the regional pool to the Chief Executive at its August meeting. It has been agreed that each of Northland's Councils follow the recommended national formula used for direct allocation of the regional pool. For KDC, this means a total of \$4,691,048 made up of \$2,345,524 direct allocation and \$2,345,524 share of the regional pool.

These figures are exact, and the figures provided to the August Council meeting were rounded.

In addition to the Total Maximum Amount Payable in the Delivery Plan, we have included a total of \$5,700,000 for projects that could not be accommodated within the \$4,691,048 but are planned in the LTP and also for private failing schemes which could be funded under the \$30 million New Zealand wide fund.

Discussion/Ngā kōrerorero

By signing the MoU, KDC has committed to;

- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU;
- the principles of working together with central government and the Steering Committee;
- work with neighbouring councils to consider the creation of multi-regional entities;
- share information and analysis on their three waters assets and service delivery arrangements.

Funding Agreement

The Funding Agreement guides the release and use of the allocated funding. It sets out:

- the funding amount allocated to the Council;
- funding conditions;
- public accountability requirements, including the Public Finance Act;
- reporting milestones.

Central government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.

The Funding Agreement is supplemented by the Delivery Plan, which is the document that sets out how the grant funding is to be applied by the Council.

Delivery Plan

The Delivery Plan is the other mechanism for accessing the funding package. It must show that the funding allocation is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:

- supports economic recovery through job creation; and
- maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

The Delivery Plan is a short-form template, which sets out:

- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes;
- the number of people to be employed in these works;

- an assessment of how the works support the reform objectives in the MoU;
- reporting obligations.

The Delivery Plan will be supplied to Crown Infrastructure Partners (CIP) and DIA (and other organisations as agreed between the Council and Crown), for review and approval. CIP will monitor progress against the Delivery Plan, to ensure spending has been undertaken with public sector financial management requirements.

KDC Delivery Plan

The Kaipara District Council Delivery Plan focuses on renewals, emergency works, drought alleviation and enhancement of water and wastewater quality. The programme kicks off with the Rotu Slip Repairs that started on 31 August and concludes with the Kaiwaka and Dargaville Wastewater Renewals in February 2022. There are 4 watermain renewals (including a truck filler), 3 wastewater renewals, a replacement reservoir and a slip repair.

The programme can broadly be classified into emergency work, projects with completed designs and are construction ready and those that need scoping, design and construction. We have set up a panel of consultants which will help expedite delivery. A Water Design Engineer is allowed for in the programme to scope, coordinate and review designs for this programme. A budget for a Business Case and Options Assessment to investigate a regional delivery model is also allowed for in the programme. The projects are summarised in Table 1.

Table 1 – KDC delivery plan projects

Project	Funding/Driver	Amount	Description and Status	Duration
Dargaville Water Supply – Rotu Water Take Slip Repair	Not funded in any plan. Emergency Work.	\$650,000	The repair of the water take slip at Rotu started in August 2020.	August 2020- November 2021
Business Case and Options Assessment for Northland aggregation	Not funded in any plan	\$65,000	This is for the preparation of a business case with option assessment for the Northland region 3 waters aggregation models.	October 2020 – April 2021
Ruawai Watermain Renewals	LTP year 4 and 5	\$795,000	2.5 km of watermain renewals. Designs are complete. Next steps tender for construction.	December 2020-June 2021
Te Kopuru WWTP Aerator Upgrade	Not funded in any plan	\$60,000	Aerator upgrade to meet environmental compliance. Can be purchased immediately. Design and recommendation from Engineers received.	October 2020-January 2021
Water Design Engineer (18-month fixed term)	Not funded in any plan	\$161,048	To effectively and expedite the design process. Formulation of scope, coordination and review of designs.	October 2020- March 2022
Maungaturoto Raw Watermain Renewal	LTP years 4,5 and 6	\$900,000	The Design for the 3km of raw watermain replacement is complete and the next steps is	December 2020- May 2021

			tender for construction.	
Maungaturoto Water Reservoir Replacement	LTP year 5	\$240,000	Replacement of 300m ³ of treated water reservoir. Design, supply and build proposed to achieve the construction.	February 2021 – November 2021
Maungaturoto Water Truck Filler and Main Upgrade	Not funded in any plan. Emergency Work.	\$510,000	New truck filler to allow water carters to draw water for the non-reticulated residents in the district, also requires the upgrade of the watermain to sustain the pressure.	November 2020- November 2021
Maungaturoto Hurndall St Watermain Renewals	Not funded in any plan. Emergency Work.	\$450,000	Rerouting and replacement of slip damaged watermain. To be assessed and designed by the members of the KDC panel of consultants then constructed.	November 2020- November 2021
Dargaville Wastewater Renewals	LTP year 4 and 5	\$460,000	Wastewater main renewals to be scoped inhouse by KDC form the CCTV condition assessment and designed by the KDC panel of consultants. Scoping has started and identification of critical pipes to follow.	January 2021- February 2022
Kaiwaka Wastewater Renewals	LTP year 4 and 5	\$400,000	Wastewater main renewals to be scoped inhouse by KDC form the CCTV condition assessment and designed by the KDC panel of consultants. Scoping has started and identification of critical pipes to follow.	January 2021- February 2022

Options

Option 1 – Agree to the Funding Agreement and approve the Delivery Plan. This is the recommended option. Council has already signed the MoU and committed to the first tranche of the review programme as the first step in the process.

Option 2 – Not sign the Funding Agreement nor approve the Delivery Plan. Not signing the Funding Agreement or approving the Delivery Plan would essentially mean that Council would opt out of the first tranche of the programme and not receive the funding for the work, despite agreeing to the MoU in August. Council would be able to opt into the programme again at a later stage, however, the funding would not be available.

Policy and planning implications

There are no policy or planning implications.

Financial implications

Funding for this work is provided via allocation from central government. This funding will reduce the amount subsequently paid by ratepayers of the District.

Risks and mitigations

There are no risks to this decision. The work will be completed by staff/contractors and funded by central government. Council can opt out of the reform programme at the end of this financial year.

Significance and engagement/Hirahira me ngā whakapāpā

Funding is provided for work that was not planned for this financial year, therefore there are no impacts on the 2020/21 Annual Plan.

The work being recommended in the Delivery Plan is maintenance and renewal work included in the 2018/28 Long Term Plan (LTP). The public were consulted on this work as part of that process, so consultation is not required. The impacts of bringing forward this work from outer years will be consulted on as part of the 2021-31 Long Term Plan consultation process early next year.

The exceptions are emergency works included in the Delivery Plan as follows:

1. Dargaville Water Supply - Rotu Slip Repair which has already been approved by Council (\$650,000)
2. Maungaturoto Water Truck Filler and Main Upgrade (\$510,000)
3. Maungaturoto Hurndall St Watermain Renewals (\$450,000)

The Maungaturoto Water Truck Filler and Main Upgrade and the Maungaturoto Hurndall Street Watermain Renewals projects exceed the threshold for unbudgeted expenditure of \$300,000 in Councils Significance and Engagement policy. However, financial consideration is only one aspect to determining significance. The policy allows for emergency works to be completed without consultation. This which applies for the Maungaturoto Hurndall St Watermain Renewals. The policy also allows for council to determine that it has a sound understanding of the views of the community. The community expects council to prepare for drought situations, given the impacts last year. The Maungaturoto Water Truck Filler and Main Upgrade therefore fit into this category. Funding for these works is also externally provided (therefore no impacts on rates), so staff recommend that council does not engage the community on these projects and they are included in the Delivery Plan.

Next steps/E whaiake nei

The signed Funding Agreement and approved Delivery Plan will be provided to DIA and Crown Infrastructure Partners for review and approval. Once final approval is received from central government, measures will be put in place to receive the funding and the work will commence.

Attachments/Ngā tapiritanga

	Title
A	Kaipara District Council Three Waters Funding Agreement
B	Kaipara District Council Three Waters Delivery Plan

FUNDING AGREEMENT

BETWEEN

DEPARTMENT OF INTERNAL AFFAIRS

AND

KAIPARA DISTRICT COUNCIL

FOR

THREE WATERS SERVICES REFORMS

AGREEMENT

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Construction) and the Schedule (Payment Request).

PART 1: KEY DETAILS

- 1 Parties**

The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Department of Internal Affairs (**DIA**)

Kaipara District Council (**Recipient**)
- 2 Background**

The New Zealand Government is undertaking a reform programme for “Three Waters” (drinking water, wastewater and stormwater) service delivery for communities (**Three Waters Reform Programme**). In conjunction with the Three Waters Reform Programme, the New Zealand Government is investing in water service delivery. The investment’s objectives are to:

 1. improve the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems, by maintaining, increasing or accelerating investment in core water infrastructure renewals and maintenance; and
 2. support New Zealand’s economic recovery from the COVID-19 pandemic through job creation, by enabling investment to continue at a time when council revenues are uncertain and they face immediate cashflow challenges.

The New Zealand Government has mandated DIA to manage the provision of Government funding to local authorities to support investment in water infrastructure that supports its public health and environmental management objectives. Provision of such funding supports the objectives of the reform programme, by creating positive momentum toward reform of delivery arrangements for drinking water and wastewater services and infrastructure (with stormwater as a secondary priority).

The New Zealand Government has also mandated Crown Infrastructure Partners Limited (**CIP**) to assist in managing such funding by undertaking a monitoring role.

The Recipient is a territorial authority with statutory responsibility for delivering Three Waters services within its own district or city. The Recipient will work collaboratively with the New Zealand Government in connection with the Three Waters Reform Programme.

DIA has agreed to contribute funding to the Recipient on the terms and conditions of this Agreement (**Agreement**).

Key details of this Agreement are set out in this **Part 1**. The full terms and conditions are set out in **Part 2**. Defined terms and rules of interpretation are set out in **Part 3**.
- 3 Conditions Precedent**

No Funding is payable under this Agreement until DIA has confirmed to the Recipient in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the following documents and evidence:

 1. This Agreement, duly executed by the Recipient by 30 September 2020.
 2. The Memorandum of Understanding, duly executed by the Recipient by 31 August 2020.

3. The final Delivery Plan prepared by the Recipient, in a form approved by DIA and duly executed by the Recipient by 31 October 2020.

A draft of the Delivery Plan must be submitted by no later than 30 September 2020 to threewaters@dia.govt.nz (copied to the Monitor) for review and comment by DIA (and/or the Monitor as its nominee).

Once DIA (or the Monitor) responds to the draft Delivery Plan, the Recipient must promptly engage with DIA (or the Monitor), seek to resolve such comments, and submit a final Delivery Plan for DIA's approval.

The Recipient is responsible for the content of the Delivery Plan and approval by DIA for the purposes of this Agreement shall not impose any obligations on DIA in respect of the Delivery Plan other than as expressly set out in this Agreement.

These conditions precedent must either be satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion) by 31 October 2020, unless a later date is agreed otherwise in writing with DIA. In the event that they are not satisfied or waived within that time, DIA may notify the Recipient that this Agreement has not come into effect and is null and void.

4 **Expenditure Programme(s)**

The Recipient may only use the Funding to complete the expenditure programme(s) described in the Delivery Plan (each an **Expenditure Programme**).

5 **Expenditure Programme Milestones and Completion Dates**

The Recipient is to complete the Expenditure Programme Milestones set out in the Delivery Plan to the satisfaction of DIA by the Completion Dates set out therein.

6 **End Date**

The End Date is 31 March 2022, or such later date determined by DIA in its discretion.

7 **Funding**

The total Funding available under this Agreement is up to **NZ\$[4,691,048]** plus GST (if any). This is the Total Maximum Amount Payable.

The first instalment of Funding under this Agreement is subject to satisfaction of the Conditions Precedent set out in Item 3 above and receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.

The balance of the Funding under this Agreement will be paid in instalments as specified in the Delivery Plan, subject to satisfaction of the conditions set out below and the other terms and conditions of this Agreement.

Each instalment of Funding under this Agreement, following payment of the first instalment, is subject to:

- (a) Receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.
- (b) The Expenditure Programme(s) having commenced no later than 31 March 2021.
- (c) DIA receiving and being satisfied with the quarterly reports specified in the Key Details, together with the other information required in this Agreement.
- (d) No Termination Event, or event entitling DIA to suspend funding under this Agreement, subsisting.
- (e) Any further conditions relating to that instalment of Funding as specified in the Delivery Plan.

The first Payment Request may be submitted upon the Commencement Date

occurring. Each subsequent Payment Request may only be submitted at the same time as submission of a quarterly report in accordance with item 8 (Reporting) of the Key Details, and no more than one such Payment Request may be submitted in any Quarter, except (in each case) to the extent agreed by DIA in its sole discretion.

8 Reporting

The Recipient will provide DIA (copied to the Monitor) with quarterly reports by the 10th Business Day following the end of each Quarter, with effect from the Commencement Date. Each quarterly report must include the information set out below, in the standard reporting form specified by DIA.

The Recipient will also provide DIA (copied to the Monitor) with a final report by the 10th Business Day following the date on which the Expenditure Programme(s) are completed. The final report must include the information set out below, in the standard reporting form specified by DIA.

Each report is to be in form and substance satisfactory to DIA in its sole discretion.

Each quarterly report must include the following information:

- (a) Description and analysis of actual progress of the Expenditure Programme(s) against planned progress for the relevant Quarter;
- (b) A summary of expenditure, actual against budgeted (including underspend and cash float), for the relevant Quarter;
- (c) Plans for the next Quarter;
- (d) Forecast cashflows and forecast of the costs to complete the Expenditure Programme(s);
- (e) Any major risks arising or expected to arise with the Expenditure Programme(s), costs or performance of this Agreement, together with actual or proposed mitigations for those risks (including, where the actual Expenditure Programme(s) costs are forecast to exceed budgeted costs, how the shortfall is to be funded);
- (f) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (g) Any specific reporting requirements set out in the Delivery Plan; and
- (h) Any other information that is notified by DIA in writing to the Recipient.

The final report must include the following information:

- (a) Description and analysis of completion of the Expenditure Programme(s) against the original programme;
- (b) A summary of expenditure, actual against budgeted (including underspend), for the full Expenditure Programme(s);
- (c) Detail of the Recipient's proposed next steps;
- (d) An update on media, marketing and communication activities for the Expenditure Programme(s);
- (e) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (f) Any specific reporting requirements set out in the Delivery Plan; and
- (g) Any other information that is notified by DIA in writing to the Recipient.

9 Special Terms

[None] / [*Special terms to be added*]

- | | | |
|------------------------------------|---|---|
| 10 Recipient's Bank Account | [02-0308-00907430-050] | |
| 11 Representative | DIA's Representative:
Name: Allan Prangnell
Email: threewaters@dia.govt.nz | Recipient's Representative:
Name: Louise Miller
Email: lmiller@kaipara.govt.nz |
| 12 Address for Notices | To DIA:
Three Waters Reform
Level 7, 45 Pipitea Street
Wellington 6011
Attention: Allan Prangnell
Email: threewaters@dia.govt.nz , with
a copy to legalnotices@dia.govt.nz

To the Monitor:
Attention: Anthony Wilson
Email:
3waters@crowinfrastucture.govt.nz | To the Recipient:
Kaipara District Council
42 Hokianga Road
Dargaville 0310
Attention: Louise Miller
Email: lmiller@kaipara.govt.nz |

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:
Position:
Date:

SIGNED for and on behalf of **[RECIPIENT NAME]** by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of the Recipient:

Name: Dr. J Smith
Position: Mayor
Date: 30 September 2020

Name: L Miller
Position: Chief Executive
Date: 30 September 2020

END OF PART 1

PART 2: GENERAL TERMS

1 FUNDING

- 1.1 DIA must pay the Funding (up to the "Total Maximum Amount Payable" specified in the Key Details) to the Recipient, subject to the terms of this Agreement. Unless stated otherwise in this Agreement, the Recipient may only claim the Funding to the extent necessary to cover Eligible Costs that have been or will be incurred by the Recipient, and the Recipient must use the Funding solely on Eligible Costs.
- 1.2 The Recipient must submit a Payment Request to threewaters@dia.govt.nz and copying in DIA's Representative and the Monitor on completion of one or more Expenditure Programme Milestones specified in the Delivery Plan. Such Payment Request must be submitted at the time specified in, and otherwise in accordance with, item 7 (Funding) in the Key Details.
- 1.3 Each Payment Request is to be signed by the Chief Executive and an authorised signatory of the Recipient and must be in the form set out in the Schedule and include the confirmations set out therein, and must include:
 - (a) the amount of Funding requested, which must not exceed the aggregate maximum Funding instalment amounts set out in the Delivery Plan for the Expenditure Programme Milestone(s) to which that Payment Request relates; and
 - (b) contain any other information required by DIA.
- 1.4 Once DIA has reviewed the Payment Request and the information enclosed with it, it will request the Recipient to provide (and the Recipient will provide) a valid GST invoice complying with the Goods and Services Tax Act 1985.
- 1.5 DIA is not required to pay any Funding in respect of a Payment Request:
 - (a) if any Expenditure Programme Milestone(s) have not been completed by the relevant "Completion Date" specified in the Delivery Plan;
 - (b) if any reports specified in the Key Details have not been provided or are not in form and substance satisfactory to DIA in its sole discretion;
 - (c) if the Conditions specified in Item 7 of the Key Details relating to that instalment have not been satisfied;
 - (d) if payment will result in the Funding exceeding the "Total Maximum Amount Payable" specified in the Key Details;
 - (e) if this Agreement has expired or been terminated; and/or
 - (f) while the Recipient is in breach of this Agreement.

For the avoidance of doubt, DIA's obligation to make Funding available under this Agreement is strictly subject to clause 6.2.
- 1.6 Subject to the terms of this Agreement, DIA must pay each valid Payment Request by the 20th day of the month after the month the GST invoice referred to in clause 1.4 is dated, and if such day is not a Business Day, on the next Business Day. DIA will pay the Funding to the Bank Account of the Recipient specified in Item 10 of the Key Details.

- 1.7 The Funding made available under this Agreement comprises grant funding and does not comprise an equity investment or loan. It is only repayable in the specific circumstances set out in this Agreement.
- 1.8 DIA may, at its discretion, notify the Recipient in writing that it wishes to enter into a GST Offset Agreement in connection with the payment of GST on any Funding. The Recipient must, where applicable, take all such steps as are reasonably required to achieve that GST offset in accordance with the Goods and Services Tax Act 1985.

2 RECIPIENT'S RESPONSIBILITIES

Standards and compliance with laws

- 2.1 The Recipient must comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

Expenditure Programme(s) and Contractors

- 2.2 The Recipient must not, without DIA's prior written consent, make any Material Variation to the Expenditure Programme(s) (including its description and scope) as set out in the Delivery Plan.
- 2.3 The Recipient must ensure that the Expenditure Programme(s) are carried out:
- (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
 - (b) by appropriately trained, qualified, experienced and supervised persons; and
 - (c) in accordance with any directions of DIA, notified by DIA in writing from time to time.
- 2.4 The Recipient must use reasonable endeavours to ensure that the Expenditure Programme Milestones are completed by the relevant "Completion Date" specified in the Delivery Plan.
- 2.5 The Recipient is responsible for the acts and omissions of any contractors and subcontractors.
- 2.6 The Recipient must ensure (and will procure that the head contractor when engaging with any other contractor ensures) that all agreements it enters into with any contractors or any other party in connection with the Expenditure Programme(s) are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide DIA with reasonable evidence of compliance with this clause 2.6 in response to any request by DIA from time to time.

Information Undertakings

- 2.7 The Recipient must provide DIA with the reports specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.
- 2.8 The Recipient must provide DIA with any other information about the Expenditure Programme(s) requested by DIA within the timeframe set out in the request.
- 2.9 The Recipient must promptly notify DIA if:

- (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest; or
- (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on an Expenditure Programme and any related programme, or result in a Termination Event or a breach of any term of this Agreement by the Recipient,

and if requested by DIA must promptly provide DIA with its plan to mitigate and manage such Conflict of Interest or such matter.

- 2.10 The Recipient must not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government. The Recipient must keep DIA informed of any matter known to the Recipient which could reasonably be expected to have such an effect.
- 2.11 The parties acknowledge and agree that CIP (or any other Monitor) may, to the extent directed by DIA, undertake a reviewing and monitoring role under this Agreement, including by:
 - (a) reviewing and confirming satisfaction with the Delivery Plan and with the reports specified in the Key Details;
 - (b) seeking, reviewing and confirming satisfaction with further information from the Recipient; and
 - (c) making recommendations to DIA and the New Zealand Government in respect of the Funding and the Agreement.

The Recipient agrees that all its communications and correspondence under this Agreement may be made with DIA or, to the extent directed by DIA, the Monitor.

Funding, records and auditors

- 2.12 The Recipient must receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 2.13 The Recipient must keep full and accurate records (including accounting records) of the Expenditure Programme(s) and retain them for at least 7 years after the last payment of Funding under this Agreement. The Recipient must permit DIA (or any auditor nominated by DIA) to inspect all records relating to the Expenditure Programme(s) and must allow DIA and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection. DIA shall bear any third party costs arising from such inspection, unless the inspection reveals a breach of this Agreement, in which case the Recipient shall bear such costs.

Reform

- 2.14 The Recipient agrees to work constructively together with DIA and the New Zealand Government to support the objectives of the Three Waters Reform Programme pursuant to the Memorandum of Understanding. The parties acknowledge that the undertaking set out in this clause 2.14 is intended to be non-binding.

3 INTELLECTUAL PROPERTY

- 3.1 DIA acknowledges that the Recipient and its licensors own all pre-existing intellectual property which they contribute to the Expenditure Programme(s), and all new intellectual property which they create in the course of the Expenditure Programme(s).
- 3.2 The Recipient grants an irrevocable, perpetual, royalty-free, sub-licensable licence to DIA and the Monitor to use all reports, documents, information and other materials created or provided by the Recipient to DIA or the Monitor under or in connection with the Expenditure Programme(s) and this Agreement.
- 3.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 3.2 without infringing the intellectual property rights of any third party.

4 TERM AND TERMINATION

- 4.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
- (a) the date this Agreement has been signed by both parties; and
 - (b) the date on which DIA has provided written notice to the Recipient that the Conditions Precedent specified in the Key Details have either been satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion).
- 4.2 This Agreement will remain in force until the End Date, unless terminated in accordance with this Agreement.
- 4.3 DIA can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time:
- (a) while DIA reasonably considers that the Recipient has become or is likely to become insolvent;
 - (b) while the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or a Crown Manager or Commission is appointed in respect of the Recipient under Part 10 of the Local Government Act 2002;
 - (c) if the Expenditure Programme(s) have not commenced by 31 March 2021; or
 - (d) while any one or more of the follow events or circumstances remains unremedied:
 - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;
 - (ii) the Recipient has provided DIA with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
 - (iii) DIA reasonably considers that this Agreement or an Expenditure Programme has caused, or may cause, DIA and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
 - (iv) the Recipient abandons an Expenditure Programme;

- (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of DIA, has damaged or could damage the reputation, good standing or goodwill of DIA or the New Zealand Government, or is involved in any material misrepresentation or any fraud;
 - (vi) the Recipient (or any of its personnel or contractors) is subject to a Conflict of Interest which cannot be managed to DIA's satisfaction; or
 - (vii) any change in law, regulations or other circumstances materially affects DIA's ability to perform its obligations under this Agreement.
- 4.4 However, where DIA considers that a Termination Event set out in clause 4.3(d) can be remedied, DIA must give notice to the Recipient requesting a remedy, and must not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by DIA.
- 4.5 On expiry or termination of this Agreement, where the aggregate of (a) the total Funding paid under this Agreement and (b) any other money received or allocated by the Recipient, in each case to carry out an Expenditure Programme, exceeds the amount required to perform the Expenditure Programme, the Recipient must upon request refund to DIA the excess amount.
- 4.6 At any time DIA may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, or not applied to Eligible Costs by the End Date, together with interest on all such amounts calculated at 10% per annum from the date of the mispending to the date the money is repaid.
- 4.7 Clauses 1.5, 2.1, 2.12, 2.13, 3, 4, 5, 6, 7, 8, 9, 10 and 11 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

5 WARRANTIES AND UNDERTAKINGS

- 5.1 The Recipient warrants that, in the course of its activities in connection with the Expenditure Programme(s), it will not infringe any intellectual property or other rights of any contractor or any other third party.
- 5.2 The Recipient warrants that, as at the date of this Agreement:
- (a) It has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms, and it has complied with the Local Government Act 2002 in entering into this Agreement;
 - (b) the Recipient is solvent and is not subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or to the appointment of a Crown Manager or Commission under Part 10 of the Local Government Act 2002;
 - (c) all information and representations disclosed or made to DIA by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive DIA as to any material matter;

- (d) it has disclosed to DIA all matters known to the Recipient (relating to the Expenditure Programme(s), the Recipient or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government; and
- (e) it is not aware of any material information that has not been disclosed to DIA which may, if disclosed, materially adversely affect the decision of DIA whether to provide the Funding.

5.3 The Recipient warrants that:

- (a) the Funding has been or will be applied solely to Eligible Costs; and
- (b) the Expenditure Programme(s) will take into account the parties' shared intention to:
 - (i) support economic recovery through job creation; and
 - (ii) maintain, increase and/or accelerate investment in core water infrastructure renewals and maintenance,

and such warranty will be deemed to be repeated continuously so long as this Agreement remains in effect by reference to the facts and circumstances then existing.

- 5.4 DIA warrants that, as at the date of this Agreement, it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms.
- 5.5 The Recipient acknowledges that DIA has entered into this Agreement in reliance on these warranties and undertakings.
- 5.6 The Recipient acknowledges and agrees that DIA has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Expenditure Programme(s), other than the Funding.

6 **LIABILITY**

- 6.1 The maximum liability of DIA under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.
- 6.2 The Recipient undertakes to pay any and all cost overruns of the Expenditure Programme(s) and any funding shortfall, and DIA and the New Zealand Government have no obligations or responsibility whatsoever in respect of such cost overruns and funding shortfall and accept no financial risk in the Expenditure Programme(s).
- 6.3 DIA is not liable for any claim under or in connection with this Agreement or the Expenditure Programme(s), whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

7 CONFIDENTIALITY

- 7.1 Subject to clause 7.2 and 7.3, each party must keep the other party's Confidential Information in confidence, and must use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:
- (a) either party from using or disclosing any information with the written prior consent of the other party;
 - (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
 - (c) either party from disclosing information to its personnel, contractors or advisors with a need to know, so long as the relevant personnel, contractors and advisors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information and, in the case of the Recipient, the Recipient receives an acknowledgement from its personnel, contractors or advisors that they acknowledge, and must comply with, the confidentiality obligations in this Agreement as if they were party to it;
 - (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
 - (e) DIA from using or disclosing to any party any documents, reports or information received in relation to this Agreement, provided that prior to any such disclosure DIA removes all information that is commercially sensitive to the Recipient from the relevant work.
- 7.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts DIA's ability to:
- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Expenditure Programme(s) or this Agreement with any Minister of the Crown, the Monitor, any other government agency or any of their respective advisors;
 - (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
 - (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its contractor's names, the amount and duration of the Funding and a brief description of the Expenditure Programme(s), on websites; in media releases; general announcements and annual reports.
- 7.3 The Recipient acknowledges that:
- (a) the contents of this Agreement (including the Delivery Plan); and
 - (b) information provided to DIA and the Monitor (including the reports specified in the Key Details),

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason under the Official Information Act 1982 to withhold it.

- 7.4 DIA acknowledges that the Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause 7 are subject to its compliance with that Act.

8 MEDIA AND COMMUNICATIONS

- 8.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or DIA's involvement with the Expenditure Programme(s), the Recipient will consult with DIA, and will obtain DIA's prior approval to any such statements or releases.
- 8.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to DIA's Representative.
- 8.3 The Recipient will acknowledge the New Zealand Government as a source of funding in all publications (including any digital presence) and publicity regarding the Expenditure Programme(s) in accordance with funding acknowledgement guidelines agreed with DIA. The Recipient must obtain DIA's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 8.4 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of DIA or any associated body, or to make any public statement or comment on behalf of DIA or the New Zealand Government.
- 8.5 All correspondence with DIA under this clause 8 must be directed to DIA's Representative and copied to threewaters@dia.govt.nz and the Monitor.

9 DISPUTES

- 9.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a **Dispute**), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause 9 (**Dispute Notice**). As soon as reasonably practicable following receipt of a Dispute Notice, the parties must meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 9.2 If the matter cannot be amicably settled within 20 Business Days after the date of the Dispute Notice then, at the request in writing of either party, the matter in respect of which the Dispute has arisen must be submitted, together with a report describing the nature of such matter, to the Representatives (or, if no such Representatives have been appointed, the respective Chief Executives of the parties) (together the **Dispute Representatives**).
- 9.3 Within 20 Business Days after the receipt of a request under clause 9.2, one individual (who does not act in his or her professional capacity as legal counsel for either party) selected by each of the Dispute Representatives, must make a presentation of no longer than 30 minutes to each of the Dispute Representatives (which may be by telephone or remotely), who will then attempt in good faith to reach a common decision within a half-day. The decision of the Dispute Representatives is binding on the parties.

- 9.4 In the case of a Dispute, if the Dispute Representatives have not met within 20 Business Days of receiving a request in accordance with clause 9.2, or if they fail to reach a common decision within the stated time period, either party may by notice in writing to the other party refer the Dispute to be referred to mediation before a single mediator appointed by the parties. Each party will bear its own costs of mediation and the costs of the mediator will be divided evenly between the parties.
- 9.5 If the parties are unable to agree on the appointment of a mediator within 5 Business Days of the notice requiring the Dispute to be referred to mediation, a mediator may be appointed at the request of any party by the Arbitrators' and Mediators' Institute of New Zealand Inc.
- 9.6 If the Dispute is not resolved within 20 Business Days of referral to mediation, the parties may commence court proceedings without further participation in any mediation.
- 9.7 Nothing in this clause 9 will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

10 REPRESENTATIVES

- 10.1 All matters or enquiries regarding this Agreement must be directed to each party's Representative (set out in the Key Details).
- 10.2 Each party may from time to time change the person designated as its Representative on 10 Business Days' written notice to the other Party. Any such change will also take effect as a change of the relevant Representative for the purposes of the Memorandum of Understanding.

11 GENERAL

- 11.1 Each notice or other communication given under this Agreement (each a **notice**) must be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:

- (a) **Delivery:** delivered personally, when delivered;
- (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
- (c) **Email:** sent by email:
 - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
 - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

- 11.2 The Recipient agrees to execute and deliver any documents and to do all things as may be required by DIA to obtain the full benefit of this Agreement according to its true intent.

- 11.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.
- 11.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 11.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.
- 11.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with DIA's prior written approval.
- 11.7 DIA may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. DIA may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Recipient, the Expenditure Programme(s) or this Agreement.
- 11.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 11.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 11.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 11.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 11.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 11.13 This Agreement may be executed in any number of counterparts (including duly electronically signed, scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement. This Agreement is intended to constitute a binding and enforceable agreement in accordance with its terms.

END OF PART 2

PART 3: DEFINITIONS AND CONSTRUCTION

Defined terms

In this Agreement, unless the context requires otherwise, terms defined in the Agreement have the meaning set out therein and:

Authorisation means:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency or required by any law (including any consent under the Resource Management Act 1991); or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Best Industry Practice means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

Business Day means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Commencement Date has the meaning given in clause 4.1 of Part 2.

Completion Date is the date that the relevant Expenditure Programme Milestone is to be completed by the Recipient, described in the Delivery Plan, and includes any amendment to the date which may be agreed in writing (including by email but only when DIA's Representative expressly confirms in writing

that they have received approval of the change from the correct DIA delegation holder) between the parties from time to time.

Conditions means the conditions to the payment of a Funding instalment as specified in Item 7 of the Key Details.

Confidential Information of a party (Owner), means any information in the possession or control of another party (Holder) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement (excluding the Delivery Plan) are not Confidential Information.

Conflict of Interest means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
 - (i) the obligations of the Recipient (or its personnel or contractors) to DIA under this Agreement; or
 - (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Expenditure Programme(s); or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Expenditure Programme(s) in accordance with this Agreement.

Delivery Plan means the delivery plan setting out the scope of the Expenditure Programme(s) to which Funding is to be applied, based on the template provided by and in the form approved by DIA and executed by DIA and the Recipient.

Eligible Costs means the actual costs that have been or will be reasonably incurred by the Recipient on or after the Commencement Date and no later than the End Date to deliver an Expenditure Programme in accordance with the Delivery Plan.

Expenditure Programme Milestone means, in respect of an Expenditure Programme, a milestone for that Expenditure Programme, as set out in the Delivery Plan.

Funding means the funding or any part of the funding (as the context requires) payable by DIA to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

GST Offset Agreement means a deed of assignment between DIA as Assignor and the Recipient as Assignee providing for the offset of the amount of GST in accordance with the Goods and Services Tax Act 1985.

Key Details means Part 1 of this Agreement.

Memorandum of Understanding means the memorandum of understanding relating to Three Waters Services Reform between DIA

and the Recipient, in the form provided by DIA.

Material Variation means, in respect of an Expenditure Programme, any variation which on its own or together with any other variation or variations results in, or is likely to result in the budgeted expenditure (taking into account all variations) being exceeded or an Expenditure Programme being materially delayed, or any variation that materially amends the scope, specifications or function of an Expenditure Programme.

Monitor means CIP, or any other entity appointed by DIA in its sole discretion to assist in managing the Funding by undertaking a monitoring role.

Payment Request means a request submitted to DIA by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

Quarter means a financial quarter, being a three monthly period ending on 30 June, 30 September, 31 December or 31 March.

Termination Event means any one or more of the events or circumstances set out in clause 4.3.

Construction

In the construction of this Agreement, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this Agreement with capitalised initial letters are defined terms and have the meanings given to them in this Agreement;

Documents: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time;

Inclusions: a reference to “includes” is a reference to “includes without limitation”, and “include”, “included” and “including” have corresponding meanings;

Joint and Several Liability: any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

Parties: a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Precedence : if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, the Key Details will prevail over Part 2, and Part 2 will prevail over the Delivery Plan;

Precedence with Memorandum of Understanding: if there is any conflict

between this Agreement and the Memorandum of Understanding, then unless specifically stated otherwise, this Agreement will prevail;

Related Terms: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Writing: a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

SCHEDULE: PAYMENT REQUEST

To: DEPARTMENT OF INTERNAL AFFAIRS

Dated: [•]

PAYMENT REQUEST

1. We refer to the Funding Agreement dated [•] 2020 between [•] as recipient (**Recipient**) and the Department of Internal Affairs (**DIA**) (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clauses 1.2 and 1.3 of the Agreement.
3. Each of the Expenditure Programme Milestones that have been completed are:

[insert description of each of Expenditure Programme Milestones completed, including the date of completion]
4. The amount of Funding requested is \$[•] plus GST if any.
5. The Funding requested in this Payment Request has been or will be required to meet the Eligible Costs.
6. We enclose with this Payment Request:
 - (a) a breakdown / total transaction listing of total Eligible Costs that have been or will be incurred to deliver the completed Expenditure Programme Milestone(s);
 - (b) the conditions to the applicable Expenditure Programme Milestone(s) as set out in the Funding Agreement and the Delivery Plan;
 - (c) a quarterly report; and **Note: (c) is not applicable for the first Payment Request, or where DIA has agreed under item 7 of the Key Terms that a Payment Request does not need to be provided alongside a quarterly report*
 - (d) any other reasonable information or evidence requested by DIA or the Monitor in relation to Eligible Costs that have been incurred or will be incurred.
7. We confirm that:
 - (a) no Termination Event is subsisting; and
 - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

By and on behalf of the Recipient by

NAME OF RECIPIENT

Chief Executive

Authorised Officer



THREE WATERS STIMULUS GRANT DELIVERY PLAN

Instructions for completion: A single Delivery Plan is to be completed for the full Expenditure Programme. Territorial Authorities may elect to provide appendices providing further detail of specific elements of the proposed expenditure programme.

The draft Delivery Plan must be submitted by the Territorial Authority as soon as possible and in any event by no later than 30 September 2020 to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Delivery Plan will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A revised version of the Delivery Plan, incorporating all agreed changes, must be submitted for approval thereafter, with the final Delivery Plan to be in an approved form by 31 October 2020.

Where the Department of Internal Affairs requires additional reporting or other assurance based on a specific Delivery Plan, this will be included in section 17 below following the Department of Internal Affairs/Crown Infrastructure Partners Limited review. Section 17 will form part of the Delivery Plan. All figures in this Delivery Plan should be GST exclusive.

Capitalised terms in this Delivery Plan have the meaning given to them in the Funding Agreement, where applicable.

Territorial Authority information

1. Programme Title:	Kaipara District Council 3 Waters Reform Programme
2. Territorial Authority:	Kaipara District Council
3. Total Maximum Amount Payable (NZ\$M):	\$4,691,048
4. Organisation Lead Contact:	
Name:	Louise Miller
Position:	Chief Executive Officer
Email:	lmiller@kaipara.govt.nz

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:

The Kaipara 3 Waters programme focuses on renewals, planned and emergency. It spans water supply pipe renewals; reservoir replacement and the reinstatement of a water take which succumbed to a slip after prolonged dry conditions. Wastewater renewals include wastewater main renewals and a upgrade of an aerator to meet environmental compliance. For years the

infrastructure assets are not fully funded by the depreciation reserve and this has caused a backlog in the renewals. Renewals have been identified in the LTP, so this makes the project easier to tender, design and build. Although we would have wanted to have more funding to assist in the condition assessment of current assets, there is a robust programme currently underway to capture asset information, document and draw up renewals programmes. One of the projects proposed, the Maungaturoto Truck Filler and Mains Upgrade is to address the shortage of filling points for water carters who supply residents in the whole district. The specific projects are:

1. Business Case and Options Assessment
 - To fund the work to optioneer models for the Northland/Multiregional 3 waters model.
2. Water Design Engineer
 - To help with scoping, coordination and design review
3. Dargaville Water Supply- Rotu Water Take Slip Repair
 - Reinstatement of the bank over to protect the water take for the Dargaville Town
4. Dargaville Wastewater Renewals
 - Design and construction of 1km of 150mm ID wastewater pipe renewals
5. Kaiwaka Wastewater Renewals
 - Design and construction of 0.8km 150mm ID wastewater pipe renewals
6. Maungaturoto Hurndall St Watermain Renewals
 - Realignment and replacement of 0.8km 150mm ID slip damaged watermain, design and construction
7. Maungaturoto Raw watermain Renewals
 - Replacement of 3km of 200mm ID raw watermain, construction only
8. Maungaturoto Water Reservoir Replacement
 - Replacement of 300m³ treated water reservoir, design, supply and build.
9. Maungaturoto Water Truck Filler and Main Upgrade
 - Design and construct truck filler and 0.8km 150mm ID of watermain
10. Ruawai Watermains Renewals
 - Construction of 2.5km of watermain, design already completed.
11. Te Kopuru Wastewater Treatment Plant Aerator Upgrade
 - Wastewater Treatment pond aerator upgrade

6. Location/address of the programme:
(if this is a series of investments, please identify each location where relevant)

Dargaville, Maungaturoto, Ruawai, Te Kopuru, Kaiwaka

7. What is the **total** estimated cost of the programme (NZ\$M)?

\$4,691,048

8. If the total estimated cost exceeds the Total Maximum Amount Payable, please specify the funding source(s) and amount(s):

Phases of Programme outside of Maximum Funding Total

1. Maungaturoto Wastewater Renewals (Additional)	\$410,000
2. Maungaturoto Raw Watermain Renewals (Additional)	\$540,000
3. Maungaturoto Water Reservoir Replacement (Additional)	\$250,000
4. Ruawai Watermain Renewals (Additional)	\$240,000
5. Te Kopuru Wastewater Treatment Plant Upgrade (Additional)	\$385,000
6. Kaipara District Wastewater Condition Assessments	\$840,000
7. Kaipara District Water Condition Assessments	\$600,000
8. Kaipara District Leak Detection	\$200,000

Private Failing Schemes

1. Kaihu Raw Water Supply	\$150,000
2. Dargaville Te Houhanga a Rongo Marae Wastewater Solution	\$150,000
3. Paparoa Community Wastewater Solution	\$550,000
4. Pahi Community Wastewater Solution	\$400,000
5. Whakapirau Wastewater Solution	\$400,000
6. Dargaville Spring Street Wastewater Solution	\$600,000

Funding Source	Amount (NZ\$M)
Rates -Renewals and Upgrades	\$1,810,000
Rates -Condition Assessments	\$1,640,000
Private Failing Schemes (\$30million NZ wide fund)	\$2,250,000
Total	\$5,700,000

9. Please provide a high-level breakdown of the expenditure programme including a cost schedule identifying estimated costs for each major component:

Business Case and Options Assessment	\$ 65,000
Water Design Engineer (18-month Fixed Term)	\$161,048
Dargaville Water Supply – Rotu Water Take Slip Repair	\$650,000
Dargaville Wastewater Renewals	\$460,000
Kaiwaka Wastewater Renewals	\$400,000
Maungaturoto Hurndall St Watermain Renewals	\$450,000
Maungaturoto Raw Watermain Renewals	\$900,000
Maungaturoto Water Reservoir Replacement	\$240,000
Maungaturoto Water Truck Filler and Main Upgrade	\$510,000
Ruawai Watermains Renewals	\$795,000

Te Kopuru Wastewater Treatment Plant Aerator Upgrade	\$ 60,000

10. What is the expected number of people employed, and net jobs created through the expenditure programme? How has this been estimated?

Approximately 88 people will be employed based on an estimate of 1 internal project manager/engineer and 10 contractor staff for each of the 8 construction projects in the programme.

Expenditure Programme commencement

11. Please describe the initial activity to be undertaken on expenditure programme commencement:

The initial activity is the Business Case for the Northland 3 Waters work which includes the proposals of the various scenarios under which the water business will be delivered under an aggregated model. Within the Project Delivery framework the first activity construction for the emergency project that has started and for all others the first activity is design. We have a panel of consultants who will be allocated work packages for delivery. We have an emergency project that is under construction which we require funding for. The community cannot afford the works and the Council has had to borrow to cover the works and repay over several years.

Expenditure Programme completion

12. Please outline below the high-level plan that will ensure the expenditure programme is completed by 31 March 2022 (these should largely mirror the milestones below):

Project	Funding	Amount	Description and Status	Duration
Dargaville Water Supply – Rotu Water Take Slip Repair	Not funded in any plan. Emergency Work.	\$650,000	The repair of the water take slip at Rotu started in August 2020.	August 2020- November 2021
Business Case and Options Assessment for Northland aggregation	Not funded in any plan	\$65,000	This is for the preparation of a business case with option assessment for the Northland region 3 waters aggregation models.	October 2020 – April 2021
Ruawai Watermain Renewals	LTP Year 4 & 5	\$795,000	2.5 km of watermain renewals. Designs are complete. Next steps tender for construction.	December 2020-June 2021
Te Kopuru WWTP Aerator Upgrade	Not funded in any plan	\$60,000	Aerator upgrade to meet environmental compliance. Can be purchased immediately. Design and recommendation from Engineers received.	October 2020-January 2021

Water Design Engineer (18-month fixed term)	Not funded in any plan	\$161,048	In order to effectively and expedite the design process. Formulation of scope, coordination and review of designs from the panel of engineering consultants.	October 2020- March 2022
Maungaturoto Raw Watermain Renewal	LTP Year 4,5 & 6	\$900,000	The Design for the 3km of raw watermain is complete and the next steps is tender for construction.	December 2020- May 2021
Maungaturoto Water Reservoir Replacement	LTP Year 5	\$240,000	Replacement of 300m ³ of treated water reservoir. Design, supply and build proposed to achieve the construction.	February 2021 – November 2021
Maungaturoto Water Truck Filler and Main Upgrade	Not funded in any plan. Emergency work.	\$510,000	New truck filler to allow water carters to draw water for the non-reticulated residents in the district, also requires the upgrade of the watermain to sustain the pressure.	November 2020- November 2021
Maungaturoto Hurndall St Watermain Renewals	Not funded in any plan. Emergency work.	\$450,000	Rerouting and replacement of slip damaged watermain. To be assessed and designed by the members of the KDC panel of consultants then constructed.	November 2020- November 2021
Dargaville Wastewater Renewals	LTP Year 4 & 5	\$460,000	Wastewater main renewals to be scoped inhouse by KDC form the CCTV condition assessment and designed by the KDC panel of consultants. Scoping has started and identification of critical pipes to follow.	January 2021- February 2022
Kaiwaka Wastewater Renewals	LTP Year 4 & 5	\$400,000	Wastewater main renewals to be scoped inhouse by KDC form the CCTV condition assessment and designed by the KDC panel of consultants. Scoping has started and identification of critical pipes to follow.	January 2021- February 2022

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y	Amounts NZ\$2,795,000	Year 2021-2023
Included in Annual Plan 2020/21	N	Amounts NZ \$0	N/A
Not funded in any plan	Y	Amounts NZ\$1,896,048	Year 2020-2022
Was funded but COVID-19 deferred	N	Amounts NZ\$0	Year
Is any Territorial Authority co-funding being contributed?	N	Amounts NZ\$0	Year

14. Please set out the key milestones of the expenditure programme to be undertaken, and for each milestone the planned completion date and budget:¹

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$)²	Budgeted costs to complete the expenditure programme (NZ\$)	[DIA USE ONLY] Funding Conditions
1.	Commencement Date occurring under the Funding Agreement	31 October 2020 (or such date agreed otherwise in writing with DIA under the Funding Agreement)	NZ\$[2,345,524] [Note: this is to be 50% of the Total Maximum Amount Payable]	\$4,691,048	

¹ All figures should be GST exclusive.

² You may choose to determine each maximum Funding instalment amount for a milestone based on seeking funds either for application towards costs incurred for that milestone, or for application towards costs to be incurred for the following milestone.

2.a)	<p>[Completion of 50% of total value of work for Dargaville Water Supply – Rotu Water Take Slip Repair] 25 % instalment payment on completion of half the project value. 25% payment on Practical Completion.</p> <p>There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.</p> <p>The project has started, and the Council has covered claims to date. It is important to note that this is emergency work and there was no budget in the Annual Plan and the Long-Term Plan.</p>	[31 October 2020]	NZ\$[\$162,500]	NZ\$[650,000]	
2b)	[Practical Completion of the Dargaville Water Supply – Rotu Water Take Slip Repair] 25% payment on Practical Completion.	[30 November 2020]	NZ\$[\$162,500]		
3.	[Completion of Purchase and installation Te Kopuru WWTP Aerator] 50% instalment payment	[31 January 2021]	NZ\$[30,000]	NZ\$[60,000]	
4.	[Appointment of Water Design Engineer (18-month Fixed Contract)] 50 % to be claimed 9 months through the fixed term.	[30 June 2021]	NZ\$[80,524]	NZ\$[161,048]	
5.	[Business Case and Options Assessment for Northland/Multiregional Aggregation model] 50% on delivery of Business Case for review.	[31 January 2021]	NZ\$[37,500]	NZ\$[65,000]	

6.a)	[Completion of 50% construction by contractor for the Ruawai Watermain Renewal] 25% on completion of half the length of replacement watermain (1.25km). 25% payment on Practical Completion. There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[31 January 2021]	NZ\$[198,750]	NZ\$[795,000]	
6b)	[Practical Completion Ruawai Watermain Renewal] 25% payment on Practical Completion.	[30 June 2021]	NZ\$[198,750]		
7a).	[Completion of 50% construction by contractor for the Maungaturoto Raw Watermain Renewal] 25% on completion of half the length of replacement watermain (1.5km). There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[31 January 2021]	NZ\$[225,000]	NZ\$[900,000]	
7b).	[Practical Completion of the Maungaturoto Raw Watermain Renewal] 25% payment on Practical Completion	[29 May 2021]	NZ\$[225,000]		

8a).	[Completion of 50% construction of total value of work by contractor for the Maungaturoto Reservoir Replacement] 25 % payment instalment on 50% of project completion. There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[31 August 2021]	NZ\$[60,000]	NZ\$[240,000]	
8b).	[Practical Completion of the Maungaturoto Reservoir Replacement] 25% payment on Practical Completion	[30 November 2021]	NZ\$[60,000]		
9a).	[Completion of 50% construction by contractor for the Maungaturoto Water Truck Filler and Main Upgrade] 25 % on completion of half the length of replacement watermain (400m). 25% payment on Practical Completion. There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[31 August 2021]	NZ\$[127,500]	NZ\$[510,000]	
9b).	[Practical Completion of Maungaturoto Water Truck Filler and Main Upgrade]	[30 November 2021]	NZ\$[127,500]		

10a).	[Completion of 50% construction by contractor for the Maungaturoto Hurndall St Watermain] 25 % on completion of half the length of replacement watermain (400m). 25% payment on Practical Completion. There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[31 August 2021]	NZ\$[112,500]	NZ\$[450,000]	
10b).	[Completion of 50% construction by contractor for the Maungaturoto Hurndall St Watermain] 25% payment on Practical Completion.	[30 November 2021]	NZ\$[112,500]		
11a).	[Completion of 50% construction by contractor for the Dargaville Wastewater Renewals] 25 % on completion of 50% construction of renewals by contractor (500m). There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[30 July 2021]	NZ\$[115,000]	NZ\$[460,000]	
11b).	[Completion of 50% construction by contractor for the Dargaville Wastewater Renewals] 25% payment on Practical Completion.	[26 February 2022]	NZ\$[115,000]		

12a).	[Completion of 50% construction by contractor for the Kaiwaka Wastewater Renewals] 25% on completion of 50% construction renewals by contractor (400m). There are no budgets in the Annual Plan. This is to cover the earned value of construction work and midway and at the end of the project.	[30 July 2021]	NZ\$[100,000]	NZ\$[400,000]	
12b).	[Completion of 50% construction by contractor for the Dargaville Wastewater Renewals] 25% payment on Practical Completion.	[26 February 2022]	NZ\$[100,000]		
13.	[Completion of expenditure programme]	[28 February 2022] <i>[To be no later than 31 March 2022]</i>	NZ\$[0]) ³	NZ\$[]	
	TOTAL		NZ\$[2,345,524]	NZ\$[4,691,048]	

15. Briefly outline the final expected outcomes/objectives of the expenditure programme:

The expected outcomes are:
Renewed assets to reduce the asset renewals backlog.
Repairs to emergency work that was unbudgeted of which the community would have been unable to afford.
Expediting construction ready projects that would have been done in future years thereby getting value.
The ability to group projects together in order to achieve economies of scale.

16. Briefly outline an assessment of how the expenditure programme supports the reform objectives set out in the Memorandum of Understanding relating to Three Waters Services Reform between you and the Sovereign in Right of New Zealand acting by and through the Minister of Local

³ The final Payment Request needs to be submitted with the quarterly report for the period ending 31 December 2021.

Government:

The overall outcomes are in enhanced drinking water quality, discharge of better-quality treated wastewater, lower maintenance costs and creation of local employment. The focus is to have renewed assets that reduce the renewals backlog. Functioning water supply infrastructure reduces water loss, maintenance costs and ensure high quality water is supplied to our residents. Renewed wastewater infrastructure will enhance the environmental outcomes in that leaks are significantly reduced, and treatment is to a standard that meets the receiving environment requirement. In short, there are water quality, environmental and economic benefits in embarking on this programme.

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17. Additional requirements in respect of the Funding Agreement (such as specific reporting requirements):

The parties acknowledge and agree that this is the agreed Delivery Plan.

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:

Position:

Date:

SIGNED for and on behalf of

by the person(s) named below, being a person(s) duly authorised to enter obligations on behalf of that territorial authority:

Name:

Position:

Date:

Name:

Position:

Date:

Budget carry-overs from 2019/2020

Meeting: Kaipara District Council Meeting
Date of meeting: 30 September 2020
Reporting officer: Paul Cresswell, Financial Planning Lead

Purpose/Ngā whāinga

This report details 2019/2020 projects and operational expenditure that remained incomplete at 30 June 2020 which are listed in **Attachment A**. The report sets out, for Council's consideration and approval, the associated budgets to be carried over to the 2020/2021 financial year to enable the projects to be completed.

Executive summary/Whakarāpopototanga

A number of 2019/2020 of capital works projects were not completed at 30 June 2020. The projects have been assessed by activity managers as to the estimated cost to complete. The projects are listed in Attachment A and amount to a total of \$5,432,911 needing to be added to the 2020-2021 Annual Plan budgets. Where further budget is required to complete, firstly savings have been identified in other projects and, where not available, additional loan funding of \$81,975 will be required.

Further, \$2,641,860 of operational expenditure for the District Plan, Roading works and Dargaville wastewater desludging will be required for 2020/2021. Of this amount, \$2,489,609 remains unspent in 2019-2020 and is requested to be carried over with the remaining requirement of \$152,251 to be funded from 2020-2021's budget provision.

To enable completion of the projects under Council's financial delegations policy, staff require Council approval to increase the 2020/2021 budgets by a total of \$8,074,771. Unless otherwise stated in Attachment A as additional borrowing, funding for the increased expenditure will be from sources which were not used in the previous year.

The increase in this year's carry over request is largely a result of the impact of the Covid19 lockdown and that capital projects have been in the design phase.

Recommendation/Ngā tūtohunga

That Kaipara District Council:

- a) Approves the increase in financial budgets for the unfinished projects as set out in Attachment A to the "Budget carry-overs from 2019/2020" report, totalling \$5,432,911 and for the amounts to be added to the 2020/2021 Annual Plan project budgets to enable staff to complete the identified works.
- b) Approves the carrying over of operational project expenditure as set out in Attachment A to the "Budget carry-overs from 2019/2020" report totalling \$2,641,860 and for the amounts to be added to the 20/2021 Annual Plan project budgets to enable staff to complete the identified works.
- c) Approves the additional required loan funding of \$81,975

Context/Horopaki

Council's latest AP sets out its programme and budgets for the 2020/2021 year. Due to the AP being prepared and adopted well before year end, the AP makes no financial provision for 2019/2020 works that remained incomplete at 30 June 2020 and which are now expected to be completed during 2020/2021.

Each year, officers identify the outstanding projects and estimate the cost to complete to enable financial provision to be carried over from the previous budgets which are additional to the AP programme. Last year the impact of the Covid19 lockdown has had an impact on Council's ability to undertake its work programme which has resulted in a significant increase in carry overs compared to previous years.

The Chief Executive has Council's delegated authority to financially commit to the AP programme for 2020/2021. As the estimated cost to complete previous works are in addition to the 2020/2021 programme, the Chief Executive requires Council approval for the AP budgets to be increased to cover the additional costs of work being carried over.

Discussion/Ngā kōrerorero

Carry-over capital work is in addition to the new year's programme. 2020/2021's programme included in the AP totals \$27,822,491.

Where projects are managed as programmes, the estimate to complete has been set as the budget remaining from 2019/2020. Programmes are projects for which budget provision has been made but individual work packages were not identified when the budgets were prepared. Activities have the ability to separately identify, manage and report work packages as individual projects within programmes or to manage expenditure of multiple work packages within the programme allocation.

The development of the District Plan spans multiple years and the Policy team has advised that \$132,000 of operational expenditure budget needs to be carried over to 2020/2021. Roothing operations were curtailed with the Covid19 lockdown. Co-funding from NZTA for works not undertaken in 2019-2020 has been carried over and requires available Council local share for the co-funding to be taken up. Council has rated for these amounts in previous years and therefore the carry overs do not affect rates going forward.

Dargaville wastewater desludging is funded from reserves for which funding is being provided over a number of years. The carrying over of unspent funding does not impact on planned rates.

Options

Option 1: Council approves all the carry-over of budgets set out in Attachment A which would enable the completion of projects remaining unfinished at 30 June 2020.

Option 2: Council selectively approves the carry-over of budgets from Attachment A to enable completion of the selected projects. Should Council select Option 2, due to works that have started and are continuing, it should be noted that associated expenditure may have already been committed after 30 June 2020. Any expenditure for carry-overs which is not approved will therefore be a charge against the 2020/2021 budgets. This may require a reduction in new works in order for staff to stay within Council's delegation.

Option 3: Council does not approve the carry-over of budgets listed in Attachment A. Should Council select Option 3, due to works that have started and are continuing, it should be noted that associated expenditure may have already been committed after 30 June 2020. Any expenditure in this regard will be a charge against the 2020/2021 budgets. This may require a reduction in new works in order for staff to stay within Council's delegation.

Option 1 is the recommended option.

Policy and planning implications

Council's delegation's policy allows for the Chief Executive to commit to expenditure up to the budgeted amount included in each year's AP. Council's approval is therefore required to enable the Chief Executive to commit to expenditure over and above that allowed in the AP.

Financial implications

Funding for the budgets that were attached to the carry-over projects remain unutilised in previous periods. The previously unutilised funding will be carried over together with the project expenditure budgets. Additional debt funding has been requested of \$81,975.

Risks and mitigations

- Council's 2020/2021 capital works programme is significantly committed totalling \$27,822,491. Completing the unfinished 2019/2020 works will add to this programme. There is risk that staff and/or contracting resource may be insufficient to achieve all 2020/2021 projects. Financial reporting of projects assists staff in staying abreast of progress and provides the ability to signal works which may need to be reprioritised and others which may require further carry-over to 2021/2022.
- Programme budget carry-overs have been limited to unspent funding from 2019/2020 for which actual costs to complete are yet to be determined. For programmes which are yet to be completed and the carry-over budget is less than is required to complete, additional funding may be needed.

Options to secure additional funding include:

- Utilisation of 2020/2021 programme budgets,
- Additional funding request to Council.
- Additional funding sourced from 2020/2021 programme budgets may require reprioritisation of the work programme proposed in Council's AP.

Significance and engagement/Hirahira me ngā whakapapa

The works to be carried over have been included in Council's previous Long-Term Plan and APs and have therefore already been consulted on. On this basis, the decision to carry-over \$8.1 million of works does not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Should Council approve the carrying over of the projects in Attachment A (in full or in part), Finance staff will update Council's budgets with the approved carry-over budgets. Activity managers will be informed of the approval thus enabling the project work to be scheduled alongside Council's 2020/2021 projects.

Attachments/Ngā tapiritanga

	Title
A	Budget carry-over requests from 2019/2020 to 2020/2021

Paul Cresswell, 9 September 2019

Project	Comment	Cost to complete	Amount for approval to carry over from available 2019-2020 budgets	Extra funding requiring approval	Note
10513 Library redevelopment - digital growth - Library	Delay as a result of Covid 19	121,930	121,930		
12055 Replacement IT Equipment - Digital services	Delay as a result of Covid 19	126,000	126,000		
11024 Public Toilets - Mangawhai Heads Road	Waiting on consultation for coastal walkway	144,535	144,535		
12002 Public Toilets - Lincoln Street	Toilet ordered waiting on delivery	146,500	146,500		
12116 Mangawhai Reserve Toilet	Toilet ordered waiting on delivery	164,830	164,830		
11056 Baylys Beach boardwalk	Ongoing consultation	313,451	313,451		
12113 Rangiora Rd Reserve development	Waiting on final designs	69,268	69,268		
11153 Maungaturoto toilet	Toilet ordered waiting on delivery	188,122	188,122		
10704 Mangawhai Heads to Alamar Cres Walkway	Ongoing consultation	34,425	34,425		
11085 Mangawhai Coastal Tracks - links to existing network	Ongoing consultation	63,626	63,626		
11105 Playground - new - Mangawhai	Ongoing consultation	50,000	50,000		
11095 Community Infrastructure - Mangawhai - esplanade development	Ongoing consultation	49,436	49,436		
11065 Mangawhai Community Park - implement Master Plan	To complete	30,761	30,761		
10770 Backwash Discharge WTP - Dargaville Water supply	Paid 90% and still waiting for BRS to hook up magflow to SCADA	5,534	5,534		
12007 Racecourse SH14 watermain - Dargaville Water supply	Delay as a result of Covid 19	288,460	221,206	67,254	Shortfall in funding will require additional borrowing
12009 Normanby St between Hokianga and Gladstone intersection - Dargaville Water supply	Delay as a result of Covid 19	78,887	78,887		
12001 WTP and reservoir - Ruawai Water supply	Delay as a result of Covid 19	156,732	156,732		
12003 WTP - Dargaville Water supply	Delays in identifying a project	127,313	127,313		
12011 Dargaville raw watermain river crossing Stage 1 of 2 - Dargaville Water supply	Currently in design	200,000	200,000		
11020 Pipe Renewal from Condition assessment - Dargaville Wastewater	Invoice to come, expired quote	25,000	25,000		
11059 Pump Station 1 & 2 upgrade - Dargaville Wastewater	Delays from power upgrade and design issues	103,954	103,954		
11040 Upgrade WWTP - Mangawhai Wastewater	Delay with BRS managing mackay for commissioning, they have a small amount unbilled	10,000	10,000		
10543 MCWWS Resource Consent Variation 2016/17 - Mangawhai Wastewater	Ties in with the Mangawhai WWTP Upgrade	81,000	81,000		
11097 Treatment - Maungaturoto Wastewater	Delay as a result of Covid 19	48,000	33,279	14,721	Shortfall in funding will require additional borrowing
12037 Chases Gorge - Baylys Stormwater	Delay as a result of Covid 19	106,000	106,000		
11093 Mangawhai SW	Land owner has asked to delay work	55,000	35,757	19,243	Shortfall to be funded from savings in 2020-2021 project (13022)
Roading unsealed (various)	Delay as a result of Covid 19	88,482	88,482		All roading carry over subject to available NZTA co funding
10686 Pukehuia Road RP9650 Slip	Works still outstanding - carried forward into 20/21 (linked to line 75 project)	30,000			
11125 Insley/Moir Intersection (Intersection 1)	Works still underway	36,683			
11146 Moir/Molesworth Intersection (Intersection 2)	Works still underway	67,584			
11155 V Category LED lights	Completed (85% sub - could be carried forward but can only be spent on lights)	52,370	628,450	103,474	Shortfall to be funded from savings in remaining 2019-2020 roading programme
12026 WAIHUE RD 269_26345 Bridge Replacement	Works still outstanding - carried forward into 20/21	440,628			
12049 Dargaville Intermediate	Minor items to be completed (only a few thousand)	43,165			
12051 Dargaville Primary	Minor items to be completed	1,420			
12103 High risk curves	Works still outstanding - carried forward into 20/21	10,436			
12106 Pukehuia Road RP9650 Slip Remediation	Works still outstanding - carried forward into 20/21	49,640			
12022 Drainage Revevals 19/20	Delay as a result of Covid 19	163,348	163,348		
12020 (Sealed resurfacing) Roads to be Determined 19/20	Works still outstanding - carried forward into 20/21	627,000	627,000		
12087 (Sealed rehab) Ararua Rd RP3200-4200	Works still outstanding - carried forward into 20/21	327,571	408,625		Shortfall to be funded from savings in remaining 2019-2020 roading programme
12089 (Sealed rehab) Matakohē West Rd RP3400-4564	Works still outstanding - carried forward into 20/21	164,098			Shortfall to be funded from savings in remaining 2019-2020 roading programme
PGF105 Pouto Road Phase 2 (Investigation)	Works still outstanding - carried forward into 20/21	541,723	247,574	294,149	
Total capital		5,432,911	4,851,025	581,886	
Operational expenditure					
District Plan	The work this relates to is programmed to be completed over a two year period, finishing in FY 20/21. The entire amount was incorrectly budgeted for in FY 19/20	132,000	132,000		
Roading operations (Various)	Delay as a result of Covid 19	366,958	366,958		
Waipoua River Road	Ongoing project	1,159,902	1,159,902		
Dargaville Wastewater desludging	Delay as a result of Covid 19	983,000	830,749	152,251	Shortfall to be funded from 2020-2021 budget
Total Operational		2,641,860	2,489,609	152,251	

Contract 888 Variation - Kaipara roading unsealed network improvements

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Curt Martin, PGF Roding Project Manager

Purpose/Ngā whāinga

To seek Council approval to issue a \$3.15m contract variation to Contract 888 *Road Maintenance And Renewals* to commence the Kaipara KickStart 'Unsealed Roding Network' project, and to issue a \$4.91m contract variation to Contract 888 *Road Maintenance And Renewals*, subject to Council approval of a new funding agreement with the Ministry of Business, Innovation and Employment, to allow completion of the Unsealed Roding Network' project.

Executive summary/Whakarāpopototanga

Kaipara District Council (Council) was successful in its application for funding for a number of projects within the Kaipara KickStart programme that included the 'Unsealed Roding Network' project with a budget of \$8.06m.

It is recommended that Contract 888 *Road Maintenance And Renewals* is varied to include the implementation of the \$8.06m Unsealed Roding Network programme of works to be undertaken in conjunction with Council's business as usual unsealed roading network improvement programme.

Two contract variations have been proposed. The first variation proposed is for \$3.15m as this funding has been approved as set out in the Kaipara Roding Package Agreement 2 with the Ministry of Business, Innovation and Employment. The second variation proposed is for \$4.91m as this funding has been approved in principle at this stage and requires a new funding agreement that will be submitted for Council approval.

Council approval is required to issue contract variations totalling \$8.06m + GST.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Approves a contract variation of \$3,150,000 + GST to Contract 888 *Road Maintenance And Renewals* to implement the Unsealed Roding Network programme of works, as detailed in the Kaipara Roding Package Agreement 2 with the Ministry of Business, Innovation and Employment.
- b) Approves a contract variation of \$4,910,000 + GST to Contract 888 *Road Maintenance And Renewals* to implement the Unsealed Roding Network programme of works, subject to Council approval of a new funding agreement with the Ministry of Business, Innovation and Employment.

Context/Horopaki

Kaipara District Council (Council) was successful in its application for funding through the Provincial Growth Fund (PGF) for a number of projects within the Kaipara KickStart programme that included the 'Unsealed Roding Network' project with a provisional budget of \$8.06m as set out in the Kaipara Roding Package Agreement 2 (the Agreement). The Agreement included

project funding of \$3.15m PGF funding, and \$4.91m National Land Transport Fund (NLTF) co-funding.

The NZ Transport Agency (NZTA), as the agency responsible for managing the NLTF, declined an application for the additional \$4.91m co-funding however, Minister Jones has recently announced the government has approved in principle \$4.91m, to be funded from the Government's COVID-19 Response and Recovery Fund, for the Unsealed Roding Network project. A new funding agreement for this \$4.91m is being prepared for Council's approval.

With the Ministry of Business, Innovation and Employment's (MBIE) approval, Council may proceed with the implementation of the project utilising the \$3.15m PGF funds under the Kaipara Roding Package Agreement 2.

The Unsealed Roding Network project's expected outcomes (Kaipara Roding Package Agreement 2 – Schedule One) are:

- i. Improving the quality of existing road surfaces.
- ii. Remediation and upgrade of existing roads to improve the level of service.

A list of prioritised roads has been developed and has been validated by external peer reviewers. In-situ pavement testing is now required to inform the detailed design of the pavement overlays and confirm the forwards works programme.

Discussion/Ngā kōrerorero

The following options to procure a contractor to implement the Unsealed Roding Network programme were considered:

- a) Public tender.
- b) Invited tender.
- c) Variation to Contract 888 *Road Maintenance And Renewals* (Council's Roding Maintenance & Renewals contract).

Option c) variation to Contract 888 is the recommended option as:

- i. Contract 888 was publicly tendered.
- ii. The contract rates for the supply and construction of the various pavement aggregate metal (that make up the bulk of the value of the work) are deemed to be fair market rates.
- iii. Contract 888's scope of works includes annual budgets of approximately \$2.5m for similar unsealed roding network improvements (often referred to as 'heavy metalling') as part of Council's business as usual (BAU) Roding programme.
- iv. A single contractor managing the Unsealed Roding Network programme of works in conjunction with managing Council's BAU heavy metalling programme of works minimises potential conflicts of sourcing aggregate metal from the local quarries, and also potential conflicts within the roding network during construction.
- v. The Contract 888 Contractor (Broadspectrum) is very familiar with Council's specifications, and in particular, the contract-specific wearing course aggregate metal that was introduced under Contract 888.
- vi. Broadspectrum employs local staff and sub-contractors.
- vii. Broadspectrum sources its aggregate metal from local quarries.
- viii. Utilising another contractor would introduce the risk of the maintenance contractor seeking variations to remediate works undertaken by other contractors.
- ix. Cost savings would be realised due to not undertaking a further tendering process.
- x. A further tendering process would delay the implementation of the programme of works by at least six weeks, resulting in a reduced amount of work able to be implemented in the current spring 2020 season.

Contract 888 commenced on the 1st July 2018. The Date of Expiry for the Contract Works is currently 30th June 2022 (Separable Portion 1), and the Contract allows the award of Separable

Portions 2 to 4 with a Date of Expiry of 30th June 2026. The initial contract value awarded (for Separable Portion 1 to 30th June 2022) was \$44,711,812 + GST.

The construction of additional aggregate metal pavement overlays on the unsealed network is most efficiently undertaken when the weather is not too wet or too dry. The spring and autumn windows are therefore generally when these works are undertaken.

It is expected that the Unsealed Roding Network programme (\$8.06m) would be undertaken over three seasons commencing October 2020, and ending late spring of 2021. Other associated improvement works (e.g. drainage improvements, sight benching, etc.) would be undertaken over the 2020/21 summer period in advance of the pavement works.

Options

Option A – Council resolves to approve a contract variation of \$8.06m to Contract 888 *Road Maintenance And Renewals* to implement the Unsealed Roding Network programme of works:

The benefits of this option are listed above.

Option B – Council declines to approve a contract variation of \$8.06m to Contract 888 *Road Maintenance And Renewals* to implement the Unsealed Roding Network programme of works:

This option would require a further tendering process and would delay the implementation of the physical works. The abovementioned benefits may also not be realised.

Option A is the recommended option.

Policy and planning implications

The proposed contract works are permitted activities and therefore do not require resource consents.

Financial implications

Subject to Council approving a third funding agreement associated with the recently announced \$4.91m funding, the works would be 100% subsidised by central government.

Risks and mitigations

The key risk is a lack of sufficient aggregate metal available at the local quarries for the Season 1 works (noting that Council also has approx. \$2.2m of 'BAU' heavy metalling this financial year, and the Forestry industry can consume relatively large quantities of metal when establishing sites for harvesting). The earlier a contractor is engaged to commence the programme of works, the earlier orders could be placed at the quarries to produce the required aggregate.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Following the issue of the initial Contract 888 variation of \$3.15m, Broadspectrum would be in a position to confirm orders with the local quarries for the required aggregate metal.

Finalise the new funding agreement with MBIE for the \$4.91m funded from the COVID-19 Response and Recovery Fund for Council's approval, and once approved, issue a further Contract 888 variation of \$4.91m.

CON963: Waipoua River Road Sealing Physical Works -Delegation to Award Contract

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Curt Martin, PGF Roothing Project Manager

Purpose/Ngā whāinga

To seek Council approval to delegate authority to the Mayor and Chief Executive to approve the award of Contract 963 for Waipoua River Road Sealing Physical Works.

Executive summary/Whakarāpopototanga

The Waipoua River Road Sealing project is part of the Kaipara KickStart programme and the budget of \$1,600,000 is provided via the Provincial Growth Fund (PGF).

With the current changing political environment, the effects of Covid and the government's economic stimulus packages, it is considered high priority to have a contract awarded and the funds committed as soon as possible to reduce the risk of the funding being repurposed for other works.

Fulton Hogan has indicated that the construction would take approximately three months, providing the opportunity to have all, or most of, the works completed before the 2020 Christmas break subject to favourable weather conditions.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Delegates authority to the Mayor and Chief Executive to approve the award of Contract 963 for Waipoua River Road sealing works subject to Te Te Roroa approving the award of the contract, and subject to the contract price being within the approved project budget of \$1,600,000 + GST.

Context/Horopaki

Project Background

The Waipoua River Road Sealing project is part of Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single-entry point for the kauri walks and Tane Mahuta experience.

Physical Works Procurement

A Procurement Plan for Contract 963, covering the physical works, was approved by Council on the 27th May 2020, and implementation of the plan is underway with discussions being held with Te Roroa Environs and Fulton Hogan to determine the most cost-effective design and negotiate a final contract price.

It is expected that the value of this contract will be in excess of \$1,000,000 which would exceed the delegated financial authority of the Chief Executive and therefore requires Council approve to award.

It is recommended that Council delegates authority to the Mayor and Chief Executive to award Contract 963, subject to the contract price being within the approved project budget of \$1,600,000. The aim is to reduce delays between the tender evaluation being completed and the award of the contract as the approval to award would not need to wait for the next Council meeting to occur.

Discussion/Ngā kōrerorero

The design of the sealing of Waipoua River Road has been progressed and discussions with Fulton Hogan and Te Roroa are in progress to agree on a contract price. This agenda item is for the award of the physical works contract required to seal Waipoua River Road.

Options

- Option 1: Council approves the delegation of financial authority to the Mayor and Chief Executive to award Contract 963 for Waipoua River Road Sealing Physical Works.
- Option 2: Status quo. A recommendation to award a contract would be taken to Council in October or November.

The recommended option is **Option 1**.

Policy and planning implications

There are no policy or planning implications.

Financial implications

The works are being funded 100% through PGF and the current estimated value of the physical works contract exceeds the Chief Executive's delegated financial authority.

Risks and mitigations

These works are key to the success of Te Roroa's Rakau Rangitira project.

With the current changing political environment, the effects of Covid and the government's economic stimulus packages, there is a risk that if the funding is not committed soon, it could be repurposed to other works.

Delays in awarding a contract would also delay the commencement of the construction works.

Significance and engagement/Hirahira me ngā whakapapa

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Discussions and negotiations with Fulton Hogan will continue and upon completion of the process the recommendation to award a contract will be prepared.

Seek Te Roroa approval to award Contract 963 once the contract price has been agreed.

If Council has delegated authority to award a contract, the recommendation to award will be presented to the Mayor and Chief Executive for approval or rejection, and the recommendation and decision reported to Council as per Kaipara District Council's policies.

If Council has elected not to delegate authority to award a contract, the recommendation to award will be presented to Council for a decision most likely at the October Council meeting.

Attachments/Ngā tapiritanga

	Title
A	Procurement Business Case and Associated Agenda Item



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

Kaipara District Council Agenda

Date: Wednesday 27 May 2020
Time: 9.30am
Location: Conference Room
Northern Wairoa War Memorial Hall
37 Hokianga Road
Dargaville

Elected Members: Mayor Dr Jason Smith
Deputy Mayor Anna Curnow
Councillor Victoria del la Varis-Woodcock
Councillor Karen Joyce-Paki
Councillor Jonathan Larsen
Councillor Mark Vincent
Councillor Peter Wethey
Councillor David Wills
Councillor Eryn Wilson-Collins

*For any queries regarding this meeting please contact
the Kaipara District Council on (09) 439 7059*

Procurement Plan Approval for Accelerated Projects

Meeting: Kaipara District Council
Date of meeting: 27 May 2020
Reporting officer: Jim Sephton, GM Infrastructure Services

Purpose/Ngā whāinga

To seek approval of Procurement Approach for significant projects and programmes being accelerated as a result of Covid19.

Executive summary/Whakarāpopototanga

The expected acceleration of projects due to Covid19 means that we need to be ready to expediently move to construction. Officers have set out a way forward which packages projects together which is more effective way of procuring and is consistent with the Procurement Strategy approach of creating 'Critical Mass'.

It is acknowledged that external funding is not yet confirmed and that any support for the procurement approach set out in this paper is subject to attaining that funding.

The Kaipara District Council Procurement policy/Manual requires that "A business case shall be submitted to Council as part of the approval process for any high risk or high value procurement over \$500,000, unless Council has approved an exception". We are seeking an exception.

The capital costs of three proposed projects/programmes exceed this value

- Ancient Kauri Trail - \$5,800k to \$7,650k
- Mangawhai Community Plan Shared Path & Intersections – circa \$8m
- Provincial Development Unit (PDU) Quick Wins – circa \$44m

Project level Business Cases have been developed for these projects and these have, or are in the process of, being approved by NZTA. Local share will be confirmed prior to any award of contract.

Procurement Business Cases have not been developed due to the time frames. However, the procurement approach set out in this paper considers critical thinking required in the business case with due consideration of the approved KDC Procurement Strategy and Covid19 response.

- The need to progress work urgently to create local jobs and support redeployment of those who have lost jobs
- The high levels of competition for main Contractors and desire to reduce the amount of time in tender competition compared with time in actual construction
- The challenges of Kaipara attracting tenders for relatively small pieces of work

The recommended procurement approach is

- A formal agreement with Ministry Social Development (MSD) and Iwi to engage people in the delivery of these projects as part of a social procurement commitment
- A Delivery Partnership model be established for the **Kaihu Valley Trail** which includes a Programme Manager (Hoskin Civil Ltd), Engineers Rep (KDC), Designer (tbc) Iwi, MSD, Head Contractor (Direct appointment of Wilson Earthworks) and Work Package Contractors (tendered separately).

- A **Mangawhai Community Plan Package** (Insley Street Intersections and Shared Path) be competitively tendered. There will be a competitive pricing of Insley Street Intersections and Shared Path sections which are construction ready – other elements will be negotiated directly. Quality considerations will include local workforce and materials.
- Open tender for **Pouto Road** including right to negotiate Stage 2 if that is approved for construction. Also, an enabling package for the opening of a local quarry to be tendered amongst local contractors.
- Direct appointment of Fulton Hogan for the **Waipoa River Road** with Te Roroa a nominated sub-contractor.
- Direct appointment of Maintenance and Operations Contractors to deliver **PDU shovel ready projects** with a requirement to provide direct labour from MSD and Marae.
- Direct appointment of local contractors (subject to meeting relevant safety and quality thresholds) to deliver **PDU shovel ready projects**

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

1. Notes the procurement approach, plans and outline business cases provided within this report.
2. Approves an exception from the requirement to provide a formal business case.
3. Approves the recommended procurement approach for
 - 3.1. Kaihu Valley Trail
 - 3.2. Mangawhai Community Programme – 2020 Shared Path Package
 - 3.3. Kaipara Kickstart - Pouto Road
 - 3.4. Kaipara Kickstart - Waipoua River Road
 - 3.5. Shovel Ready Package

Context/Horopaki

The Kaipara District Council Procurement policy/Manual requires that “A [Procurement] Business Case shall be submitted to Council as part of the approval process for any high risk or high value procurement over \$500,000, unless Council has approved an exception.”.

These would have been presented to Elected Members over time and as funding becomes available in this and future Long Term Plans.

Covid19 has changed this and job creation is of paramount importance. This was recognised in the KDC Economic Stimulus response approved by Council. The ability for capital projects to be accelerated was sought by Council subject to funding being secured.

The purpose of this paper is to gain Council Approval for the procurement approach.

In its updated Procurement Strategy, Kaipara District Council also recognised an increasingly significant capital programme which needs to be delivered more efficiently. It also notes that there is a limited supply chain in Kaipara and that we need to be more active in how we target suppliers.

This paper puts in place a Procurement Approach which will allow projects/programmes to move into construction quickly once funding is confirmed.

Accelerating existing programmes

There are three significant projects/programmes of work which were being developed prior to Covid19 and have sections ready for construction

- Mangawhai Community Plan
- Ancient Kauri Trail
- Kaipara Kickstart Roading – Pouto Road & Waipoua River Road

Procurement considerations for these programmes has been reconsidered following the release of the Procurement Strategy and in light of Covid19.

Shovel Ready Programme

Five programmes were put forward for MBIE consideration as part of the ‘Shovel Ready Programme’

- Kaihu Valley Trail
- Managawhai Community Plan
- Stopbank Programme
- Transport Network Improvements
- 3 Waters Improvements

These programmes are being considered by MBIE, however an opportunity for projects under \$20m which are shovel ready (in the next 6 weeks) to be brought accelerated has arisen. A package has been submitted to the PDU for consideration. This includes

- | | |
|--|----------------------|
| • Kaihu Valley Trail | \$2m initial phase |
| • Wastewater improvements | \$1.8m |
| • Car park and access road improvements | \$4.1m |
| • Parks, reserves & sport field improvements | \$2.5m |
| • Kaipara Hall & Marae Upgrades | \$2.3m |
| • Stop Bank enhancement | \$8m - TK to Awakino |
| • 3 Waters Pipe Replacement | \$24m |

Mangawhai Community Plan

MCP Shared Path Package 2020

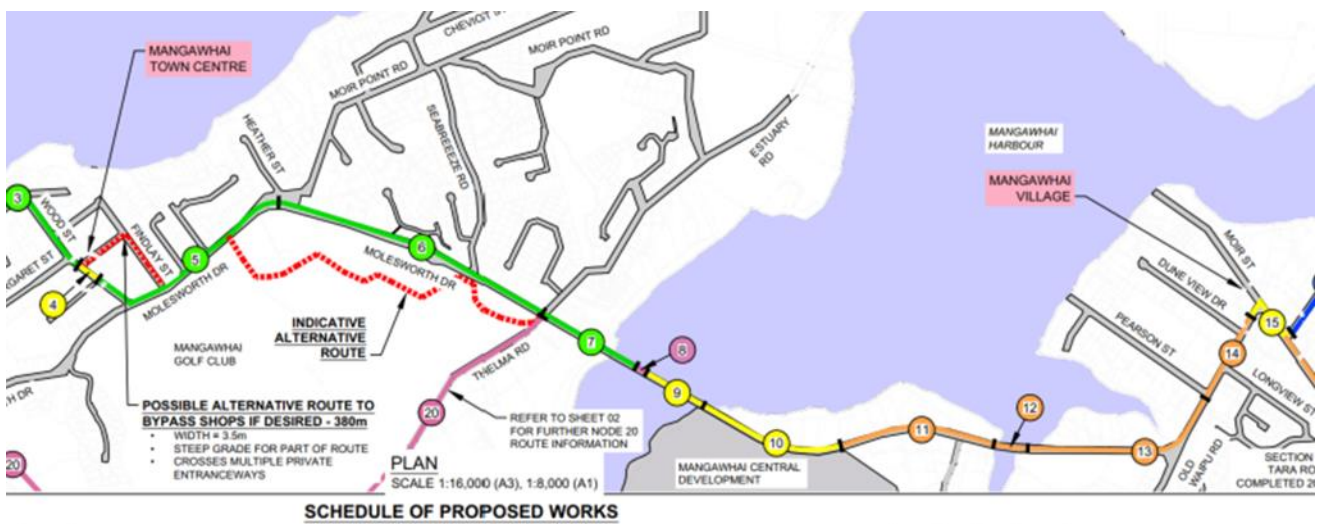
Two projects within the programme have progressed beyond business case.

Design is largely complete for the Insley Street Intersection projects and land acquisition is being developed. The forecast is greater than the LTP budget, predominantly due to the inclusion of shared paths, minimising impact on adjacent land and utility diversions which were not included previously.

The Business Case for the Mangawhai Heads to Village Shared Path is complete and is in the process of being assessed by NZTA for funding.

Project	Forecast	Status	Package	Approved Budget
Insley Street Intersections	\$3.2m	Application for construction funding made	Yes	\$2m
Shared Path	\$5.7m	Application for design and construction funding made	Sections 2 – Beach Access #10 to North Ave 6, 7, 9, 10 15 – Insley Street Intersections	\$0.2m \$0.9m Inc above

The proposed package for design and construction is the section between Wood Street and the Molesworth Drive Bridge [6 (Part) & 7] including the path through the Mangawhai Community Park. Note that sections 9 & 10 are being negotiated for construction as part of the Mangawhai Central Development. The Insley Street Intersections also incorporate shared paths [15].



Project is subject to NZTA funding and confirmation of local funding share.

The alignment of the route through the Mangawhai Community Park is being confirmed with stakeholders prior to progressing into detailed design.

Professional Services (\$500k)

Stellar have been directly appointed through the KDC Professional Services Framework for the Detailed Design of the park component. It is proposed that this is extended to include Molesworth Drive.

The Engineer will be appointed independently and the Engineers Representative will be KDC staff.

MSQA will be provide by Stellar. Tim Manning will be the Project Manager.

Physical Works

This package is likely to be attractive to local contractors (Kaipara, Whangarei and Rodney). An open tender is proposed on a Price Quality Method basis. Design will be developed through engagement and consent process prior to putting out tender. It is proposed to be a two stage procurement with contractors shortlisted after quality stage.

Kauri Valley Trail

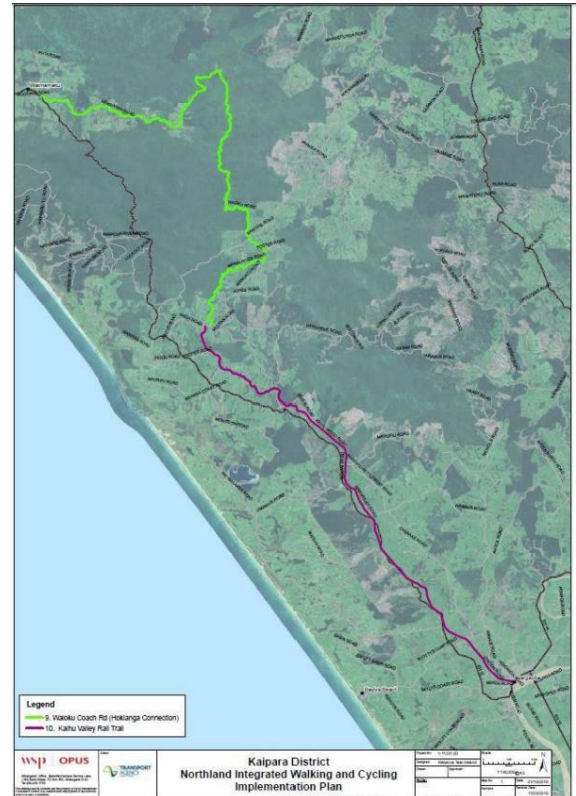
The Kaihu Valley Trail forms part of the Ancient Kauri Trail programme. The Business Case for the Northland Cycle Implementation Plan was completed by NZTA and is included in the Regional Land Transport Plan.

The estimate is \$7,650k (Business Case) however the project team have considered an alternative approach which would reduce the estimate to 5,800k. The accelerated shovel ready proposal is for \$2m which would allow construction to commence immediately on sections with willing landowners and council owned sections.

Existing local share is only \$60k per annum - implementation of the Walking and Cycling Strategy - and therefore this project will not progress unless there is a significant investment from Crown.

The development of the project will be focused on the creation of employment within the local area – both during construction and subsequently through tourism.

A relationship with MSD and the Mahi Tahi Kaipara initiative has been developed. It is envisaged that a significant proportion of the project will be delivered using people who are unemployed or at risk.



Professional Services (\$400k)

A design and construct approach is proposed with the nominated Head Contractor (Wilson Earthworks) working with the designer and landowners on the route. It is proposed that WSP (who developed the business case) be directly appointed from the KDC Professional Services Framework utilising rates which were competitively tendered.

Project Manager will be Jody Kelly (Hoskin Civil) who will also provide QS support. KDC staff will be the Engineers Representative with WSP providing MSQA services.

Physical Works (\$5m)

The project is not in itself complex. It mainly consists of earthworks, metalling, fencing and some bridges/culverts. A constructible route needs to be developed working with landowners and users.

The main focus of the investment is Economic Development, early development of the procurement strategy involved discussions with MSD and aligned with the establishment of Mahi Tahi Kaipara – a programme to provide training and employment for people at risk.

The impact of Covid19 has significantly shifted the thinking and there is an even greater need to focus on utilising investment in the cycle trail to create employment.

The proposed project objectives are

- To provide employment and economic returns for the local area
- To reduce dependency on welfare in the Kaipara
- To commence work at pace
- To maintain a safe workforce

It is proposed to directly appoint Wilson Earthworks as Head Contractor on the basis that

- They are the only local Contractor with the H&S standards to manage a contract of this scale
- 30% of the project will be tendered/negotiated with other local contractors
- They have an existing training and development programme with MSD and will engage local resources to undertake the work including a high proportion of MSD clients and local Iwi
- Independent QS will review and approve rates to maintain value for money

Kaipara Kickstart

These projects are 100% funded by the Provincial Growth Fund. Subject to Council support, procurement plans will be approved under the NTA procurement strategy and approved through the Project Steering Group.

Poutou Road

The Poutou Road Seal Extension project involves;

- Phase 1; 10km of Poutou Road, from the current end of seal through to the intersection with Ari Ari Road. This phase has been approved and the design work is underway (Stantec).
- Phase 2; the remaining section of unsealed road, approximately 11km. The business case to obtain the full funding is underway (ARA Consultants).

An opportunity to advance Greenhill Quarry (owned by KDC) works has been identified. This will improve programme efficiency, reduce haulage distances and provide local employment. A closed competitive process inviting only local contractors is proposed. **(Value \$730k to \$1,460k)**

A Price Quality Method will be adopted for the procurement of physical works (est value \$4.2m). The criteria shall be focused on the Contractors ability to undertake the work safely, efficiently and to a high quality, as well as the benefits the Contractor can bring to the local economy and community. This procurement provides the opportunity to meet the following objectives of the Provincial Growth Fund and the Kaipara District Council;

- increase direct employment opportunities,
- improve viability of existing businesses,
- increase social inclusion and participation, and
- provide training opportunities for local people.

A Registration of Interest will be invited this month with a two-stage evaluation allowing shortlisting based on the quality component only. Contract award is targeted for September 2020.

Waipoua River Road

The Waipoua River Road Sealing and Widening project is focused on the first 1.5km of Waipoua River Road from the intersection with SH12 to the Waipoua Forest Visitor Centre. The project is fully funded by the Provincial Growth Fund (PGF) as part of Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single-entry point for the kauri walks and Tane Mahuta experience. A rough order estimate for the physical works is **\$1,000,000**, plus GST.

The procurement process will likely involve two distinct elements;

1. Minor and Enabling Works

The engagement of Te Roroa Environs to undertake any enabling / preparation works that they are suitably qualified for, can be completed before the main physical works begin. These works could include elements such as vegetation trimming or clearance, the constructing of minor retaining structures and alterations to or clearing of existing drainage assets.

2. Remaining Physical Works

These works will consist of all remaining physical works required to complete the project. These works will be procured through direct negotiation with Fulton Hogan, who will be directed to engage

Te Roroa Environs as a sub-contractor and provide training opportunities for them during the works.

Accelerated PDU Shovel Ready Programme

These projects are expected to be fully funded through the Crown.

The procurement objectives are

- Create jobs
- Start quickly and at pace
- Be visible

The procurement approach is to use existing contracts as far as possible so that physical works can be commenced asap with appropriate levels of H&S oversight.

For each contract, there will a specification regarding employment of local sub-contractors and labour. A target of 100 unemployed people on welfare has been set.

Category		Value (k)	Contract
Wastewater improvements	Planting of Mangawhai Irrigation Disposal Farm	\$847	Broadspectrum O&M Contract
	Fencing of Wastewater Ponds	\$360	
	"Rain only in Drains"	\$15	
	Cultural Plaque at Kaiwaka WWTP	\$2	
	Te Houhanga Marae and community waste water scheme	\$610	Variation to United Civil / Forte Contract
Car park and access road improvements	Carpark and access improvements	\$4.1m	Broadspectrum Rooding M&O Contract
Parks, reserves & sportfield improvements	Parks & Reserves enhanced maintenance	\$510	Downer O&M Contract
	Parks & Reserves - Paths & Walking Tracks	\$170	
	Premier Parks - Mountain Bike Park	\$72	Local Contractor
	Mangawhai Community Park - Activity Zone (MAZ) Skate Bowl Completion	\$800	Local Contractor
	Te Kopuru Domain Upgrade	\$400	Local Contractor
	Non Council Walkway upgrades in Mangawhai	\$50	
	Sports field improvements	\$300	Wilson Earthworks

Category		Value (k)	Contract
	Carpark Extension - Mangawhai Domain	\$250	
Kaipara Hall & Marae Upgrades	Kaipara Hall Upgrades	\$800	Local Contractors
	Kaipara Marae Upgrades	\$1,500	Local Contractors
Stop Bank enhancement		\$8,000	Local Contractors
Pipe replacement	Replace at risk pipes - including asbestos	\$11,000	Variation to United Civil / Forte Contract
	Dargaville raw water main	\$13,075	

Rates will be established through existing contracts and a price negotiated for the works. Any professional services support (e.g. for design or contract supervision) will be procured directly through the KDC Professional Services Panel.

Programme

The programme is subject to funding being confirmed and drawn down. At the earliest, construction could be expected to commence within three months for most projects

	June	July	Aug	Sep	Oct	Nov
Kaihu Valley Trail						
MCP						
Pouto						
Waipoua						
Accelerated PDU						

Key

Design	Design & Tender	Construction
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Options

Option 1 is to approve the proposed Procurement Approach. Comments can be considered in the development of the detailed Procurement Plan which will be approved by the CEO.

Option 2: is to seek changes to be made to the Procurement Approach which will need to be brought back to Council for approval. If this course is desired, then this will potentially delay start by a month.

The recommended option is **option 1**.

Policy and planning implications

There are no significant policy and planning implications for the proposed works. It is noted that Government is currently progressing an acceleration process which might reduce the timeframes required to achieve any consents.

Financial implications

Depending on the extent of Crown Funding, there is likely to be a local funding requirement above that which is currently approved in the LTP or Annual Plan. Prior to contract award (and typically prior to commencing procurement) all funding must be in place. The location and nature of the project will determine how local share is funded. This will not impact rates for the 20/21 LTP.

Risks and mitigations

There is an opportunity for Kaipara District Council to secure funding which will provide employment for the community as well as address projects which will benefit the community in the longer term. Having the Contractor in place will increase the potential of securing this funding.

There is a risk that direct appointment reduces the price tension which might be achieved by a more price competitive competition. It is noted however, that in the near future, it is likely that there will be more work than the Construction sector can process and that the ability to get Contractors to competitively price projects is low, particularly for a provincial Council. To mitigate this risk, an independent QS will be engaged and existing rates will be applied for all projects directly awarded.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

An engagement plan will be developed as part of each project and a summary of the key considerations is provided below

Programme	Project	Engagement considerations
Kaihu Valley Trail		Work directly with landowners, marae
		Joint governance with DoC, NZTA, NRC, Northland Inc, Te Roroa & MSD
		Form advisory group with cycle groups
MCP Shared Path Package	Wood Street	Continue trial working group
	Shared Path	Inform community of business case preferred route and cost update
		Work with Friends to confirm path through Community Park
	Intersections	Extensive consultation has taken place
Wastewater improvements		Finalise land purchase arrangements
	Planting of Mangawhai Irrigation Disposal Farm	Part of existing commitment to residents
	Fencing of Wastewater Ponds	Operational requirement. Improves safety for children
	"Rain only in Drains"	Positive environmental promotion
	Cultural Plaque at Kaiwaka WWTP	Developed in partnership with Te Uri o Hau

Programme	Project	Engagement considerations
	Te Houhanga Marae and community waste water scheme	Will be a positive for Marae and community direct engagement proposed
Car park and access road improvements	Carpark and access improvements	Engage with each facility ahead of programme
Parks, reserves & sportfield improvements	Parks & Reserves enhanced maintenance	Operational process will have posters outside parks advertising of what we are doing and why
	Parks & Reserves - Paths & Walking Tracks	Operational process will have posters outside parks advertising of what we are doing and why
	Premier Parks - Mountain Bike Park	Local initiative
	Mangawhai Community Park - Activity Zone (MAZ) Skate Bowl Completion	Local initiative
	Te Kopuru Domain Upgrade	Local initiative
	Non Council Walkway upgrades in Mangawhai	Work with tracks trust
	Sports field improvements	Local initiative
	Carpark Extension - Mangawhai Domain	Local initiative
Kaipara Hall & Marae Upgrades	Kaipara Hall Upgrades	Engage with each facility ahead of programme
	Kaipara Marae Upgrades	Marae have their own plans and this will dovetail
Stop Bank enhancement		Immediate conversation with landowners (expected to be positive)
Pipe replacement	Replace at risk pipes - including asbestos	Acceleration of LTP project
	Dargaville raw water main	Acceleration of LTP project Work with landowners on route to minimise disruption to operations

Next steps/E whaiake nei

Confirm funding from Crown and subsequent local funding requirements

Finalise detailed Procurement Plans for CEO approval

Attachments/Ngā tapiritanga

	Title
A	Mangawhai Shared Path – Extract From Business Case
B	Procurement Plan – Pouto Road
C	Procurement Plan – Pouto Quarry
D	Procurement Plan – Waipoua River Road

File: **PROCUREMENT PLAN**

To: **Kaipara District Council**

CC: **Jim Sephton, Louise Miller**

From: **Rachael Mannion**

Date: **13 May 2020**

Subject: **Waipoua River Road Sealing –Physical Works**

Background

The Waipoua River Road Sealing and Widening project is focused on the first 1.5km of Waipoua River Road from the intersection with SH12 to the Waipoua Forest Visitor Centre.

The project is fully funded by the Provincial Growth Fund (PGF) as part of Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single entry point for the kauri walks and Tane Mahuta experience.

The project is part of the Kaipara Kick Start programme and the budget of \$1,600,000 is provided by the Provincial Growth Fund (PGF).

A rough order estimate for the physical works is \$1,000,000, plus GST.

Reason for the Report

The purpose of this report is to seek approval from the Kaipara District Council to proceed with the procurement of physical works for Waipoua River Road Sealing.

Risk Management

The risk level has been assessed and is included in the table below.

Low	Medium	High
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This procurement has been assessed as being high risk due to the value of the works, the tight timeframes associated with having a contract awarded before October 2020 and because the proposed procurement methodology is outside the requirements of the Kaipara District Council and NZTA.

Procurement Method

The procurement process will likely involve two distinct elements;

Element 1 – Minor and Enabling Works

The engagement of Te Roroa Environs to undertake any enabling / preparation works that they are confident they can undertake and can be completed before the main physical works begin. These works could include elements such as vegetation trimming or clearance, the constructing of minor retaining structures and alterations to or clearing of existing drainage assets.

Element 2 – Remaining Physical Works

These works will consist of all remaining physical works required to complete the project. These works will be procured through direct negotiation with Fulton Hogan. Te Roroa Environs will be a nominated sub-contractor and Fulton Hogan will be expected to provide training opportunities for them during the works.

Procurement Objectives

The objectives of the Provincial Growth Fund are to;

1. increase direct employment opportunities,
2. improve viability of existing businesses,
3. increase social inclusion and participation,
4. provide training opportunities for local people,
5. complement existing local visitor activities,
6. create better use of iwi assets and Maori development,
7. increase environmental sustainability,
8. increase regional or national resilience.

A further objective, created by the Covid-19 crisis, is to stimulate the local economy by starting physical works as quickly as possible.

While the overall project aims to meet all of these objects, the procurement method has been selected to meet certain objectives as follows;

Element 1

Engaging Te Roroa Environs to undertake works before the main physical works begins allows these works to start sooner, meeting the objective to start stimulating the local economy. It can also contribute towards objectives 1, 2 and 3 by directly engaging a local, iwi owned and operated business.

Element 2

Fulton Hogan are the preferred Contractor as they already undertake roading work in the Waipoua Forest so they understand the issues and requirements associated with working in such a vulnerable environment. As part of that work they also frequently sub-contract work to Te Roroa Environs so already have a well developed working relationship that can be used to contribute towards objectives 1 through 4. Engaging Fulton Hogan directly, rather than going through an open tender process, provides significant time-savings, allowing work to start earlier, and provides an opportunity for Fulton Hogan to be involved in the design stage.

Program

Element 1

Discussions with Te Roroa have occurred throughout this project and, as soon as this procurement method has been approved, detailed discussions on the work they can undertake will begin. By that time the design should have progressed enough to be able to detail the level of work available for Te Roroa Environs to price. The aim is to have a price agreed and for any non-weather dependent work to start in or before August 2020.

Element 2

Once the procurement method is approved discussions will start with Fulton Hogan.. The exact program for the procurement will be discussed and determined with Fulton Hogan with the deadline for having a signed Contract being the end of September 2020.

Approvals

Prepared by:

Position Click here to enter text.

Sign

Date

Approved by: **Greg Monteith**

Position Click here to enter text.

Sign ... 

Date ...20/05/2020.....

Approved by: **Jim Sephton**

Position General Manager - Infrastructure

Sign 

Date20/05/20.....

Approved by: **Louise Miller**

Position Chief Executive

Sign 

Date 20May20

4107:XXX

Alamar Boat Ramp and carpark improvements

Meeting: Council Meeting
Date of meeting: 30 September 2020
Reporting officer: Tim Manning, MCP Programme Manager

Purpose/Ngā whāinga

To seek approval for funding and procurement approach with regards the Alamar boat ramp & carpark

Executive summary/Whakarāpopototanga

The Alamar boat ramp is the only all tide access ramp in Mangawhai and is heavily used in summer. This presents safety issues and frustrations for users as there is limited parking capacity.

This decision paper seeks approval to design and construct an asphalt car park, with planted gardens, to treat the storm water generated from the car park.

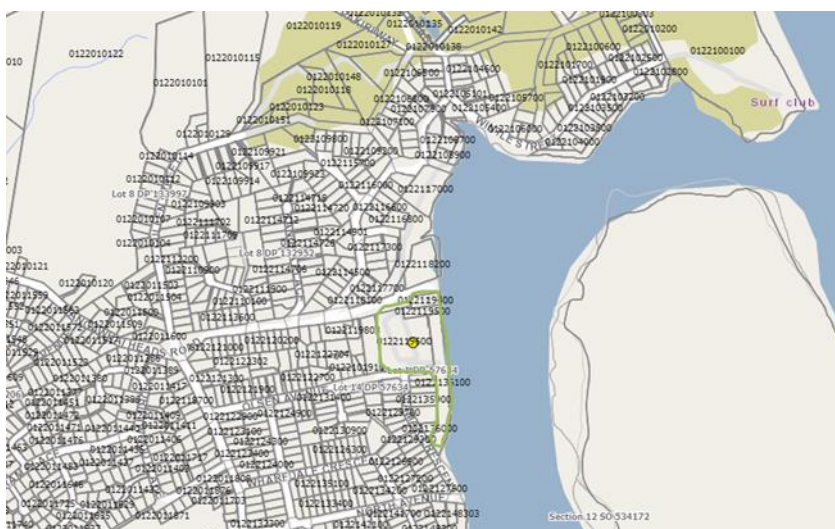
Recommendation/Ngā tūhunga

That the Kaipara District Council:

- Approves the allocation of Financial Contributions up to \$900k for the design and construction of the boat ramp car park
- Approves the Procurement Plan for the construction of the car park and
- Delegates award of Contract to the CEO subject to the price being within the approved budget.

Context/Horopaki

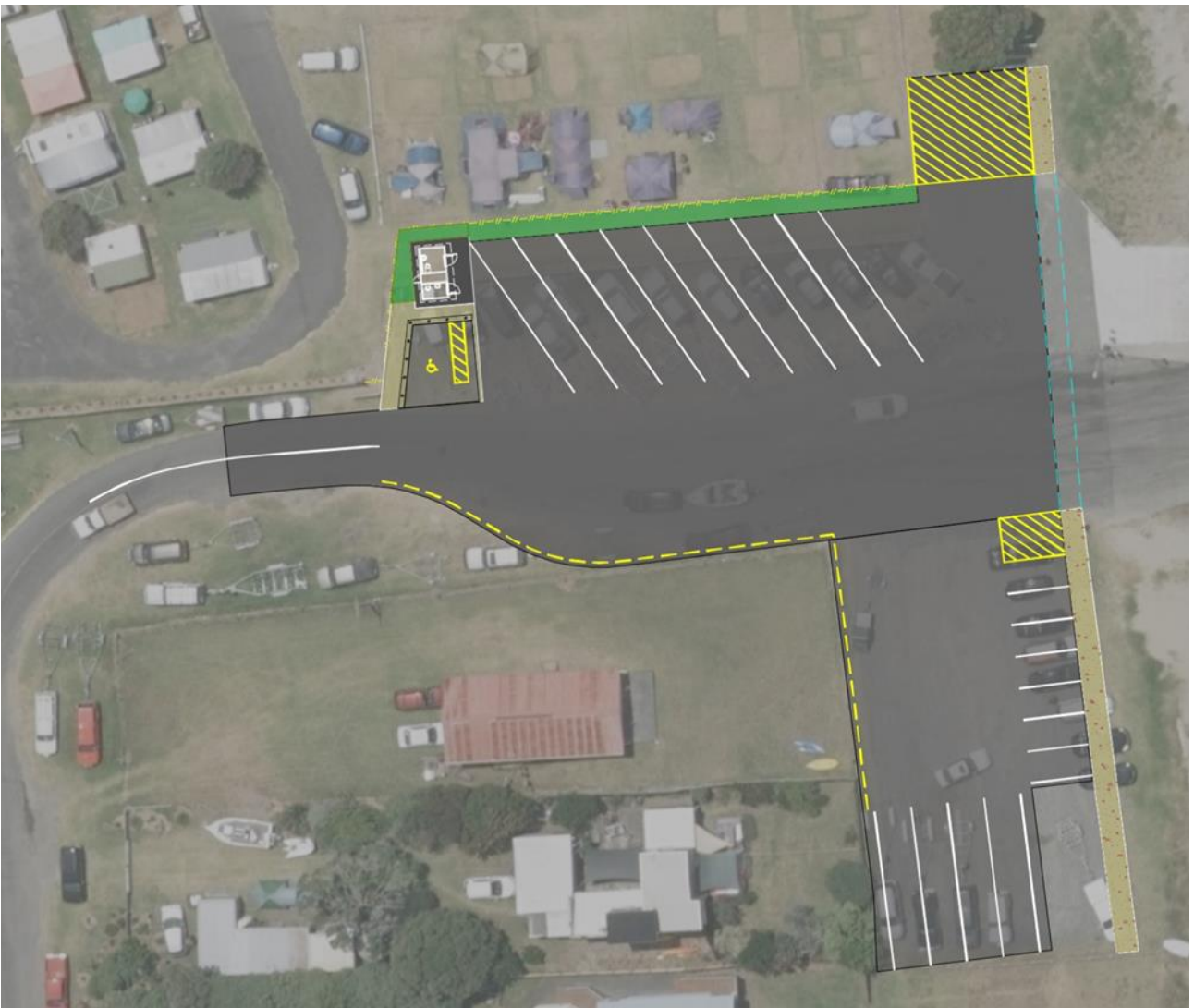
The Mangawhai Heads Domain incorporates the campground, boat club and boat ramp.



The boat ramp is the only all tide access ramp in Mangawhai and is heavily used in summer. This presents safety issues and frustrations for users as there is limited capacity.



A concept plan has been developed which will allow for safe and efficient movements in the boat ramp area. This incorporates the new toilet, coastal walkway along the front, parking, planted areas for treatment of storm water runoff and asphaltting of all vehicle and parking areas.



Key facts

- The toilet has been part funded through the Tourism Innovation Fund and a contract is in the process of being awarded. Construction is expected to commence before summer.
- Negotiations with the campground are being finalised for a 5m width of land to extend the car park on the northern side.
- Construction of the coastal walkway will commence at the end of the 2021 summer season.
- It is proposed to construct the car park and asphaltting works at the end of the 2021 summer season.

Discussion/Ngā kōrerorero

There is an opportunity to implement the new parking and circulation arrangement at a similar time to the other physical improvement works in the area. It is proposed to design and tender the car park works before Christmas enabling a late summer construction period.

A concept design has been completed and the preliminary budget estimate is \$600 - \$900k.

There are opportunities to reduce the level of service (e.g. just metal) however this brings additional maintenance costs and does not provide treatment of the storm water runoff.

Options

Option 1: construction, asphaltting, line marking and storm water treatment for a larger car park area.

Option 2: Status Quo. Leave the extended car park area as grass and install some low-cost timber markers to formalise parking better. Do not introduce any stormwater treatment or control for the area.

The recommended option is **option 1** for the following reasons:

- It will formalise parking and improve aesthetics and functionality of the car park and the boat ramp.
- It will treat the storm water prior to discharging into the estuary.

Policy and planning implications

A resource consent will be required for the treatment and disposal of stormwater into the estuary.

Financial implications

The estimated cost for the design and construction of the new asphalt car park area is approximately \$900K. This can be funded through the Financial (Reserve) Contribution.

Risks and mitigations

There is a risk that increasing the car parking area at the boat ramp will result in increased untreated storm water run-off polluting the estuary. This can be mitigated by introducing planted soakage areas that treat the storm water before being discharged via the existing out fall pipe.

There is a risk that total cost may exceed the estimated cost. This can be mitigated by following a formalised design and tendering process and only awarding the Contract if the total price is less than the \$900K estimated.

It is recommended that the funding be provided through the Financial (Reserve) Contribution. It has been confirmed that there are sufficient funds available for this project.

A Procurement Plan has been developed. This recommends a traditional procurement through an open tender process. There is likely to be reasonable interest in the project and obtaining value for money in terms of a good price is important.

Significance and engagement/Hirahira me ngā whakapapa

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website

Next steps/E whaiake nei

Following approval of the allocation of Financial Contributions up to \$900k for the design and construction of the boat ramp car park, the next steps are:

1. Council to approve the procurement plan shown in Appendix 1.
2. Council delegates the power to the CEO to award the Construction Contract subject to the price being within the approved budget.
3. Engage Consultant to complete the detailed design.
4. Tender project.
5. Construction to start late summer 2021.

Attachments/Ngā tapiritanga

	Title
A	Proposed Procurement Plan



Procurement Plan (> \$500,000)

969 Alamar Cres Boat Ramp Car Park Construction

This document seeks approval from Louise Miller, as delegated financial authority holder to:

- Undertake procurement processes for goods or services to an estimated value of \$932,000.

Once fully approved the project manager or business owner may procure goods and services according to the plan. Any material deviations from the plan must be reapproved by those who have endorsed and approved the plan.

Signed:	Signed:
Name: Tim Manning	Name: John Burt
Role: Project Manager	Role: Head of Procurement
Statement: This procurement plan has incorporated objectives of the business owner and is designed to deliver best "whole of life" cost solution for TP and its customers.	Statement: This procurement plan meets all procurement policy requirements and approved procurement strategies.
Date:	Date:
Signed: 	Signed:
Name: Matt Williams	Name: Jim Sephton
Role: Infrastructure Project Manager	Role: General Manager
Statement: This procurement plan has an approved business case and budget to cover this procurement.	Statement: I approve/recommend the CEO approve this procurement plan.
Date:	Date:
Signed:	Signed: 
Name: Louise Miller	Name: Mark Bell
Role: (DFA Holder)	Role: Infrastructure Delivery Manager
Statement: I approve this procurement plan.	Statement: I approve this procurement plan.


Date:	Date:
--------------	--------------

1 No Conflict of Interest Declaration

If you feel that you may have a conflict of interest then please email a Procurement representative immediately to formalise your declaration.

By signing below I hereby declare that to the best of my knowledge I do not have:

- any financial (shareholding or pecuniary) or other related interest in the supply of goods and services for the project named below;
- any relatives or friends with a financial interest in the goods and services to be supplied for the project named below; or,
- any personal obligation which would in any way affect my decisions in relation to the process I have been asked to undertake for Kaipara District Council.

Name	Role	Signature
Tim Manning	Mangawhai Programme Delivery Manager	
John Burt	Property, Procurement and Commercial Manager	
Matt Williams	Infrastructure Project Manager	
Louise Miller	CEO	
Mark Bell	Infrastructure Delivery Manager	
Jim Sephton	GM Infrastructure	

2 Project Related Information

2.1 Project Name	969 Alamar Cres Boat Ramp Parking Construction
2.2 Total Project Budget	\$900,000
2.3 Total Estimated Procurement Cost (BC1)	\$2000
2.4 Briefly describe the project this procurement relates to? <p>The Alamar boat ramp parking sealing project involves sealing the entire existing car park to achieve the following</p> <ul style="list-style-type: none"> • Provide a road surface able to be line marked to allow for a painted parking layout. • Improve the quality of surface water runoff into the estuary • Fix storm water flooding issues as part of the sealing project • Improve safety in the busy parking and boat ramp area • Make better and more efficient use of the parking space and allow for car and boat trailer parking and manoeuvring. • Provide a surface that is low maintenance 	

3 Procurement Streams

A procurement stream is an individual procurement. For example, a project may involve the procurement of an asset and the installation of that asset. This would typically involve two streams; one for the procurement of the asset and one for the procurement of the installation services. (Insert new rows for additional streams if necessary)

Name	Estimated Procurement Cost
3.1 Detailed design of the car park	\$30,000
3.2 Internal costs of procurement	\$2,000
3.3 Physical works	\$868,000

4 Procurement Stream ONE – 969 Alamar Cres Boat Ramp Car Park Construction

If your project has multiple procurement streams replicate this section for each stream

4.1 What is being procured?

We are procuring a detailed design for the car park for purposes of procuring the physical works

4.2 Is this procurement subject to previously approved procurement strategy?

Yes, as per the adopted procurement strategy

4.3 Is there an established panel of suppliers that can be used for this procurement?

Yes, the professional services panel

4.4 What suppliers are capable of providing the goods or services required for this procurement stream?

Stellar Projects, WSP, Isthmus

4.5 What type of tender is being recommended? (if applicable)

Competitive (Open)	No
Competitive but closed (Closed/Selective)	No
Non-Competitive (Direct/Selective)	Yes

4.6 What is the nominated procurement approach and why this is the best procurement approach?

Direct appoint to Stellar Projects. Due to low cost and familiarity with adjacent and current projects

4.7 What are the procurement/logistics risks related to this procurement stream, proposed mitigation measures and/or risk allowances?

Low risk

4.8 What is the Procurement Policy exemption being proposed (if an Open Tender (Competitive) is not being utilised) and what is the justification for this exemption?

N/A

4.9 Are there any specific contract terms applying to this procurement?

No

5 Procurement Stream Two – 969 Alamar Cres Boat Ramp Car Park Construction

If your project has multiple procurement streams replicate this section for each stream

4.1 What is being procured?

We are procuring the physical works of the car park construction

4.2 Is this procurement subject to previously approved procurement strategy?

Yes, as per the adopted procurement strategy

4.3 Is there an established panel of suppliers that can be used for this procurement?

No

4.4 What suppliers are capable of providing the goods or services required for this procurement stream?

The works are within the capability of a number of providers including (but not limited to) Wilson Earth Moving, Ventia (BRS), Downer Construction, MDL, United Civil, Fulton Hogan, Robinsons Asphalts, Hubands Contracting.

4.5 What type of tender is being recommended? (if applicable)

Competitive (Open)	Yes
Competitive but closed (Closed/Selective)	No
Non-Competitive (Direct/Selective)	No

4.6 What is the nominated procurement approach and why this is the best procurement approach?

Open public Tender posted via Tenderlink.

A PQM approach is recommended with the package including one project which is designed and will form the basis of the price component. A set of rates will be established, and these will form part of the contract.

4.7 What are the procurement/logistics risks related to this procurement stream, proposed mitigation measures and/or risk allowances?

-Risk of programme timing clashing with the busy summer period when demand on the boat ramp is high

-Mitigation for this is:

(a) Writing into the tender documents no construction between the December and February

- There is risk that for the public safety during the works and that the public may have some negative feedback to the disruptions to state highway traffic movements.

- *Mitigation for this is:*

(a) *Detailed safety plan to be developed for whole area*

(b) *Involve the communications and customer services team aware of the project, including. social media;*

Key objectives for this procurement are to secure a supplier:

- who can maintain delivery momentum
- who can minimise risks to public safety and impacts of disruption
- who can make best use of local supply of goods and services.

- Risk to the coastal marine environment

- *Mitigation for this is:*

(a) Require a detailed environmental plan to be submitted

4.8 What is the Procurement Policy exemption being proposed (if an Open Tender (Competitive) is not being utilised) and what is the justification for this exemption?

N/A

4.9 Are there any specific contract terms applying to this procurement?

No

APPENDIX A – Tendering, Contracting and Cost Details for Each Procurement Stream

6 Procurement Stream ONE and TWO – 969 Alamar Boat Ramp Car Park Construction

If your project has multiple procurement streams replicate this section for each stream

5.1 Procurement Timelines

Include high-level activities for the procurement stream. This should consider the tender activities. Refer to the Procurement Guidelines for examples.

	Milestone Name	Start Date	End Date
1	Design Engagement	18/09/2020	9/10/2020
2	Complete design and load onto Tenderlink	28/09/2020	23/10/2020
3	Tenders for physical works closing	23/10/2020	20/11/2020
4	Evaluate and award tender	23/11/2020	16/12/2020
5	Physical construction works	1/03/2021	26/03/2021

5.2 Evaluation Team (for both tenders and non-competitive procurement)

Role	Name	Group
Project Manager	Tim Manning	Infrastructure
Evaluation Team Member	Matt Williams Mark Bell	Infrastructure

5.3 Evaluation Criteria and Scoring (See Guidelines for an example)

NON-PRICE CRITERIA	WEIGHTING
Track record including safety	10%
Technical skills, Management Skills, Resources	15%
Methodology/Programme	15%
NON-PRICE TOTAL	40%
Price	60%
TOTAL	100%

5.4 Identify the form of contract to be utilised for this procurement

CCCS for design and NZS3910 for construction

5.5 Where is the contract located in P: drive

P drive 4107.969

5.6 Estimated Costs (modify to suit relevant costs)

Description	Cost
Total procurement cost	\$900,000

7 Relevant Reference Documentation

Provide the document name and hyperlink to the document. Documents may also be attached as an appendix to this plan.

Source Name	Brief Description	Hyperlink/Location
Tim to insert reference of paper to council		

Hakaru Closed Landfill leachate treatment improvements

Meeting: Kaipara District Council
Date of meeting: 30 Sept 2020
Reporting officer: Donna Powell, Waste Minimisation Leader

Purpose/Ngā whāinga

The purpose of this report is to gain approval from Council for the allocation of \$550,000.00 to complete the Leachate treatment improvements at the Hakaru Closed Landfill and to gain approval to complete the tendering and contract award process.

Executive summary/Whakarāpopototanga

Council has been striving for some time to find a viable and long-term solution for leachate treatment and disposal at the Hakaru closed landfill. The current situation of offsite disposal is not cost-effective for ratepayers and with the effects of climate change there is high risk of overflows and pollution to the surrounding area.

The physical works were originally programmed for Year one of the 2018/28 LTP (a budget of \$800,000 was approved during the LTP process), however this was deferred after the original design came in too expensive at \$862,000 plus \$56,000 per annum ongoing costs, so a more economical solution was sought. In order to do this a trial had to be run over a 3-month period and reliable flow data had to be gathered over all seasons of the year. Pattle Delamore and Partners (PDP), the consultant hired to carry out the investigation, has completed the trial and designed a new option. They completed the design and Engineer's Estimate a Resource Consent for the works has been granted by the Northland Regional Council (NRC).

For some years now Council has been provisioning for this project, originally provisioning for up to \$5 million as it was then deemed that we may need to remove all the refuse from this site and dispose to another landfill, however this is no longer considered an option, meaning that the solution will come in considerably cheaper than first anticipated.

The requested \$550,000.00 is broken down as follows:

\$ 294,163.06	Separable Portion 1 (Trickling Filter)
\$ 125,880	Separable Portion 2 (Wood chip Bed if required)
\$ 62,600	Management Surveillance and Quality Assurance (MSQA) requirements including Council Contract Admin
\$ 67,356.94	Contingency
\$ 550,000.00	TOTAL

Recommendation/Ngā tūtohunga

That the Kaipara District Council

- Approves the allocation of \$550,000.00 from the Hakaru Leachate Provisioning Reserve and approves the tender and contract award process to complete the physical works for the Hakaru Closed Landfill Leachate Treatment.
- Approves the attached Business Case/Procurement Plan
- Delegates the Chief Executive to approve the contract for award once the tender process is completed.

Context/Horopaki

Due to the unviability of the current leachate removal at the Hakaru Closed Landfill Council through its then professional services MWH consultants began to explore what options and solutions were available. In 2015 five options were identified for Council to pursue, the commissioners were presented with a report outlining the five identified options with Council staff recommending a combination of option 3 & 4. The options explored by MWH were:

- Option 1:* Offsite treatment and disposal
- Option 2:* Offsite land application of leachate
- Option 3:* Discharge to surface water via a planted area, planted drain, and constructed wetland
- Option 4:* Discharge to surface water via a constructed wetland
- Option 5:* Removal of the Landfill

In 2016 Pattle Delamore Partners Ltd (PDP) were engaged to complete a design and identify & remedy any other requirements prior to installation, Resource Consent was granted in 2019 with the intention of starting the physical works in Year 1 of the 2018/28 LTP, however the first design presented by PDP was excessive and too expensive, this had partly occurred due to the lack of data from the site, so a decision was made to complete a trial that would identify if a lower cost option would be suitable for the treatment required and upgrade the telemetry so that accurate data could be gathered about the quantity of leachate. This has paved the way for a considerably cheaper option to be designed, this design has been approved and Council is now ready to commence the tendering process and complete the physical works.

Discussion/Ngā kōrerorero

Options

Option 1: Council approves the allocation of up to \$550,000.00 and approve the tender process and contract award.

Option 2: Council does not approve the allocation of up to \$550,000.00 and approve the tender process and contract award.

The recommended option is **option 1**.

Policy and planning implications N/A

Financial implications

Council has been provisioning for the Hakaru Closed Landfill Leachate Treatment Improvements for some time now, there would be no unexpected implications. The budget was approved in the LTP but was removed from the Annual Plan as there was still work to complete with the trial and there was no certainty as to how long the trial would need to run before satisfactory results would be obtained.

On completion of this project there will be an expected operational budget savings of \$150K – 180K per year.

Risks and mitigations

The continued use of the current system of trucking leachate offsite will become unsustainable, there is also the chance of accidental discharge of untreated leachate to land and surrounding waterways. It should be noted that this was never meant to be a permanent solution.

Significance and engagement/Hirahira me ngā whakapāpā

Due to expenditure being more than \$300,000 of unbudgeted expenditure in the Annual Plan, this project triggers the significant and engagement policy, however this project has also been previously consulted on as part of the LTP 2018/28 process. We recommend that the Council does not consult again on this project.

Next steps/E whaiake nei

If approved the tendering and contract award process is completed with physical works completed in the 2020/21 financial year.

Attachments/Ngā tapiritanga

A	Business Case and Procurement Plan

Business Case/Procurement Plan – Contract 925 Hakaru Leachate Treatment Upgrade

PROJECT MANAGER	Mark Bell	TITLE	Infrastructure Delivery Manager
Budget Holder	Donna Powell	TITLE	Waste Minimisation Lead
Business Owner	Donnick Mugutso	TITLE	Water s and Waste Manager
PROJECT SPONSOR	Jim Sephton	TITLE	GM Infrastructure

PREPARED BY	Mark Bell/Donna Powell	TITLE	IDM	DATE	24/08/20
APPROVED BY	Jim Sephton	TITLE	GMI	DATE	

This business case is required to be reviewed & approved by the Portfolio Oversight Group (POG). Please submit to PMO@Kaipara.govt.nz

VERSION HISTORY				
VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR
Draft	Mark Bell	24/08/20	Draft 1 st Issue	Mark Bell
Rev 1	Mark Bell	11/09/20	Included revisions from budget holder	Donna Powell

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Executive Summary

Kaipara District Council (Council) operated a landfill at Hakaru between 1997 and 2005. In 2007 a refuse transfer station was established following closure of the landfill. Council has been investigating options to achieve a viable and long-term solution for leachate treatment and disposal at the Hakaru closed landfill. The current situation of offsite disposal is not cost-effective for ratepayers and the risk to the environment due to consent exceedances is too great to ignore. During and following high rainfall events, the leachate generation rate increases, which can result in overtopping of the leachate storage pond and uncontrolled flow of leachate through the planted area before discharging to a stormwater drain and ultimately the wetland and unnamed tributary of the Hakaru River. This discharge when over 6m³p/day was in breach of the Resource Consent. The physical works were originally programmed for Year one of the 2018/28 LTP (a budget of \$800,000 was approved during the LTP process) however the first design presented by PDP (Pattle Delamore Associates) was excessive and too expensive, this had partly occurred due to the lack of accurate data from the site, so, a decision was made to defer the project and complete a trial that would identify if a lower cost option would be suitable for the treatment required and upgrade the telemetry so true and accurate data could be gathered re the quantity of leachate; this has paved the way for a considerably cheaper option to be designed, this design has now been received and approved by staff.

The detailed design/solution includes the following with associated cost estimates:

Works to be completed	Cost Estimate
Construction of Trickling Filter and Assoc works	\$294,163.06
Construction of Wood Chip Bed	\$125,880
MSQA and Contract management – PDP & KDC	\$ 62,600
Contingency Sum –	\$67,356.94
TOTAL Cost of Project	\$550,000.00

Project Overview

Vision

Briefly describe the intended benefits of the project

Discharged Leachate will comply with the NRC consent, and only clean, treated water makes its way into the Hakaru river.

A major reduction in operational costs is expected with the current \$150,000 - \$220,000 expenditure for trucking leachate offsite being reduced to approx. \$32,000 for maintenance of the new treatment facility. This is a long term, low cost solution to the leachate treatment issue.

Background

Briefly describe any background context to the project. Offer an explanation here as to why this project is taking place (i.e. Compliance, Sustaining, Maintenance, Improvement, Growth (Compliance), Growth.)

The Hakaru Closed Landfill is located approximately 6 km north east of Kaiwaka. It was operated as a general refuse landfill by KDC between 1997 and 2005. The landfill has been capped; however, it continues to generate high leachate volumes. KDC holds Northland Regional Council (NRC) Resource Consent 7562, for the irrigation of leachate from the landfill to land, however, due to the high volume of leachate being in excess of the consent limit, and exceeding the infiltration capacity of the soils, leachate is presently being managed by trucking off-site for disposal at the Wellsford Municipal Wastewater Treatment Plant, at significant ongoing cost to KDC (\$150,000 - \$220,000 per year)

In order to reduce ongoing operating costs associated with trucking the leachate and to meet consent conditions, KDC engaged MWH New Zealand Limited (MWH – now Stantec) to conduct an options assessment for the long term management of leachate from the Hakaru Closed Landfill, PDP was then engaged to provide a peer review of the options assessment. This work has identified treatment of leachate to allow a discharge to an unnamed tributary of the Hakaru River to be the most suitable option. The discharge to the unnamed tributary is proposed to occur via the existing constructed wetland at the site.

Historical sampling of leachate from the Hakaru Closed Landfill indicates that the primary contaminant of concern (for surface water discharge) is ammoniacal nitrogen. To minimise potential effects on the receiving surface water environment, it is necessary that ammoniacal nitrogen is reduced to suitable levels. Pattle Delamore Partners Ltd (PDP) were engaged to complete a Design and gain Resource Consent

Project Deliverables

Briefly describe the expected project outcomes and deliverables.

(This section should outline how we will measure project success and who is accountable for achieving the project outcomes. Where possible, describe outcomes as tangible items, services, or processes)

Milestones:

Council approval achieved: Donna Powell

Construction tender closed: Mark Bell, Matt Williams and PDP

Tender award: Mark Bell, Matt Williams

Construction of physical works completed: Matt Williams and PDP for MSQA

Project Scope

In Scope

Briefly describe what will be considered within the scope of the project

The construction works are divided into two separable portions, as follows:

- **Separable Portion 1: Trickling Filter System**

The trickling filter system (including recirculation system) is to be constructed initially, connecting into the existing leachate pipe, to enable the leachate to be biologically treated in the trickling filter, with a frequent recirculation system. The treated leachate is then to be piped to the wetland.

- **Separable Portion 2: Woodchip Bed System (Provisional Item).**

Following a 6-month proving period, the Principal may require a wood chip bed to be constructed to assist with denitrification of the treated leachate. This would include an earthen bund, wood chip bed, connected into the plant constructed under Separable Portion 1 (the trickling filter). It is expected that the decision on whether Separable Portion 2 is to be implemented will be within 8 months of the system constructed under Separable Portion 1 being commissioned.

Out of Scope

Briefly describe what will be considered Out of scope of the project

Any unexpected upgrades or changes required to the Leachate Pump Station and the constructed wetland, there has been some contingency planned for minor works if identified.

Constraints and Assumptions

Detail key assumptions, such as expected funding, and constraints, such as the need for special equipment or technical resources.

Key assumptions and constraints:

The current Leachate Pump Station will be sufficient to supply the trickling filter

The current Constructed Wetland will be sufficient to provide the final treatment provided prior to treated leachate being released to the environment.

Approval of funding by elected members.

Response from construction tender.

Status quo or de-escalation of Covid 19 conditions.

Dependencies

Consider any dependencies this project may have (e.g. does it require another projects completion before it can begin?)

Key dependencies:

Approval of funding by elected members.
 Response from construction tender.
 Status quo or de-escalation of Covid 19 conditions.

Risk Analysis

Consider and document here any risks to the project known at this time

Risk Description	Impact	Mitigating Actions	Risk Level (high, medium, low)
Lack of funding	Significant	Large contingency in estimates	medium
Negative publicity	Significant	Involve comms team	medium
Low availability of contractors	Significant	Circulate project details pre tender	low
Project goes over time	Significant	Include liquidated damages in tender	low

Links with other projects

Consider and document here how other projects may be affected by, or in turn may affect, this project

There is no direct link with other projects except for the possible limited availability of contractors because of limits on resources due to work commitments or pandemic restrictions.

Alternative Analysis

Provide an overview of options other than the proposed solution considered to address the business problem

No Project (status Quo)	Reason for not selecting alternative
Don't do the work	Potential of being non-compliant with NRC consent, abatement notices likely. Continue to pay high cost of trucking leachate offsite
Alternative Option	Reason for not selecting alternative

Alternative treatment design

Will take longer and remain non-compliant with NRC consent, abatement notices likely.

Major Project Milestones

List the major project milestones and their target completion dates.
(If you have one, attach the project schedule)

Milestone/ Deliverable	Target Date
KDC Council sign off	30 Sept 20
Place contract on tenderlink	7 October 20
Evaluate Tenders and Award contract	11 November 20
Finish Seperable Portion 1	18 December 20
Finish Seperable portion 2	26 February 20
Closeout/Project Completion	

Resource Requirements

Describe what resources the project will require (include items such as equipment where this is a limited resource)

Name	Role	Company/Council	Duration (estimate)	Hours per week (estimate)
Daryl Irvine	PM	PDP	Oct to Feb	
Matt Williams	PM during construction	KDC	Sept to Feb	2
Mark Bell	Principals PM	KDC	Sept to Feb	2
Donna Powell	Budget holder	KDC	Sept to Feb	1

Cost

Funding Request

Detail below what funding is required for the project

Internal Funding Required	OPEX:	CAPEX: 550k	TOTAL:550k
Budgeted in LTP	NO(was budgeted in year one of 2018/28 LTP but deferred)		
Planned Budget (where budgeted in LTP)	OPEX:	CAPEX:	TOTAL:
Externally Funded?	NO		

External Funding Source		\$ AMOUNT:
TOTAL COST	OPEX:	CAPEX:550K TOTAL:550K

Funding History

Detail below any previous funding requests which have been approved (where applicable)

Previous Request/s				
FR#X	Comment	Opex	Capex	Total
Existing Approved Spend		\$0	\$0	\$0
Current Request				
FR#Y				
Total Current Requests				
Requested Approved Cost Budget		\$	\$	\$

Health and Safety

Outline any specific Health & Safety risks/issues associated with this project and how they will be managed. These may be referenced in supporting documentation such as the Risk Register.

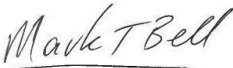

Contract documents to require submission of SSSP which needs to fully take into account the active use of the transfer station and the public access to this in a safe manner especially during construction activities. A risk register will be developed.

Procurement Plan (> \$500,000) (Contract 925 Hakaru Leachate Treatment Upgrade)

This document seeks approval from <insert name>, as delegated financial authority holder to:

Undertake procurement processes for goods or services to an estimated value of <\$550,000>.

Once fully approved the project manager or business owner may procure goods and services according to the plan. Any material deviations from the plan must be reapproved by those who have endorsed and approved the plan.




Signed: 	Signed:
Name: Mark Bell	Name: John Burt
Role: Project Manager	Role: Head of Procurement
Statement: This procurement plan has incorporated objectives of the business owner and is designed to deliver best "whole of life" cost solution for TP and its customers.	Statement: This procurement plan meets all procurement policy requirements and approved procurement strategies.
Date:	Date:
Signed: 	Signed:
Name: Donna Powell	Name: Jim Sephton
Role: Waste Minimisation Lead	Role: General Manager
Statement: This procurement plan has an approved business case and budget to cover this procurement.	Statement: I approve/recommend the CEO approve this procurement plan.
Date:	Date:
Signed:	
Name: Louise Miller	
Role: CEO (DFA Holder)	
Statement: I approve this procurement plan.	
Date:	

No Conflict of Interest Declaration

If you feel that you may have a conflict of interest then please email a Procurement representative immediately to formalise your declaration.

By signing below I hereby declare that to the best of my knowledge I do not have:

- any financial (shareholding or pecuniary) or other related interest in the supply of goods and services for the project named below;
- any relatives or friends with a financial interest in the goods and services to be supplied for the project named below; or,
- any personal obligation which would in any way affect my decisions in relation to the process I have been asked to undertake for Kaipara District Council.

Name	Role	Signature
Mark Bell	Infrastructure Delivery Manager	
Jim Sefton	GM Infrastructure	
John Burt	Head of Procurement	
Donna Powell	Waste Minimisation Lead	
Matt Williams	Infrastructure Project Manager	

Project Related Information

2.1 Project Name	Con 925 Hakaru Leachate treatment Upgrade
2.2 Total Project Budget	\$550.000
2.3 Total Estimated Procurement Cost (BC1)	\$550.000
2.4 Briefly describe the project this procurement relates to?	Installation and project management (MSQA) of Treatment plant.

Procurement Streams

A procurement stream is an individual procurement. For example, a project may involve the procurement of an asset and the installation of that asset. This would typically involve two streams; one for the procurement of the asset and one for the procurement of the installation services. (Insert new rows for additional streams if necessary)

Name	Estimated Procurement Cost
3.1 – Physical Works (incl contingency sum)	\$487,400
3.2 – Project Management (MSQA)	\$62,600

Procurement Stream ONE - <Physical Works>

If your project has multiple procurement streams replicate this section for each stream

4.1 What is being procured?

The installation of a Trickling filter and Woodchip bed & associated components

4.2 Is this procurement subject to previously approved procurement strategy?

Yes, as per the adopted procurement strategy.

4.3 Is there an established panel of suppliers that can be used for this procurement?

No

4.4 What suppliers are capable of providing the goods or services required for this procurement stream?

4.5 What type of tender is being recommended? (if applicable)

Competitive (Open)	Yes
Competitive but closed (Closed/Selective)	No
Non-Competitive (Direct/Selective)	No

4.6 What is the nominated procurement approach and why this is the best procurement approach?

Open tender using Tenderlink.

This is the best approach because it gives the open market the opportunity to competitively bid for the work, and this is the method that we have proposed with the contractors federation.

4.7 What are the procurement/logistics risks related to this procurement stream, proposed mitigation measures and/or risk allowances?

There is a risk of limited contractor availability to do this work.

The mitigation for this is to brief industry that this work is coming up for tender.

There is a risk that the pandemic alert levels will rise regionally and interfere with this work due to movement constraints.

The mitigation for this is to appoint locally based contractors that do not need to traverse regional boundaries or request that key personnel remain in the district.

4.8 What is the Procurement Policy exemption being proposed (if an Open Tender (Competitive) is not being utilised) and what is the justification for this exemption?

N/A

4.9 Are there any specific contract terms applying to this procurement?

No

Procurement Stream TWO - <Project Management - MSQA>

If your project has multiple procurement streams replicate this section for each stream

5.1 What is being procured?

Project management throughout the tender period and physical works, including Engineer to contract.

5.2 Is this procurement subject to previously approved procurement strategy?

Yes, as per the adopted procurement strategy.

5.3 Is there an established panel of suppliers that can be used for this procurement?

Yes, there professional services panel could potentially be utilised although the best fit for this work is PDP.

5.4 What suppliers are capable of providing the goods or services required for this procurement stream?

There are limited consultancy companies with Closed Landfill management expertise, KDC has traditionally utilised Pattle Delamore Partners Ltd or MWH for this work

5.5 What type of tender is being recommended? (if applicable)

Competitive (Open)	No
Competitive but closed (Closed/Selective)	No
Non-Competitive (Direct/Selective)	Yes

5.6 What is the nominated procurement approach and why this is the best procurement approach?

Direct appoint – Pattle Delamore Partners Ltd have completed the design work and all the previous investigations, trials etc and are very familiar with the intricacies of the project. They will be appointed as engineer's representative to the contract by KDCs default engineer to the contract Curt Martin.

5.7 What are the procurement/logistics risks related to this procurement stream, proposed mitigation measures and/or risk allowances?

There is a risk that PDP designer may put design defects back on the contractor or principal.

The mitigation for this is to have an independent engineer to the contract (Curt Martin) who will appoint PDP as engineers representative, and the Engineer to the Contract will remain independent in the case of a dispute.

5.8 What is the Procurement Policy exemption being proposed (if an Open Tender (Competitive) is not being utilised) and what is the justification for this exemption?

KDC Procurement Manual 9.2.4.3 Selective Procurement for greater than \$50k if approved by GM infrastructure.

5.9 Are there any specific contract terms applying to this procurement?

No specific terms.

APPENDIX A – Tendering, Contracting and Cost Details for Each Procurement Stream

Procurement Stream ONE – <Physical Works>

If your project has multiple procurement streams replicate this section for each stream

6.1 Procurement Timelines

Include high-level activities for the procurement stream. This should consider the tender activities. Refer to the Procurement Guidelines for examples.

	Milestone Name	Milestone Date	
1	Place tender on Tenderlink	7 October 20	
2	Evaluate and award tender	11 November 20	
3	Finish separable portion 1	18 December	
4	Finish separable portion 2	26 February 20	

6.2 Evaluation Team (for Physical Works)

Role	Name	Group
Project Manager	Mark Bell	Infrastructure

Evaluation Team Member	Donna Powell Matt Williams	Infrastructure Infrastructure
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6.3 Evaluation Criteria and Scoring (See Guidelines for an example)

NON-PRICE CRITERIA	WEIGHTING
Track Record	Pass/Fail
Resources	Pass/Fail
Relevant experience	15%
Relevant Skills	15%
Methodology	30%
NON-PRICE TOTAL	60%
Price Total	40%
TOTAL	100%

6.4 Identify the form of contract to be utilised for this procurement

NZS3910

6.5 Where is the contract located in P: drive

P:\4. - Community Assets\41. - Roading & Water Services\4107. - Contracts\4107.925 - Hakaru
Leachate Treatment upgrade

6.6 Estimated Costs (modify to suit relevant costs)

Description	Cost
Total procurement cost	\$487,400

Procurement Stream TWO – <Project Management - MSQA>

If your project has multiple procurement streams replicate this section for each stream

7.1 Procurement Timelines

Include high-level activities for the procurement stream. This should consider the tender activities. Refer to the Procurement Guidelines for examples.

	Milestone Name	Milestone Date	
1	Engage PDP via SFA	5 October 20	
2	Achieve practical completion of physical works	March 21	

7.2 Evaluation Team (for both tenders and non-competitive procurement)

Role	Name	Group
Project Manager	Mark Bell	Infrastructure
Evaluation Team Member	Donna Powell	Infrastructure

7.3 Evaluation Criteria and Scoring (See Guidelines for an example)

NON-PRICE CRITERIA	WEIGHTING
N/A direct source	N/A direct source
NON-PRICE TOTAL	
TOTAL	100%

7.4 Identify the form of contract to be utilised for this procurement

Short Form ACENZ Agreement

7.5 Where is the contract located in P: drive

P:\4. - Community Assets\41. - Roading & Water Services\4107. - Contracts\4107.925 - Hakaru Leachate Treatment upgrade

7.6 Estimated Costs (modify to suit relevant costs)

Description	Cost
Total procurement cost	\$62,600

Relevant Reference Documentation

Provide the document name and hyperlink to the document. Documents may also be attached as an appendix to this plan.

Source Name	Brief Description	Hyperlink/Location
925 Business Case		To be provided
925 Council Paper		To be provided

Mangawhai Wastewater Treatment Plant Balance Tank

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Donnicks Mugutso, Waters and Waste Manager

Purpose/Ngā whāinga

To seek approval for the Mangawhai Wastewater Treatment Plant Balance Tank Business Case and the funding allocation of \$2,100,000.

Executive summary/Whakarāpopototanga

As Mangawhai community continues to grow, WSP, the consultants hired to review the Mangawhai Community Wastewater scheme requirements, identified a need for an upgrade to buffer the peak inflows to the Mangawhai Wastewater Treatment Plant during storm events. The plant is currently designed for peak flows of 70l/s, but peak flows can reach 100l/s. In the latter cases, there is a high likelihood of wastewater overflows in the treatment inlet works. The balance tank is required now to mitigate these prevalent peak flow events.

This 2020/2021 Annual Plan allowed for a basic balancing tank. The preferred approach is to construct a balance tank sized and designed to convert to a reactor tank to future proof the treatment plant.

The consulting firm WSP provided an Engineer's Estimate (**Attachment A**) for the design and construction of the balance tank totalling \$2,094,168 (excluding GST). The total budget requested is \$2,100,000. It is envisaged that the project will be delivered over this Annual Plan and the first year of the next LTP.

The 2020/2021 Annual Plan budget for Wastewater Treatment Plant Upgrades is \$650,000 which will cover design and part of construction. The remaining estimate of \$1,444,168 to complete the project will be required to be brought forward from future years 2024/2025 and 2025/2026 LTP Plant Upgrades budgets to the 2021/2022 year.

Recommendation/Ngā tūtohunga

That the Kaipara District Council

- a) Approves the Mangawhai Wastewater Treatment Plant Balance Tank Project with a total budget spend of \$2,100,000.
- b) Approves to bring forward the Mangawhai Wastewater Development Plant Upgrades budget totalling \$1,450,000 into Year 2021/2022. This will reduce expenditure of \$500,000 from Year 2024/2025 and \$950,000 from Year 2025/2026.
- c) Delegates the Chief Executive to approve the contract for award up to a contract price of \$2,100,000 (excluding GST) once the tender process has been concluded.

Context/Horopaki

The Mangawhai community continues to grow. The treatment plant is currently designed to take peak flows of 70l/s but, inflows can peak at 100l/s. The consultants WSP have been engaged to find a solution that would manage the peak flows. They considered several scenarios, one of which was storage in the current network which was not pursued further. It did not provide a dual purpose as compared to the preferred solution. The preferred solution is to balance the peak flows with a tank located at the treatment plant. The advantage of this tank construction is that it can be converted into a reactor tank in the future when an upgrade is required.

WSP prepared an Engineer's Estimate (**Attachment A**) totalling \$2,094,168.

The project duration is estimated at 12 months and will cover two financial years.

Delegation approval is sought for the Chief Executive to approve the award of the construction contract of up to \$2,100,000 once the tender process has been completed. This is to expedite the execution of this project.

Discussion/Ngā kōrerorero

Options

Option 1: Council approves the Mangawhai Wastewater Treatment Plant balance tank project.

Option 2: Council does not approve the Mangawhai Wastewater Treatment Plant balance tank project.

The recommended option is **option 1**.

Assessment of Options

The **advantages** of option 1, approving the Mangawhai Wastewater Treatment Plant balance tank project are:

1. The new balance tank will manage the peak flows and circumvent overflows which can lead to environmental contamination and non-compliance.
2. The tank can be used in future as a reactor tank thereby setting the upgrade on an incremental progression of upgrades. This removes the requirement to do massive projects in any one year in future.
3. The balance tank serves a dual purpose which future proofs the plant. Even if a future reactor is not required within the time anticipated, the tank will continue to serve as a buffer for peak flows.

The **disadvantages** of **option 1**, approving the Mangawhai Wastewater Treatment Plant balance tank project are:

1. There will be an increase in Council debt.
2. If growth is slower than anticipated the investment may not realise the future of conversion to a reactor and the benefits are diminished.

The **advantages** of **Option 2**, not approving the Mangawhai Wastewater Treatment Plant balance tank project are:

1. Council's debt level will not increase due to this project.

The **disadvantages** of **Option 2**, not approving the Mangawhai Wastewater Treatment Plant balance tank project are:

1. The Council's risk exposure to non-compliance increases.
2. The lost opportunity to future proof the upgrade of the plant by constructing a convertible balance tank now.

Policy and planning implications

None

Financial implications

The funding required will be over two financial years. There will be no impact on the 2020/2021-year Annual Plan.

The request to bring forward \$1,450,000 from future LTP years 2024/2025 and 2025/2026 will mean we will increase our capital expenditure and Council debt in the 2021/2022 LTP year.

The project will be funded by future Development Contributions. The Development Contribution Reserves are in debit and will be funded by debt until future development occurs.

Risks and mitigations

There are risks in embarking in a project of this nature, however the risks can be managed to reduce their occurrence and impact.

Risk	Mitigation	Residual Risk
Budget overrun	The project team will employ robust project management and tracking of the budget.	Low
Project delays due to lockdown or similar events	Implement strategies that include employing, where possible, local contractors who may still work within the region. In the event of a lockdown.	Medium
Poor quality product	Ensuring that we employ good Management, Surveillance and Quality Assurance processes including regular site visits and progress checks.	Low
Construction site Health and Safety issues	Implement a strict procurement strategy that eliminates contractors with poor Health and Safety records. Cultivate a Health and Safety culture for all parties at commencement and follow up with site management.	Low

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

The project is under \$3m and within the budget signalled in the LTP.

Next steps/E whaiake nei

The next steps will be for staff to engage WSP for the detailed design of the balance tank, then tender and award before construction work starts.

Attachments/Ngā tapiritanga

	Title
A	Mangawhai Wastewater Treatment Plant Balance Tank Engineer's Estimate

2.5					
Mangawhai Wastewater Plant				17/09/2020	
				Andrew Springer	
				Rev 1	
Item	Description	Unit	Quantity	Rate	Total
1	Preliminary and General				\$ 275,156.83
1.1	P&G	Ls	20%	\$ 1,350,784.13	\$ 270,156.83
1.2	Quality plan	Ls	1	\$ 5,000.00	\$ 5,000.00
2	Earthworks and Clearing				\$ 82,470.00
2.1	Cut to waste for balance tank including both access platform and return pump	m3	260	\$ 45.00	\$ 11,700.00
2.2	Cut to waste for elevated screen and flow split base slab	m3	64	\$ 45.00	\$ 2,880.00
2.3	Cut to waste for odour control base slab	m3	10	\$ 45.00	\$ 450.00
2.4	Import and fill with river sand For all concrete slab bedding (0.5m)	m3	167	\$ 250.00	\$ 41,750.00
2.5	supply and lay 500mm thick crusher rock	m2	167	\$ 70.00	\$ 11,690.00
2.6	Cut to waste - slope cut back	m2	200	\$ 70.00	\$ 14,000.00
3	Drainage				\$ 16,550.00
3.1	Supply and install closed top concrete drain (400mm)	m	48	\$ 20.00	\$ 960.00
3.2	Cut to waste for concrete drain (0.5m deep)	m3	12	\$ 45.00	\$ 540.00
3.3	Supply and lay 50mm clear river sand for concrete pipe bedding	m3	2	\$ 250.00	\$ 500.00
3.4	Supply and install (675x 450) catchpit	No.	1	\$ 3,300.00	\$ 3,300.00
3.5	Supply and install 1050 MH	No.	1	\$ 11,250.00	\$ 11,250.00
4	Structures				\$ 912,076.00
4.1	Concrete Slabs				\$ 69,150.00
4.1.1	Concrete base slab for new balance tank (200mm thick) 25MPa	m3	51	\$ 875.00	\$ 44,625.00
4.1.2	Concrete base slab for return pump (200mm thick) 20MPa	m3	2	\$ 850.00	\$ 1,700.00
4.1.3	Concrete base slab for access platform (200mm thick) 20MPa	m3	3	\$ 850.00	\$ 2,550.00
4.1.4	Concrete base slab for elevated screen and flow split (200mm thick) 25MPa	m3	3	\$ 875.00	\$ 2,625.00
4.1.5	Concrete base slab for odour control (200mm thick) 20MPa	m3	1	\$ 850.00	\$ 850.00
4.1.6	Total rebar in concrete slabs 10% of concrete	kg	6000	\$ 2.80	\$ 16,800.00
4.2	Balance Tank				\$ 185,280.00
4.2.1	Supply and install cast insitu concrete walls 350mm thick at 5.65m high (25MPa)	m2	155	\$ 900.00	\$ 139,500.00
4.2.2	Supply and install cast insitu concrete walls 150mm thick at 5.65m high	m2	35	\$ 900.00	\$ 31,500.00
4.2.3	Total rebar in balance tank 10% of concrete - already in precast panesl	kg	5100	\$ 2.80	\$ 14,280.00
4.3	Access platform				\$ 30,000.00
4.3.1	stair case with two (2 x 2m) platforms (total rise of 5.65m)	LS	1	\$ 23,000.00	\$ 23,000.00
4.3.2	Supply and install handrail on both sides running full length of stairs	m	14	\$ 500.00	\$ 7,000.00
4.4	Return pump				\$ 1,020.00
4.4.1	supply and install concrete plinth for pumps with access hatch (2 x 3 x 1.5 @ 150mm thick) 20 Mpa inc rebar and formwork	m3	1	\$ 1,020.00	\$ 1,020.00
4.5	Elevated screen and flow split				\$ 611,606.00
4.5.1	Supply and install 6 x concrete footings @ 1m3 each	m3	6	\$ 850.00	\$ 5,100.00
4.5.2	Supply and install base I columns (4m high) bolted to footings (fittings inc) 380 PFC (380 x 150)	m	24	\$ 4,704.00	\$ 112,896.00
4.5.3	Supply and install cross members (5m long) (fittings inc) (75 x 75 x 8mm)	m	30	\$ 945.00	\$ 28,350.00
4.5.4	Supply and install I beams (fitting inc) 380 PFC (380 x 150)	m	30	\$ 6,076.00	\$ 182,280.00
4.5.5	Supply and install I column extension (1.5m high) (fittings inc) 380 PFC (380 x 150)	m	12	\$ 3,528.00	\$ 42,336.00
4.5.6	Supply and install cross members (2m long) (fittings inc)	m	24	\$ 756.00	\$ 18,144.00
4.5.7	Supply and install I beams for top platform 380 PFC (380 x 150)	m	20	\$ 9,800.00	\$ 196,000.00
4.5.8	Supply and install mesh plating at to of platform (expanded mesh)	m2	25	\$ 540.00	\$ 13,500.00
4.5.9	Supply and install handrail (fittings inc)	m	26	\$ 500.00	\$ 13,000.00
4.6	Odour control - carbon filter				\$ 15,020.00
4.6.1	supply and install concrete surround for filters (2 x 3 x 1.5 @ 150mm thick) 20 Mpa inc rebar and formwork	m3	1	\$ 1,020.00	\$ 1,020.00
4.6.2	Odour Filter	ls	1	\$14,000	\$ 14,000.00
5	Landscaping & Entrances				\$ 15,750.00
5.1	supply and install safety fence	m	50	\$ 265.00	\$ 13,250.00
5.2	supply and install safety fence human gateway	m	1	\$ 2,500.00	\$ 2,500.00
6	Piping, Pumps and Filtration				\$ 144,338.13
6.1	Supply and install 316 SS 300mm pipework inc fittings, brackets, flanges, 90 deg angles and tees	kg	3700	\$ 9.75	\$ 36,075.00
6.2	Supply and install 316 SS 600mm pipework inc fittings, brackets and flanges and 90deg angle	kg	0	\$ 9.75	\$ -
6.3	Supply and install 316 SS 600mm to 500mm reducers	No.	2	\$ 1,300.00	\$ 2,600.00
6.4	Supply and install 316 SS 500mm pipework inc fittings, brackets and flanges	kg	297.5	\$ 9.75	\$ 2,900.63
6.5	Supply and install 5kw pumps	No.	2	\$ 25,000.00	\$ 50,000.00
6.6	Supply and install Fittings	No.	1	\$ 20,325.00	\$ 20,325.00
6.7	Valves, fittings bends 100mm	LS	1	\$ 30,000.00	\$ 30,000.00
6.8	Pipework 100mm	kg	250	\$ 9.75	\$ 2,437.50

7	Extraordinary Construction Costs				\$ 25,600.00
7.1	Supply and install lighting, connections and fittings inc	No.	10	\$ 1,000.00	\$ 10,000.00
7.2	emergency switch for pump	No.	3	\$ 200.00	\$ 600.00
7.3	Flow meter and control valve (300mm)	No.	1	\$ 5,000.00	\$ 5,000.00
7.4	Supply and install isolation valves (100mm)	No.	4	\$ 1,000.00	\$ 4,000.00
7.5	Supply and install isolation valve - gate SS (300mm)	No.	2	\$ 3,000.00	\$ 6,000.00
8	Electrical				\$ 154,000.00
8.1	Cables	No.	10	\$ 1,000.00	\$ 10,000.00
8.2	MCC	No.	1	\$ 20,000.00	\$ 20,000.00
8.3	Instruments	No.	2	\$ 15,000.00	\$ 30,000.00
8.4	Telemetry	No.	1	\$ 5,000.00	\$ 5,000.00
8.5	SCADA	No.	4	\$ 12,000.00	\$ 48,000.00
8.6	Radiolink	No.	1	\$ 15,000.00	\$ 15,000.00
8.7	Software	No.	1	\$ 20,000.00	\$ 20,000.00
8.8	Install	No.	2	\$ 3,000.00	\$ 6,000.00
9	Fees				\$ 195,075.28
9.1	Design Fees 6%	%	0.06	\$ 1,625,940.95	\$ 97,556.46
9.2	Commissioning		1	\$50,000	\$ 50,000.00
9.3	AS Builts		1	\$15,000	\$ 15,000.00
9.4	MSQA		0.02	\$ 1,625,940.95	\$ 32,518.82
				Total	\$ 1,821,016.23
				15 % contingency	\$ 273,152.43
				Final value	\$ 2,094,168.66

Kaipara District Council Dog Control Annual Report 01 July 2019 to 30 June 2020

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Darlene Lang, General Manager Customer Experience

Purpose/Ngā whāinga

The Kaipara District Council, as a territorial authority, is required to manage and enforce provisions pursuant to the Dog Control Act 1996 (the Act) and subsequent amendments in 2003, 2004, 2006 and 2010. Section 10A of the Act requires the Council to report annually to the Secretary of Local Government on its Dog Control Policy and practices.

Executive summary/Whakarāpopototanga

The Dog Control Annual report (Attachment A) fulfils this statutory requirement for the dog registration year 01 July 2019 to 30 June 2020.

Recommendation/Ngā tūtohunga

That Kaipara District Council:

- a) Adopts the 'Kaipara District Council Dog Control Annual report for the 12 months ending 30 June 2020' (circulated as Attachment A to the above mentioned report) and forwards it to the Secretary for Local Government, in terms of s10A(1) and s10A(2) of the Dog Control Act 1996.
- b) Delegates the Chief Executive and the Mayor to approve minor typographical changes that do not alter the intent of the information in the 'Kaipara District Council Dog Control Annual report for the 12 months ending 30 June 2020'.

Context/Horopaki

Council is required to report to the Secretary of Local Government annually and the report is required to cover details of Council's policy on dogs, dog control practices and a variety of dog control related statistics during the period under review. It is appropriate that Council approves the Annual Report prior to presentation to the Secretary for Local Government.

Discussion/Ngā kōrerorero

Council has two options; it may either adopt the Kaipara Territorial Authority Annual Report, covering the period from 01 July 2019 to 30 June 2020; or it may seek amendments to the Annual Report.

Options

Option A: Council may adopt the Kaipara Territorial Authority Dog Control Annual Report, covering the period 01 July 2019 to 30 June 2020.

Option B: Council may seek amendments to the Kaipara Territorial Authority Dog Control Annual Report.

Assessment of options

Option A would enable the Kaipara District Council Dog Control Annual Report to be presented to the Secretary for Local Government in fulfilment of Council's legal obligation under s10A of the Dog Control Act 1996.

Option B would require amendments to be made to the Kaipara District Council Dog Control Annual Report and a consequent delay in its presentation to the Secretary for Local Government.

Recommended option

The recommended option is Option A.

Policy and planning implications

There are no policy implications in adopting the Kaipara District Council Dog Control Annual Report for the period ending 30 June 2020.

Financial implications

There are no financial implications in adopting the Kaipara District Council Dog Control Annual Report for the period ending 30 June 2020.

Risks and mitigations

Adoption of Council's Dog Control Annual Report and its subsequent presentation to the Secretary for Local Government fulfils Council's legal obligation under s10A(1) of the Dog Control Act 1996.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

Once adopted by Council, a copy of the Kaipara District Council Dog Control Annual Report for the period ending 30 June 2020 will be forwarded to the Secretary for Local Government and publicised on Council's website.

Attachments/Ngā tapiritanga

	Title
A	Kaipara Territorial Authority Dog Control Annual Report

Dog Control Annual Report for the 12 months ending 30 June 2020

Introduction

In accordance with s10A of the Dog Control Act 1996, the Kaipara District Council (KDC) is required to publicly report each financial year on the administration of its Dog Control Policy and its dog control practices [s10A(1)] and on a variety of dog control related statistics [s10A(2)]. The relevant section of the Act is inserted below:

“10A Territorial authority must report on dog control policy and practices”

- 1 A territorial authority must, in respect of each financial year, report on the administration of:
 - (a) its dog control policy adopted under section 10; and
 - (b) its dog control practices.
- 2 The report must include, in respect of each financial year, information relating to:
 - (a) the number of registered dogs in the territorial authority district;
 - (b) the number of probationary owners and disqualified owners in the territorial authority district;
 - (c) the number of dogs in the territorial authority district classified as dangerous under section 31 and the relevant provision under which the classification is made;
 - (d) the number of dogs in the territorial authority district classified as menacing under section 33A or section 33C and the relevant provision under which the classification is made;
 - (e) the number of infringement notices issued by the territorial authority;
 - (f) the number of dog related complaints received by the territorial authority in the previous year and the nature of those complaints; and
 - (g) the number of prosecutions taken by the territorial authority under this Act.
- 3 The territorial authority must give public notice of the report:
 - (a) by means of a notice published in:
 - (i) 1 or more daily newspapers circulating in the territorial authority district; or
 - (ii) 1 or more other newspapers that have at least an equivalent circulation in that district to the daily newspapers circulating in that district; and
 - (b) by any means that the territorial authority thinks desirable in the circumstances.
- 4 The territorial authority must also, within one month after adopting the report, send a copy of it to the Secretary for Local Government.”

The primary purpose of this report is to allow the community to see how Council is managing its dog control responsibilities. This report is for the period 01 July 2019 to 30 June 2020.

Discussion – Dog Control Policy and Practices

What we do - This activity is about providing controls for dogs to reduce any risks to public safety. The activity involves registering dogs, investigating complaints about dogs, formulating policy on issues relating to nuisance dogs and legal responsibilities, as well as promoting responsible dog ownership.

Why we do it - Dog control contributes to creating safe places (homes, public places and roads) through education, registration of dogs and Dog Control Officer/Ranger activities. The activity also contributes to a treasured environment where control activities also help to protect wildlife. In the activity, Council must comply with the legal requirements of the Dog Control Act 1996 and associated amendments, and the Impounding Act 1955.

Dog control in the Kaipara district - The Kaipara District Council covers a large geographical area, which includes both urban and rural dog owners. As at 30 June 2020, there were approximately 5,000 registrations for dogs, of which about 62% were non-working dogs. Until 04 November 2019, Council had operated via a contracted animal management team service to provide for dog control. In order to deliver a better service to Kaipara District, the provision for dog control was brought back “in house” on 04 November 2019. The Dog Control Officers have received specialised training on dog attack response procedures. The animal management team has a close working relationship with key stakeholders in the community such as the Society for the Protection of Cruelty to Animals (SPCA), local veterinarians, NZ Police, dog clubs and other local authorities, in particular, Whangarei District Council.

Dog control enforcement practices

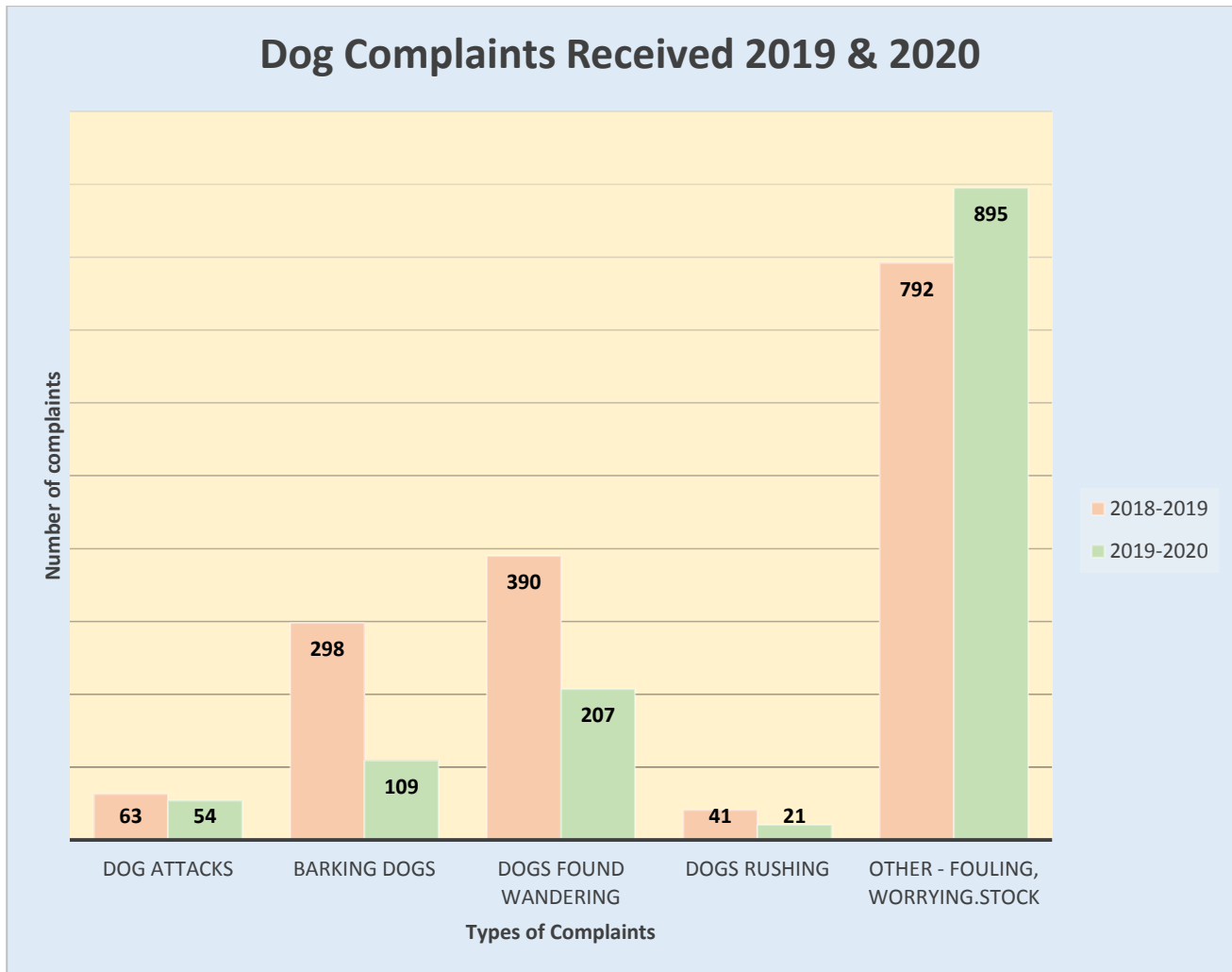
The animal management team operates a seven day, 24-hour service. Over the last 12 months, the team responded to 1286 complaints, including responses with regard to aggressive, attacking, barking, wandering dogs, and dogs that were “contained” by members of the public.

Complaints received:

- Dog attacks 54;
- Barking dogs 109;
- Found/wandering dogs 207;
- Dog rush/threaten (nil bite) 21; and
- Other (worrying stock, fouling, conditions etcetera) 895

In addition, 47 dogs were impounded over the review period and during the course of enforcing the dog control legislation and policies, 80 infringement notices were issued to dog owners.

Upgrading and replacement signage with regard to Dogs Prohibited, Leash Only and Dog Exercise Areas has been upgraded throughout Kaipara district to assist compliance by dog owners to Council’s recently reviewed Policy on Dogs and Dog Management Bylaw adopted by Council on 27 June 2019.



Fees history:

- 2008 to 2010, \$40.00;
- 2011 to 2012, \$42.00;
- 2012 to 2013, \$45.00;
- 2013 to 2015, \$52.00;
- 2015 to 2017, \$50.00 for working dogs and \$60.00 for non-working/pet dogs.
- 2017 to 2018, \$52.00 for working dogs and \$62.00 for non-working dogs.

An adjustment in the dog registration fees adopted by Council for the 2018/2019 financial year is as follows:

- 2018 to 2019, \$44.00 for working dogs and \$66.00 for non-working/pet dogs.

Any adult unregistered working dog as at 01 September 2018 will be charged at \$66.00 per dog.

Any adult unregistered non-working/pet dog as at 01 September 2018 will be charged at \$99.00 per dog.

A further adjustment in dog registration fees adopted by Council for the 2019-2020 financial year is as follows:

- Non-working dog registration per dog – if paid by 31 August 2019, \$68.00
- Non-working dog registration per dog – if paid after 31 August 2019, \$99.00
- Working dog registration per dog – if paid by 31 August 2019, \$44.00
- Working dog registration per dog – if paid after 31 August 2019, \$66.00
- Working dog registration per dog where there are 4 or more dogs registered to the same owner:
 - - if paid by 31 August 2019, \$33.00
 - - if paid after 31 August 2019, \$44.00
- Dog registration per dog for 20 or more dogs registered to the same owner:
 - - if paid by 31 August 2019, \$44.00
 - - if paid after 31 August 2019, \$66.00
- Dangerous dogs, \$93.00
- 2020-2021 – no changes made

To ensure there is ongoing compliance of owners registering their dog(s), the animal management team undertakes scheduled visits to all addresses where a dog had been registered for the previous year, but is not currently registered. A reasonable number of non-registrations were identified in this exercise, resulting in more dogs being registered together with the identification and registration of dogs that were previously not known to Council and subsequently also registered. The door-to-door visits also undertake checks for compliance with microchipping requirements for non-working dogs.

Dog education

Opportunities for education include attendance to the Northland Agricultural Field Days held in Dargaville annually, attendance at the Whangarei Summer Show, website information, patrols, site visits, promotional pamphlets and similar informative material available is at front desks and via the registration process. Reminder registration forms are sent annually to all known current dog owners.

Council also provides for a competitive microchipping service for non-compliant non-working dogs. These occasions also provide an ideal forum for dog ownership education on a one-to-one basis.

Disqualified/probationary dog owners and dogs generally

Over the last 12 months, there were no dog owners disqualified from owning dogs. Dogs that attack persons or animals, or rush at vehicles may be classified as dangerous or menacing dogs. The owner of the dog may be liable for any damage caused by the attack. Between 01 July 2019 and 30 June 2020 there were 01 incidents which required prosecution as follow up action to dog attacks. All incidents resulted in the voluntary surrender and subsequent destruction of the offending dogs.

Barking dogs may create stress for other people. Dogs usually bark excessively because they are bored, lonely or hungry. The Dog Control Act requires dog owners to ensure that their dog is currently registered, under control at all times and that the dog receives proper care, attention and adequate exercise.

In comparison with previous years there have been a similar number of dogs impounded, released, re-homed or euthanised.

Menacing Dogs and Dangerous Dogs

There were 01 dogs during the 2019/2020 year that necessitated Council to apply a dangerous dog classification, all of these dogs were voluntarily surrendered by the dog owners and subsequently put to sleep. 17 dogs were classified as menacing by breed (as per Schedule 4 of the Dog Control Act 1996). 10 dogs were classified as menacing by behaviour.

Council provides for professional enforcement officers to respond to complaints received about dogs across the district. A harder line is being taken with regard to an increased number of dogs reported as “wandering” within the district and also with regard to dog attacks. The stance to take firmer action with irresponsible dog owners and dog owners that fail to microchip their dogs has resulted in enforcement proceedings by way of infringement notices being issued for non-compliance.

During the 2019/2020 year 01 formal prosecutions were necessary to be taken with regard to dog attacks. The 01 incidents involving evidence based dog attacks were resolved by way of surrender of the subject dogs prior to or by way of prosecution.

Infringements issued (2019/2020):

- Obstructed a Dog Control Officer (AMO) - nil
- Fail to supply or wilfully provided false information - nil
- Failed to comply with bylaw - nil
- Fail to comply Dangerous Dog classification - 1
- Failure to comply Menacing Dog classification - 1
- Failed to implant microchip in dog - 14
- Kept an unregistered dog - 36
- Failed to keep dog controlled or confined - 24
- Failed to keep dog under control - 4
- Failure to provide proper care - nil
- Releasing a dog from custody - nil

Council is required to implement the microchip requirements for dogs when they become three months old, and also for dogs classified as dangerous and menacing either by breed or action. Working dogs as defined under the Act are not required to be microchipped.

The Department of Internal Affairs requires details of all registered dogs to be entered in a national dog database (NDDDB). The details are also to include the date of birth of the owner and colour and breed of all dogs.

Council continues to use a combined dog facility established and owned by Kaipara's adjoining Territorial Authority, Whangarei District Council. A positive working relationship for both authorities has been operating successfully for approximately ten years. The facility continues to be successfully utilised by both councils and provides an adequate animal shelter including provisional space for veterinary purposes, together with a separate administration office area.

Kaipara District Policy on Dogs and Dog Management Bylaw 2009 was reviewed with the changes being adopted by Council on 27 June 2019.

Council continues to seek ways to encourage and promote responsible dog ownership, to reduce dog attacks, dog wandering and any anti-social behaviour that may be remedied by education rather than enforcement.

We have implemented a de-sexing programme in partnership with North Auckland Dog Rescue Charity with the help of Lotteries money. This saw \$25'000 made available for the de-sexing of dogs for the area of Dargaville for those in need.

Dog control statistical information for the review period 01 July 2019 to 30 June 2020

- a) Total: Registered Dogs at 30 June 2020 – 5410
- b) Total: Probationary Owners - (nil) and Disqualified Owners - (nil) in the district;
- c) Total: Dangerous Dogs - still active - nil
 - Dangerous by Owner Conviction under s31(1)(a) - nil
 - Dangerous by Sworn Evidence s31(1)(b) - nil
 - Dangerous by Owner Admittance in writing s31(1)(c) - nil
- (d) Total: Menacing Dogs - active - 27
 - Menacing under s33A(1)(b)(i) - i.e. by behaviour - 10
 - Menacing under s33A(1)(b)(ii) - by breed characteristics - 4
 - Menacing under s33C(1)(ii) by Schedule 4 breed - 13
- (e) Total: Infringement Notices Issued – 80
- (f) Total: Complaints received during 2019/2020 – 1286

Conclusion

During 2019/2020, Council received approximately 298 less dog related complainants compared with the previous year. This is down to better management and response for jobs received and dealing with complaints first time rather than customers having to send in another report of an incident. In response to community appeals it was recognised that Council needed to address and provide a better way to provide for a more efficient dog control service to the Kaipara community. Subsequently, dog control was brought back

“in-house” rather than relying on a remotely based contracted service. This has seen a positive response from the community and far less complaints of wandering dogs seen in the previous year especially in the Dargaville area. During the year dog registrations also increased by 283, this is again down to the new Animal Management Team been more active in Education around Annual Registration.

Chris Stanforth, Animal Management Officer

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Breakdown 01 July 2019 to 30 June 2020 using MagiQ reporting	
Total number of dog complaints received	1286
Dog attacks	54
Barking Dogs	109
Dogs found wandering	207
Dogs rushing/threatening (nil bite)	21
Other (worrying stock, fouling, conditions etc)	895
Dog Infringements	
Obstruction of a Dog Control Officer	0
Fail to supply or wilfully provide false information	0
Failure to comply with Council's Dog Policy	0
Failure to comply with Dangerous Dog Classification	1
Failure to comply with Menacing Dog Classification	1
Failure to implant microchip in dog	14
Kept an unregistered dog	36
Failure to keep a dog controlled or confined	24
Failure to keep a dog under control	4
Failure to provide proper care	0
Releasing a dog from custody	0
Total number of dog infringement issued from 01 July 2019 to 30 June 2020	80
Total number of dogs impounded from 01 July 2019 to 03 November 2020	47

Treasury Policy

Meeting: Kaipara District Council Meeting
Date of meeting: 30 September 2020
Reporting officer: Sue Davidson, GM Sustainable Growth and Investment

Purpose/Ngā whāinga

The Treasury Policy is a document that is part of every Long-Term Plan (LTP), providing the framework under which council operates all borrowing and investment activities. The time to review it is prior to adopting the LTP and propose any changes to Council.

Executive summary/Whakarāpopototanga

PWC has been engaged by Council to review our Treasury Policy. They also provide advice in the management of our debt, as they run a treasury function inhouse and provide advice to many Councils. Key changes are proposed around:

- Borrowing limit definitions as defined by LGFA
- Lending to CCO's or CCTO's now included
- Interest rate risk control limits (fixed and floating) more flexible as couldn't effectively manage
- Funding risk control limits adjusted as maturity profile too difficult to manage
- Counterparty credit limits

Recommendation/Ngā tūtohunga

That Kaipara District Council

- a) Approve the attached Treasury Policy to be included as part of the Long-Term Plan 2021-2031

Context/Horopaki

The Local Government Act 2002 requires local authorities to adopt a liability management policy and an investment policy. The liability management policy must state the council's policies on how it will manage its borrowings and other liabilities, including interest rate exposure, liquidity, credit exposure and debt repayment. The investment policy must set out the council's policies on investments including the mix of investments, acquiring new investments, management and reporting procedures, and risk management. Together these policies make up Kaipara District Council's treasury management policy providing the framework under which council operates all borrowing and investment activities.

Discussion/Ngā kōrerorero

It should be noted that PWC were not consulted on the previous Treasury Policy review and have advocated for changes to the policy since it was last adopted.

Audit, Risk & Finance Committee have seen this policy and PWC have made presentations to both the Committee and to Council at the September briefing. This policy has been recommended by the Committee to Council.

The current Treasury Policy with proposed marked up changes is attached as Attachment 1.

Options

Option 1 Approve this Treasury Policy for inclusion in the next Long-Term Plan 2021-31

Policy and planning implications

This is a regular review of a policy that has required external expertise to review.

Financial implications

These changes still result in a prudent risk management approach to debt management but provide greater flexibility in medium term management.

Risks and mitigations

The biggest risk to our debt management is not forecasting our debt correctly due to lack of understanding as to the conditions of our assets and their management and future new projects. This has made it difficult for PWC to advise in the past

Option 2 The Council don't make any recommendation or want more information

Policy and planning implications

There is still time in the programme for this to occur as this document does not have to be consulted on by the public.

Financial implications

No further financial implications. Council would accept minor changes proposed to the Treasury Policy

Risks and mitigations

There are no other risks other than forecasting replacement and for new assets and their impact on debt levels. Other risks relating to debt are covered in the policy.

Significance and engagement/Hirahira me ngā whakapapa

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

The proposed Treasury Policy will be included in the LTP.

Attachments/Ngā tapiritanga

	Title
A	Kaipara District Council Treasury Policy marked up with proposed changes

Sue Davidson 9 September



Kaipara District Council

Treasury Policy

**Incorporating the Liability Management and Investment Policies
as required by sections 104 and 105 of the
Local Government Act 2002**

Council Approved: ~~28 February~~ DD MMMM 202018

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1.0 Introduction

1.1 Policy purpose

The purpose of the Treasury Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Kaipara District Council (“Council”). The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within Council continue to be well-managed. In addition, regular reviews will be conducted to test the existing policy against the following criteria:

- Industry “best practices” for a Council the size and type of Kaipara;
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers;
- The effectiveness and efficiency of the Treasury Policy and treasury management function to recognise, measure, control, manage and report on Council’s financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks and other associated risks;
- The operation of a pro-active treasury function in an environment of control and compliance;
- The robustness of the policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions; and
- Assistance to Council in achieving strategic objectives relating to ratepayers.

It is intended that the policy be distributed to all personnel involved in any aspect of Council’s financial management. In this respect, all staff must be completely familiar with their responsibilities under the policy at all times.

2.0 Scope and Objectives

2.1 Scope

This document identifies the policy and procedures of Council in respect of treasury management activities.

The policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of Council cover these matters.

2.2 Risk Appetite

Council's overriding obligation is to manage its affairs prudently and in the interests of its community and is guided by the obligations imposed by the Local Government Act 2002.

Accordingly Council's philosophy on the conduct of its treasury activities is to ensure that the risks associated are properly identified, quantified and managed to ensure it meets the obligations under the Act and that there is minimal negative impact on the Council arising from such risks. Council is a risk averse entity, and does not wish to seek risk from its treasury activities. Accordingly activity that may be construed as speculative in nature is expressly forbidden.

2.3 Objectives

The objective of this Treasury Policy is to control and manage costs and investment returns that can influence operational budgets and public equity. Specifically:-

Statutory and principal objectives

- All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of all relevant legislation including but not limited to:
 - Local Government Act 2002, in particular Part 6 including sections 101, 102, 104 and 105, and incorporate the Liability Management Policy and Investment Policy;
 - Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4;
 - Trustee Act [2019/1956 \(effective January 2021\)](#). When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act [2019/1956 Part 3 and](#) Part [4 - Investments](#).
- All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long Term Planning process (LTP) or resolution of Council before the borrowing is affected;

- All legal documentation in respect to external borrowing and financial instruments will be approved by Council's solicitors prior to the transaction being executed;
- Council will not enter into any borrowings denominated in a foreign currency;
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself;
- Hire Purchase, Deferred Purchase, Trade Credit - for the purposes of sub-paragraph (c)(ii)(B) of the definition of "borrowing" in section 112 of the LGA 2002, "borrowing" does not include:
 - Debt incurred in connection with hire purchase of goods, the deferred purchase of goods or services, or the giving of credit for the purchase of goods or services, if the goods or services are obtained in the ordinary course of Council's performance of its lawful functions, on terms and conditions available generally to parties of equivalent credit-worthiness, for amounts not exceeding in aggregate \$250,000; or
 - The deferred purchase of goods or services or the giving of credit for the purchase of goods or services through the mechanism of contract retentions held for periods less than 365 days.
- Other - Instruments not specifically referred to in this policy may only be used with specific Council approval; and
- Council routinely defers payment following completion of construction or other large scale engineering contracts in accordance with standard industry practices. Although this practice may mean that these deferred payments fall within the definition of borrowing for the purposes of the Act and this policy, these contractual arrangements create very little risk for Council. There is no interest exposure on these payments; the credit-worthiness of the contracting party is not relevant; and the deferred period is sufficiently long that no impact on liquidity is anticipated, as payments can be programmed in advance through the Annual Plan process or standard cash flow procedures. Therefore, Council will enter into these contracts in accordance with its standard procurement procedures, and deferred payment conditions will not require any additional approval by Council.

General objectives

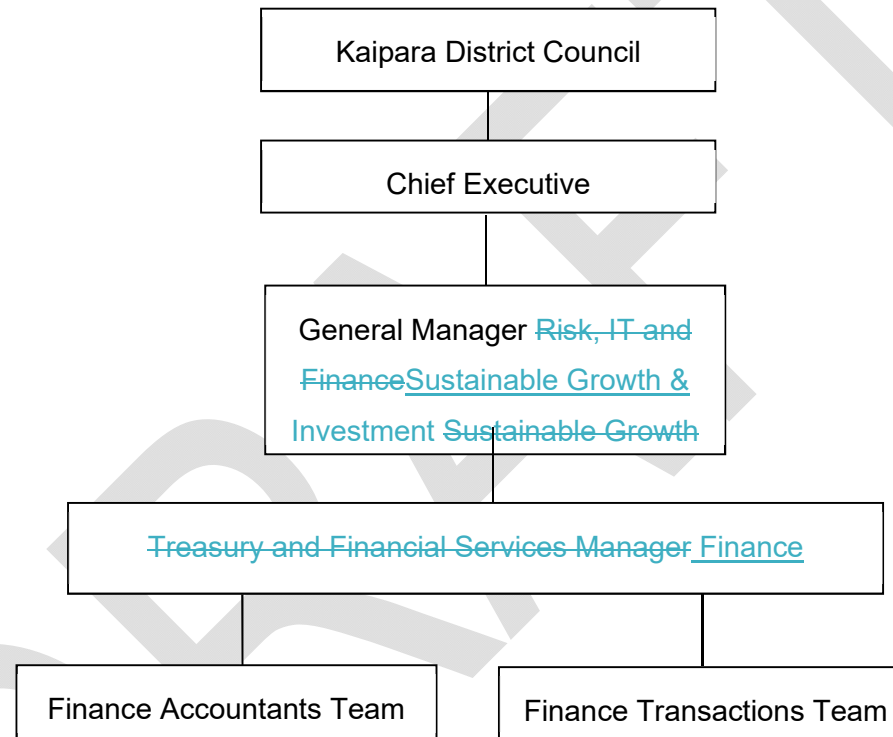
- To manage investments to optimise returns in the long term whilst balancing risk and return considerations;
- Minimise Council's costs and risks in the management of its borrowings;
- Minimise Council's exposure to adverse interest rate movements;
- Monitor, evaluate and report on treasury performance;

- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Treasury Policy so as to protect Council's financial assets and manage costs;
- Arrange and structure external long term funding for Council at a favourable margin and cost from debt lenders. Optimise flexibility and spread of debt maturity terms within the funding risk limits established by this Policy statement;
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements;
- Comply with financial ratios and limits stated within this policy;
- Monitor Council's return on investments;
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations;
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements;
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties;
- Ensure that all statutory requirements of a financial nature are adhered to;
- Ensure that financial planning will not impose an unequitable spread of costs/benefits over current and future ratepayers; [and](#)
- To ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions; and
- Develop and maintain relationships with financial institutions, investors and investment counterparties.

3.0 Management Responsibilities

3.1 Overview of management structure

The following diagram illustrates those positions or functions that have treasury responsibilities.



3.2 Council

Council has ultimate responsibility for ensuring that there is an effective Policy for the management of its risks. In this respect Council decides the level and nature of risks that are acceptable, given the underlying objectives of Council.

Council is responsible for approving the Treasury Policy. While the Policy can be reviewed and changes recommended by other persons, the authority to make or change Policy cannot be delegated.

In this respect, Council has responsibility for:

- Approving the long term financial position of Council through the 10 year LTP and the adopted Annual Plan;
- Approving new debt through the adoption of the Annual Plan, specific Council resolution and approval of this policy;
- Approving the Treasury Policy incorporating the following:
 - Counterparties and credit limits;
 - Risk management methodologies and benchmarks;
 - Guidelines for the use of financial instruments; and
 - Receive a triennial review report on the policy.
- Evaluating and approving amendments to policy;
- Approving budgets and high level performance reporting;
- Approve opening and closing of bank accounts; and
- Approval for one-off transaction falling outside Policy.

Council should also ensure that:

- It receives regular information from management on risk exposure and financial instrument usage in a form, that is understood, and that enables it to make informed judgements as to the level of risk undertaken;
- Issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved in a timely manner; and
- Submissions are received from management requesting approval for one-off transactions falling outside policy guidelines.

3.3 Chief Executive (CE)

While Council has final responsibility for the policy governing the management of Council's risks, it delegates overall responsibility for the day-to-day management of such risks to the Chief Executive.

4.0 Liability Management Policy

Council's liabilities comprise borrowings and various other liabilities. Council maintains borrowings in order to:

- Fund working capital requirements and short term funding gaps;
- Raise specific debt associated with projects and capital expenditures; and
- Fund assets whose useful lives extend over several generations of ratepayers.

4.1 Debt ratios and limits

Debt will be managed within the following macro limits.

Ratio	KDC Policy Limits	LGFA Lending Covenants
Net debt as a percentage of total revenue	<170%	<175%
Net interest expense on external debt (debt secured under debenture) as a percentage of total revenue	<15%	<20%
Net interest expense on external debt (debt secured under debenture) as a percentage of total annual rates income (debt secured under debenture)	<20%	<25%
Liquidity (External debt + available portion of committed loan facilities + liquid investments) to existing external debt)	>110%	>110%

- ~~Total Revenue~~ is defined as cash earnings from rates, ~~government~~ grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets);
- ~~Net debt~~ is defined as total debt less liquid investments
- [When calculating net debt, the LGFA allows the deduction of:](#)
 - [cash, term deposits and any investments held within investment portfolios \(whether these are ring fenced or not\). Investment portfolios might include listed equities, fixed interest securities, listed property securities or units in managed funds.](#)
 - [LGFA borrower notes can be deducted.](#)
 - [any council lending to a CCO or CCTO can also be deducted but only where the CCO or CCTO is a going concern and not dependent upon council financial support.](#)

- External debt is the aggregate of bank drawdown amounts, issued commercial paper (CP), term debt, capitalised finance leases and financial guarantees provided to third parties.
- Liquid funds are assets defined as:
 - a) Overnight bank cash deposits
 - b) Wholesale/retail bank term deposits no greater than 30-days
 - c) Bank issued RCDs less than 181 days
 - d) Approved fixed interest securities
 - e) Any loans to Council Controlled Organisation (CCO) or Council Controlled Trading Organisation (CCTO) (that are a going concern) that mature within 12 months.
- ~~Liquidity is defined as external term debt plus committed loan facilities plus available liquid investments divided by existing external debt. Liquid investments are assets defined as being:~~
 - ~~e Overnight Bank cash deposits;~~
 - ~~e Wholesale/retail bank term deposits no greater than 30 days;~~
 - ~~e Bank registered certificates of deposit issued less than 181 days; and~~
 - ~~e Wholesale/retail bank term deposits linked to pre funding of maturing term debt exposures.~~
- Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
 - a) Gross interest is calculated by adding together the value of all Council's financing costs including interest costs on debt, costs of derivatives (but not any unrealised mark to market movements) and any costs on committed bank facilities. The finance component of a lease payment may also be part of a council's interest cost (to be confirmed with LGFA).
 - a)b) Interest Council earned on cash, term deposits and fixed interest is deducted to provide the net interest amount. Council cannot deduct any foreign exchange gains or unrealised gains on investments.
- ~~Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period;~~
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate). Council can add on any revenue received from income for which Council rates (e.g. volumetric water charges).
~~Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).~~

•

- Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.
- Disaster recovery requirements are to be met through the liquidity ratio.
- To minimise concentration risk the Local Government Funding Agency Limited (LGFA) will require that requires that no more than the greater of NZD 100 million or 33% of Council's borrowings from the Local Government Funding Agency Limited will mature in any 12-month period.

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4.2 Asset Management Plans

In approving new debt Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP.

4.3 Borrowing mechanisms

Council is able to borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, accessing the short and long term wholesale and retail capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following is taken into account:

- a) Available terms from banks, LGFA, debt capital markets and loan stock issuance;
- b) Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time;
- c) Prevailing interest rates and margins relative to term for loan stock issuance, LGFA, debt capital markets and bank borrowing;
- d) The market's outlook on future credit margin and interest rate movements as well as its own;
- e) Legal documentation and financial covenants together with security and credit rating considerations;
- f) For internally funded projects, to ensure that finance terms for those projects are at similar terms to those from external borrowing; and
- g) Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

Council's ability to readily attract cost-effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA and financial institutions/brokers.

Council has the ability to pre-fund up to 18 months of forecast debt requirements including re-financings.

4.4 Security

Council's external borrowings and interest rate management instruments are secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. The security offered by Council ranks equally or pari passu with other lenders.

If Council considers that security should be given by mortgaging or otherwise charging a physical asset instead of rates, it may do so (with the exception of Council's water assets, per Section 130(3)(a) of the Local Government Act). Independent advice will be sought if considered necessary.

Where security is considered to be offered over specific assets, prior Council approval as well as the following are required:

- a) A direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance).
- b) Council considers a charge over physical assets to be appropriate.
- c) Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.
- d) Any lending to a CCO/CCTO will be on a secured basis and be approved by Council.

~~Council's borrowings and interest rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed.~~

~~Under the Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government Rating Act. The security offered by Council ranks equally or 'Pari Passu' with other lenders.~~

~~Council offers deemed rates as security for general borrowing programmes. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of Council's assets.~~

~~Physical assets will be charged only where:~~

- ~~h) There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance);~~
- ~~h) Council considers a charge over physical assets to be appropriate; and~~
- ~~h) Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Deed.~~

4.5 Debt repayment

The funds from all asset sales, operating surpluses, grants and subsidies will be applied to the reduction of debt and/or a reduction in borrowing requirements once any direct debt obligations are repaid, unless Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.6 Guarantees/contingent liabilities and other financial arrangements

The Council may from time to time provide financial guarantees to third parties. Management must ensure that the business plan of the guaranteed party furthers the strategic objectives of the Council and that financial statements are received on a regular basis. Should the guarantee be called up, the Council must take immediate action

to recover the money.

Any such amounts guaranteed if material are to be included in the definition of 'External Debt' for the purpose of determining compliance with the Borrowing Limits set out above.

For any guarantee for indebtedness provided, Council will approve the guarantee arrangement. Any guarantee provided to community organisations or clubs for loans or incidental arrangements, the purpose of the arrangement must be consistent with Council's strategic objectives.

For any outstanding guarantees, Council ensures that sufficient financial capacity exists relative to Local Government Funding Agency lending covenants. Unless approved by Council, guarantees or financial arrangements given will not exceed any amount agreed by Council.

~~Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, local communities or Business Units, when the purposes of the loan are in line with Council's strategic objectives. Before entering into a guarantee Council officers shall conduct due diligence and be satisfied of the ability of the organisation to service the loan.~~

As set out in Section 62 of the Local Government Act, Council does not give any guarantee, indemnity or security in respect of the performance of any obligation by a Council Community Trading Organisation (CCTO).

~~Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.~~

Financial arrangements include:

- Advances to community organisations.

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed NZ\$1 million in aggregate or attached to a property.

4.7 Internal borrowing of special and general reserve funds

Given that Council may require funding for capital expenditure over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary they should be used for internal borrowing purposes when external borrowing is required. Accordingly Council maintains its funds in short term maturities emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds therefore is a secondary objective.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using available borrowing facilities.

No interest is payable unless Council so directs or there is an agreement in place.

4.7.1 New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this Policy, Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:-

- a) Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA. For example, Borrower Notes;
- b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c) Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d) Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue; and
- e) Subscribe for shares and uncalled capital in the LGFA.

4.8 On-lending to Council Controlled Organisations

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Any lending arrangements (direct or indirect) to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the CFO considers the following:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amounts outstanding on due date.
- Impact on Council's credit standing, credit rating, debt burden (particularly in relation to S&P credit assessment), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided.
- The lending rate given factors such as; CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- Lending arrangements to the CCO or CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- Accounting and taxation impact of on-lending arrangement.

All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

5.0 Investment Policy and Limits

5.1 General policy

Council is currently a net borrower and is likely to remain so for the foreseeable future. Council should internally borrow from special reserve funds in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt. Investments are maintained to meet specified business reasons. However, it should be noted that Council does not currently have any investment funds corresponding to special funds and has a policy of borrowing net of special funds that are likely to remain unspent at the year end.

Such reasons can be:

- For strategic purposes consistent with Council's LTP;
- To reduce the current ratepayer burden;
- The retention of vested land;
- Holding short term investments for working capital and liquidity requirements;
- Holding investments that are necessary to carry out Council operations consistent with Annual Plans, to implement strategic initiatives or to support inter-generational allocations;
- Holding assets (such as property) for commercial returns;
- Provide ready cash in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets; and
- Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves.

Council recognises that as a responsible public authority all investments held, should be low risk. Council also recognises that low risk investments generally mean lower returns.

5.2 Investment mix

Council may maintain investments in the following assets from time to time:-

- Equity investments, including investments held in CCO/CCTO and other shareholdings;
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development;

- Forestry investments; and
- Financial investments.

5.2.1 Equity investments

Equity investments, including investments held in CCO/CCTO and other shareholdings. Council maintains equity investments and other minor shareholdings.

Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP. Equity investment may be held where Council considers there to be strategic community value.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Any purchase or disposition of equity investments requires Council approval. Council may also acquire shares that are gifted or are a result of restructuring. Any purchase or disposition of equity investments will be reported to the next meeting of Council.

Council recognises that there are risks associated with holding equity investments and to minimise these risks Council, through the relevant sub-committee as applicable, monitors the performance of its equity investments on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

5.2.2 Property investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows similar assessment criteria in relation to new property investments.

Council reviews the performance of its property investments on a regular basis.

5.2.3 Financial investments

Financial investment objectives

- Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in section 6.5. Council may invest in approved financial instruments as set out in section 6.2. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.

- Council's net investment interest rate profile will be managed within the parameters outlined in section 6.0.

Special funds, ~~sinking funds~~, reserve and endowment funds

Liquid assets are not required to be held against special funds and reserve funds. Instead Council will internally borrow or utilise these funds wherever possible.

~~Sinking Funds will no longer be maintained by Council.~~

No interest is payable on internal borrowing to/from reserves, unless otherwise directed by Council or in accordance with the fund agreements.

Trust funds

Where Council holds funds as a trustee or manages funds for a Trust then such funds must be invested on the terms provided within the Trust. If the Trust's investment policy is not specified then this policy should apply.

5.3 New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this Policy, Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. Notwithstanding the Counterparty Credit Risk Limits (set out in Section 6.3 of this policy), Council may invest in financial instruments issued by the LGFA up to a maximum of \$5 million (i.e. borrower notes). If required in connection with the investment, Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

6.0 Risk Management

The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, market, operational and legal risk of Council will be as detailed below and applies to both the Liability Management policy and Investment policy.

6.1 Risk recognition

Interest rate risk is the risk that investment returns or funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of projections included in the LTP and Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of investment returns or funding costs. Certainty around funding costs is to be achieved through the active management of underlying interest rate exposures.

6.2 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by Council.

Approved financial instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long term loan facilities) Committed standby facilities -from the LGFA Uncommitted money market facilities Retail and Wholesale Bond, both Fixed Rate (MTN) and Floating Rate Note (FRN) issuance (including forward start from the LGFA) Loan stock/bond issuance <ul style="list-style-type: none">• Floating Rate Note (FRN)• Fixed Rate Note (MTN) Commercial paper (CP) /Bills / Promissory notes Finance Leases
Investments	Term deposits (including those linked to prefunding strategies)

Category	Instrument
	<p>Call and Short term bank deposits</p> <p>Bank registered certificates of deposit (RCDs)</p> <p>NZ Government, LGFA, Local Authority stock or State Owned Enterprise (SOE) bonds and FRNs (senior)</p> <p>Corporate bonds (senior)</p> <p>Corporate Floating Rate Notes (senior)</p> <p>Promissory notes/Commercial paper (senior)</p> <p>Corporate/SOE/Other Local Authority Bonds</p> <p>NZLGFA Borrower Notes</p> <p>Bank term deposits linked to pre funding maturing debt</p>
Interest rate risk management	<p>Forward rate agreements (“FRAs”) on:</p> <ul style="list-style-type: none"> • Bank bills • Government bonds <p>Interest rate swaps including:</p> <ul style="list-style-type: none"> • Forward start swaps and collars (start date <2436 months, unless linked to existing maturing swaps and collars) • Amortising swaps (whereby notional principal amount reduces) • Swap extensions and shortenings <p>Interest rate options on:</p> <ul style="list-style-type: none"> • Bank bills (purchased caps and one for one collars) • Government bonds • Interest rate swaptions (purchased swaptions and one for one collars only)

Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

All investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- Structured debt where issuing entities are not a primary borrower/ issuer; and
- Subordinated debt, junior debt, perpetual notes and hybrid notes such as convertibles.

6.3 Interest rate risk control limits

Net debt/borrowings

Council debt/borrowings should be within the following fixed/floating interest rate risk control limit:

Debt Interest Rate Policy Parameters (calculated on a rolling monthly basis):		
Debt Period Ending	Minimum Fixed	Maximum Fixed
Less than 12 months	50%	90%
12 – 36 months	40%	90%
37 – 60 months	30%	80 75%
60 – 84 months	0%	60%
Greater than 84 60 months	40 0%	50%

“Fixed Rate” is defined as all known interest rate obligations on forecast gross external debt, including where debt is borrowed on a fixed interest rate basis and where hedging instruments have fixed movements in the applicable reset rate.

~~“Fixed Rate” is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.~~

“Floating Rate” is defined as any interest rate obligation subject to movements in the applicable reset rate.

Forecast gross external debt is the amount of total external debt for a given period (12 month). This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed (signed off by the CFO), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits.

~~“Floating Rate” is defined as any interest rate obligation subject to movements in the applicable reset rate.~~

~~Forecast gross external debt is the amount of total external debt for a given period (12 month). This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed (signed off by the CFO), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the Policy minimum and maximum limits.~~

~~“Floating Rate” is defined as an interest rate repricing within 12 months.~~

Fixed interest rate percentages are calculated monthly by the Business Services Finance Manager based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).

Forecast gross external debt is to be reviewed by the TMG as part of the ongoing strategic risk management process, and the specific levels of core debt deemed to be that which is not seasonal or working capital related.

~~The percentages are calculated on the rolling projected net debt level calculated by management (signed off by the CE or equivalent). Net debt is the amount of total debt net of liquid short term financial assets/investments. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the policy minimums and maximums.~~

- A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council;
- The above interest rate risk control limits apply when external debt exceeds \$25 million;
- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months;

~~Any interest rate fixing with a maturity beyond 15 years must be approved by Council. The exception to this will be if Council raises LGFA funding as fixed rate or an interest rate swap is linked to floating rate LGFA debt and this is maturing beyond 15 years;~~

- Interest rate swap maturities beyond the maximum LGFA bond maturity must be approved by Council through a specific approval.
- ~~• Any interest rate derivatives or interest rate fixing with a maturity beyond 16 years must be approved by Council. The exception to this will be if Council raises LGFA funding as fixed rate and this maturity is beyond 16 years;~~
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money";
- Purchased borrower swaptions mature within 12 months;
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation; and
- Forward start period on swaps and collar strategies to be no more than 3624 months, unless it extends the maturity of existing interest rate fixing (via either derivatives or fixed rate borrowing).

Sinking funds, special and general reserve funds

~~Given that Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary they should be used for internal borrowing purposes when external borrowing is required. Accordingly, Council maintains its funds in short term maturities emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds therefore is a secondary objective.~~

~~This will negate counterparty credit risk and any interest rate repricing risk that occurs when Council borrows at a higher rate compared to the investment rate achieved by Special/Reserve Funds.~~

~~Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using internal borrowing facilities.~~

Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts can be used by Council.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

Council does not hold investments denominated in foreign currency.

All foreign currency hedging must be approved by the GMF.

6.4 Liquidity risk/funding risk

6.4.1 Risk recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

The management of Council's funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local government risk is priced to a higher fee and margin level;
- Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons;
- A large individual lender to Council experiences financial/exposure difficulties resulting in Council not being able to manage their debt portfolio as optimally as desired;
- New Zealand investment community experiences a substantial "over supply" of Council investment assets; and
- Financial market shocks from domestic or global events.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

6.4.2 Liquidity/funding risk control limits

- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds;
- External term loans and [available portion of](#) committed debt facilities together with available unencumbered liquid investments must be maintained at an amount exceeding 110% of existing total external debt;
- Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings. Debt re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date;
- The CE has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be reported and ratified by the Council at the earliest opportunity;

- The maturity profile of the total committed funding in respect to all loans and committed facilities, is to be controlled by the following system and apply when external debt exceeds \$25 million:

Period	Minimum Cover	Maximum Cover
0 to 3 years	15%	60%
3 to 7 5 years	4 25%	60 85%
5 7 years plus	4 0%	60%

- A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. A maturity schedule outside these limits for a period greater than 90 days requires specific the Council approval ~~A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council; and~~
- With regard to calculating the funding maturity profile, total committed bank facility amounts are recognised as maturing at the facility's legal expiry date.
- ~~To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33% of a Council's borrowings from the LGFA will mature in any 12 month period.~~

6.5 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by Council. Treasury related transactions would only be entered into with organisations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard & Poor's, Fitch or Moody's) being A and above or short term rating of A-1 or above.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide will determine limits.

Counterparty/Issuer	Minimum long term / short term credit rating – stated and possible	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited	none	Unlimited
Local Government Funding Agency	N/A	Unlimited	none	Unlimited
NZD Registered Supranationals	AAA	10.0	none	10.0
State Owned Enterprises	A+ / A-1	5.0	none	5.0
NZ Registered Bank	A / A-1	15.0	20.0	30.0
Corporate Bonds / CP	A+ / A-1	2.0	none	2.0
Local Government Stock / Bonds / FRN / CP	A+ / A-1 (if rated)	10.0	none	10.0
This summary list will be expanded on a counterparty named basis which will be authorised by the CE.				

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) – Transaction Notional × Weighting 100%. (Unless a legal right of set-off over corresponding borrowings exist whereupon a 0% weighting may apply);
- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional × Maturity (years) × 3%; and
- Foreign Exchange – Transactional principal amount x the square root of the Maturity (years) x 15%.

No more than 50% of the investment portfolio will be held with one bank at any one time.

Investments are normally held to maturity date. Where investments are liquidated before legal maturity date, approval is obtained from the CE, who also approves guidelines for a minimum acceptable sale price. The General ~~Manager Risk, IT and Finance~~ Manager Sustainable Growth and Investment (GM SGI) evaluates quotes based on these instructions and proceeds with the transaction.

Local Government Funding Agency

Borrower Notes. On occasion when Council borrows from the LGFA it will be required to contribute part of that borrowing back as equity in the form of “Borrower Notes”. A

Borrower Note is a written, unconditional declaration by a borrower (in this instance the LGFA) to pay a sum of money to a specific party (in this instance Council) at a future date (in this instance upon the maturity of the loan). A return is paid on the Borrower Notes and can take the form of a dividend if the Borrower Notes are converted to redeemable preference shares.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread. The approval process must take into account the liquidity of the market the instrument is traded in and re-priced from.

6.6 Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood;
- Too much reliance is often placed on the specialised skills of one or two people;
- Most treasury instruments are executed over the telephone; and
- Operational risk is minimised through the adoption of all requirements of this policy.

6.6.1 Dealing authorities and limits

Transactions will only be executed by those persons and within limits approved by Council.

6.6.2 Segregation of duties

As there are a small number of people involved in borrowing and investment activity, adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:-

- The GMF reports directly to the CE;
- There is a documented approval process for borrowing, interest rate and investment activity;
- Any execution activities undertaken by the GMF will be checked by the Treasury and Financial Services Manager (FSM) and the FSM will report any irregularities direct to the CE. Any execution activities undertaken by the FSM and the Finance Accountants Team (FSM and Assistant Accountant (AA)) will be checked by the Finance Transactions Team (Finance Officer and Finance Administrator) and any irregularities reported to the GMF and CE; and

- In the absence of the FSM, the FSM's deal execution delegated authority moves to the Revenue Manager.

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6.6.3 Procedures

All treasury instruments should be recorded and diarised within a treasury spreadsheet, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting must be done immediately following execution/confirmation. Details of procedures including templates of deal tickets should be compiled in a treasury procedures manual separate to this policy.

Procedures should include:

- Regular management reporting;
- Regular risk assessment, including review of procedures and controls as directed by Council or appropriate sub-committee of Council; and
- Organisational, systems, procedural and reconciliation controls to ensure:
 - All borrowing, interest rate and investment activity is bona fide and properly authorised;
 - Checks are in place to ensure Council accounts and records are updated promptly, accurately and completely; and
 - All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity.

Organisational controls

- The GMF or equivalent has responsibility for establishing appropriate structures, procedures and controls to support borrowing, interest rate and investment activity; and
- All borrowing, investment, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by Council.

~~Cheque/e~~Electronic banking signatories

- Positions approved by the CE as per register;
- Dual signatures are required for all ~~cheques and~~ electronic transfers; ~~and~~
- ~~Cheques must be in the name of the counterparty crossed "Not Negotiable, Account Payee Only", via Council's bank account.~~

Authorised personnel

- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Recording of deals

- All deals are recorded on properly formatted deal tickets by the Finance Accountants Team and approved as required by the FSM, GMF or CE. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) are maintained and updated promptly following completion of transaction.

Confirmations

- All inward letter confirmations including registry confirmations are received and checked by the Finance Transactions Team against completed deal tickets and the treasury spread sheet records to ensure accuracy;
- All deliverable securities are held in Council's safe;
- Deals, once confirmed, are filed (deal ticket and attached confirmation) by the Finance Transactions Team in deal date/number order; and
- Any discrepancies arising during deal confirmation checks which require amendment to Council records are signed off by the FSM, GMF or CE.

Settlement

- The majority of borrowing, interest rate and investment payments are settled by direct debit authority; and
- For electronic payments, batches are set up electronically. These batches are checked by the FSM to ensure settlement details are correct. Payment details are authorised by two approved signatories as per Council registers.

Reconciliations

- Bank reconciliations are performed monthly by the Finance Transactions Team and checked and approved by the FSM. Any unresolved un-reconciled items arising during bank statement reconciliation which require amendment to Council's records are signed off by the GMF;
- A monthly reconciliation of the treasury spread sheet to the general ledger is carried out by the FSM and reviewed by the GMF; and
- Interest income from the treasury spreadsheet is reconciled to bank statements.

6.7 Legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Council may be exposed to such risks with Council unable to enforce its rights due to deficient or inaccurate documentation.

Council will seek to minimise this risk by adopting policy regarding:-

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties;
- The matching of third party confirmations and the immediate follow-up of anomalies; and
- The use of expert advice.

6.8 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council.

Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, re-financings and investment structures.

6.9 Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

6.10 Specific Council Approval

Any activity outside the limits set in section 6 will require specific Council approval.

7.0 Cash Management

The Finance Accountants Team has the responsibility to carry out the day-to-day cash and short term debt management activities. All cash inflows and outflows pass through bank accounts controlled by the finance function.

- The Finance Accountants Team will calculate and maintain comprehensive cash flow projections on a daily (two weeks forward), weekly (four weeks forward) and monthly (12 months forward) basis. The Long Term Planning process completed every three years looks forward for 10 years. These cash flow forecasts determine Council's borrowing requirements and surpluses for investment;
- On a daily basis, electronically download all Council bank account information;
- Co-ordinate Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters;
- Undertake short term borrowing functions as required, minimising overdraft costs;
- Ensuring efficient cash management through improvement to accurate forecasting using spreadsheet modelling;
- Minimise fees and bank/Government charges by optimising bank account/facility structures;
- Match future cash flows to smooth overall timeline;
- Provide reports detailing actual cash flows during the month compared with those budgeted;
- Maximise the return from available funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so; and
- Cash is invested for a term of no more than three months and in approved instruments and counterparties.

8.0 Measuring Treasury Performance

In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Council or an appropriate sub-committee of Council on a quarterly basis.

8.1 Operational performance

All treasury limits must be complied with including (but not limited to) counterparty credit limits, dealing limits and exposure limits.

All treasury deadlines are to be met, including reporting deadlines.

8.2 Management of debt and interest rate risk

The actual funding cost for Council (taking into consideration costs of entering into interest rate risk management transactions) should be below the budgeted interest cost.

~~Since senior management is granted discretion by Council to manage debt and interest rate risk within specified limits, the actual funding rate achieved must be compared against an appropriate external benchmark interest rate that assumes a risk neutral position within existing policy. Note: in this respect, a risk neutral position is one that is always precisely at the mid-point of the minimum and maximum percentage limits specified within the policy.~~

~~Given current fixed/floating risk control limits and fixed rate maturity profile limits as defined in Section 6.3 of the Treasury Policy, the market benchmark (composite) indicator rate will be calculated as follows:~~

- ~~• The wholesale interest rate is the mid-point policy benchmark rate. Council's policy mid-point represents an average term of seven years. The market benchmark rate will be calculated every month and represent the seven-year swap rate monthly rolling average over a seven-year period.~~

~~The micro-benchmark rate used to measure performance is the aggregate of the composite benchmark indicator rate calculated above and the margin that applies to existing funding facilities.~~

~~Accordingly, the actual weighted average interest rate for the financial year to date (that incorporates all issuance margins and derivative settlements) must be compared against the micro-benchmark rate on a monthly basis, with historical comparison reported graphically over the previous 12 months.~~

9.0 Reporting

When budgeting forecast interest costs/returns, the actual physical position of existing loans, investments and interest rate instruments must be taken into account.

9.1 Treasury reporting

The following reports are produced:

Report Name	Frequency	Prepared By	Recipient
Daily Cash Position Treasury Spreadsheet	Daily	AA/FA	FSM
Treasury Exceptions Report	As required	FSM	GMF
Treasury Report <ul style="list-style-type: none">• Policy limit compliance• Borrowing limits• Funding and Interest Position• Funding facility• New treasury transactions• Cost of funds vs budget• Cash flow forecast report• Liquidity risk position• Counterparty credit• Treasury performance Debt maturity profile• Treasury investments	Monthly (ELT)/ Quarterly (Council)	AA/FA	ELT/Council
Quarterly Treasury Strategy Paper	Quarterly	GMF	Council
Statement of Public Debt	Monthly	FSM	Council
Revaluation of financial instruments	At least Annually	FSM	Council

Report Name	Frequency	Prepared By	Recipient
LGFA covenant reporting	At least annually		LGFA

9.2 Accounting treatment of financial instruments

Council uses financial market instruments for the primary purpose of reducing its exposure to fluctuations in interest rates. The purpose of this section is to articulate Council's accounting treatment of derivatives in a broad sense.

Under NZ IPSAS accounting standards changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

Council's principal objective is to actively manage Council's interest rate risks within approved limits and chooses not to hedge account. Council accepts that the mark-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council's annual accounts.

The FSM is responsible for advising the GMF and CE of any changes to relevant NZ IPSAS which may result in a change to the accounting treatment of any financial derivative product.

All treasury financial instruments must be revalued (mark-to-market) at least once annually for risk management purposes. Banks can confirm valuation of financial instruments at least six monthly and during periods of significant change quarterly.

9.3 Valuation of treasury instruments

All treasury financial instruments must be revalued (mark-to-market) at least annually. This includes those instruments that are used only for hedging purposes.

Underlying rates to be used to value treasury instruments are as follows:-

- Official daily settlement prices for established markets;
- Official daily market rates for short term treasury instruments (e.g. FRA settlement rates calculated by Reuters from price maker quotations as displayed on the BKBM page);
- Relevant market mid-rates provided by the company's bankers at the end of the business day (5.00pm) for other over-the-counter treasury instruments; and
- For markets that are illiquid, or where market prices are not readily available, rates calculated in accordance with procedures approved by the GMF.

10.0 Policy Review

This Treasury Policy is to be formally reviewed on a triennial basis.

The CE has the responsibility to prepare a review report that is presented to Council or Council sub-committee. The report will include:

- Recommendation as to changes, deletions and additions to the policy;
- Overview of the treasury management function in achieving the stated treasury objectives, including performance trends in actual interest cost against budget (multi-year comparisons);
- Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension;
- Analysis of bank and lender service provision, share of financial instrument transactions etcetera;
- Comments and recommendations from Council's external auditors on the treasury function, particularly internal controls, accounting treatment and reporting;
- An annual audit of the treasury spreadsheets and procedures should be undertaken; and
- Total net debt servicing costs and debt should not exceed limits specified in the covenants of lenders to Council.

Council receives the report, approves policy changes and/or reject recommendations for policy changes.

Whistleblowing Policy adoption

Meeting: Council
Date of meeting: 30 September 2020
Reporting officer: Hannah Gillespie, General Manager People and Capability

Purpose/Ngā whāinga

To seek approval from Council to approve changes to the Council Whistleblowing Policy (Protected Disclosures Act 2000) due to the changes required from the Office of the Auditor General (OAG).

Executive summary/Whakarāpopototanga

In September 2017, at this committee's recommendation, Council approved a new Whistleblowing Policy (replaced the then Protected Disclosures Policy), making the policy and process clearer for Officers, and to include an additional external service available for staff to call if they would like to report a serious wrongdoing.

Deloitte was approved as a 3rd party external service, at an annual cost of \$10,000. We have also been using Deloitte's fraud training module for all staff to complete annually.

The OAG has instructed Deloitte to discontinue providing this service, as there is a conflict with the auditing services they provide. This includes the annual on-line fraud module.

We require a new option for the policy and give notice to Deloitte, who will then update the OAG.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Approves the amended Whistleblowing Policy and Fraud Policy (**Attachment A**).
- b) Agrees to engage PriceWaterhouseCoopers as the new whistleblower service provider (**Option 1**) as recommended by the Audit, Risk and Finance committee.

Context/Horopaki

- i. This report has come from the Audit, Risk and Finance Committee as this is a Policy that needs to be approved at Council.
- ii. As mentioned above, Deloitte cannot continue to provide this service due to the OAG instruction and conflict of interest.
- iii. The annual fee for the Deloitte service is \$10,000.
- iv. We have had no protected disclosures through the service since implemented in 2017.
- v. The researched options to replace Deloitte are:

Discussion/Ngā kōrerorero

Options

Option 1

Engage PriceWaterhouseCoopers (PWC) to provide the external service.

Cost			
Upfront implementation	\$2,500	On-going annual fee	\$5,000 + GST
Pros			
<ul style="list-style-type: none"> • Independant service 			
<ul style="list-style-type: none"> • Dedicated NZ based team 			
<ul style="list-style-type: none"> • Access to a specialist sex offence investigator 			
<ul style="list-style-type: none"> • Full reporting of all disclosures and investigative support 			
<ul style="list-style-type: none"> • PWC free phone 0800 number and email address 24/7 			
<ul style="list-style-type: none"> • Dedicated relationship manager 			
Con's			
<ul style="list-style-type: none"> • Non KDC branded email address and phone line specific to KDC 			

Option 2

Engage Report it Now to provide the external service.

Cost			
Upfront implementation	\$1,000	On-going annual fee	\$6,600 + GST
Pros			
<ul style="list-style-type: none"> • Multi lingual offering 			
<ul style="list-style-type: none"> • Access to Multiple Reporting Channels (call centre, phone, online, text 			
<ul style="list-style-type: none"> • Access to EthicsProEnterprise Case Management system, Access to automated reporting 			
<ul style="list-style-type: none"> • Protected Disclosure Office oversight of submissions, Anonymity available to the submitter 			
<ul style="list-style-type: none"> • 			
Con's			
<ul style="list-style-type: none"> • Only 2 free submission per month 			

Option 3

Engage KPMG to provide the external service.

Cost			
Upfront implementation	\$2,500	On-going annual fee	\$10,000
Pros			
<ul style="list-style-type: none"> • Implementation support service 			
<ul style="list-style-type: none"> • 24/7 calls, email, post service 			
<ul style="list-style-type: none"> • Deliver the report in 24 hours to Council 			
<ul style="list-style-type: none"> • Service operated by forensics professionals 			
<ul style="list-style-type: none"> • Dedicated relationship manager 			
Con's			

<ul style="list-style-type: none"> 9.00am – 7pm call centre, after this callers leave a voicemail. If voicemail is left with sufficient details a South Africa call centre will answer it
<ul style="list-style-type: none"> Non KDC branded email address and phone line specific to KDC

Option 4

Discontinue using an external service and have an internal process for Officers.

Cost
Nil
Pros
<ul style="list-style-type: none"> We have a set process in our whistleblowing policy for staff to follow No cost to Council for an external service
Con's
<ul style="list-style-type: none"> Council officers may not feel comfortable to report wrongdoings directly to Council disclosure officer No external service on offer for staff/contractors to report to 24/7 May result in wrong-doings not being reported in fear of identity disclosure (protected under act however protects them)

The recommended option is **option 1**.

PWC offer value for money, remain as an independent service and have a reputable background with best practice in the industry. Whilst more costly than providing just an in-house reporting process, there remains a level of independence for those who want to disclose outside Council due to anonymity concerns, or fear of retribution.

Policy and planning implications

Change to process for Council Officers.

Financial implications

Reduction in consultancy fees paid.

Risks and mitigations

By not having an external service in place, this may discourage Officers to report wrongdoings.

Significance and engagement/Hirahira me ngā whakapāpā


The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

If approved by Council, the Chief Executive will delegate General Manager People and Capability to engage with PWC to agree terms of service for external whistleblowing service. Policy implemented and Council Officers informed of the new changes.

Attachments/Ngā tapiritanga

	Title
A	Policy Whistleblowing August 2020 draft
B	Policy Fraud August 2020 draft

	Title of Policy	Whistleblowing Policy		
	Sponsor	General Manager People and Capability	Adopted by	Council
	Author	Hannah Gillespie, General Manager People and Capability	Date adopted	
	Type of Policy	Staff	Last review date	August 2020
	File reference	2206.03	Next review date	August 2024

Document Control			
Version	Date	Author(s)	Comments
1 st Commenced			
1.0	November 17	Hannah Gillespie	Periodic review, minor editing
2.0	August 2020	Hannah Gillespie	Review and editing

1 Background

Kaipara District Council has approved this Policy and procedure to ensure people can raise concerns regarding actual or suspected contravention of Council's ethical and legal standards without fear of reprisal or feel threatened by doing so.

The Policy aims to facilitate disclosure of questionable practices, encourage proper individual conduct, and alert our Chief Executive, Mayor and Audit, Risk and Finance Committee of potential problems before they have serious consequences.

This Policy aims to support and reinforce our Code of Conduct Policy, Conflict of Interest, Fraud Policy, and Bullying and Harassment Policy.

2 Objective

This Policy and procedure applies to all staff at the Council and includes:

- Former Staff members;
- Individuals seconded to the Council;
- Individuals contracted to the Council under contracts for services;
- Members of the Council's Executive Management; and
- Appointed Governance members.

3 Types of reportable "serious wrongdoings":

A serious wrongdoing may include, but is not limited to, any actual or suspected:

- Conduct or practices which are dishonest, illegal or breach any law;
- Breach of any Council Policy including our Code of Conduct;
- Sexual harassment, bullying, discrimination;
- Inappropriate accounting, internal accounting controls, or auditing matters;
- Corrupt activities;
- Theft, fraud or misappropriation of assets;
- Significant mismanagement or waste of funds or resources;
- Abuse of authority; or
- Unsafe work practice environment.

At Council we consider and will take such allegations seriously. We equally expect and assume that allegations are made in good faith, are truthful and can be substantiated.

4 How to submit a Whistleblow

Concerns may be communicated by any of the following means:

Mail to:

Protected Disclosures Officer – Chief Executive/General Manager People and Capability
Kaipara District Council
42 Hokianga Road
Dargaville 0310

PWC (External Independent Service)

Enter the details of the whistleblowing service here as above once approved via Council.

All allegations will be forwarded to the Chief Executive/General Manager People and Capability (unless the allegation involves the Chief Executive and/or General Manager People and Capability, in which case that role will be excluded from the forward, and the matter will then be escalated to the Mayor).

The two responsible officers (if escalated the Mayor and Deputy Mayor) will then discuss and decide the appropriate action to take in order to investigate and validate the allegation. The investigation will be conducted by suitably skilled and unbiased internal or external resources.

The responsible officers will acknowledge receipt of the Whistleblow, and will respond to the Whistleblower as soon as possible (not more than twenty (20) working days) with their action/outcome from the investigation.

5 What to include in your Whistleblow

An allegation should include enough information about the incident or situation to allow Council to investigate it properly.

Should the complainant wish to remain anonymous, he/she may send the complaint in a way that does not reveal their identity. Should, however, the complainant wish to co-operate in further investigation of the complaint, he/she should submit his or her name and contact details together with the complaint. If he/she identifies themselves in the whistleblow report the investigator might contact them to ask further matters reported in the complaint.

Every report of a possible violation, compliance concern, complaint or other allegation will be retained confidentially in our electronic system.

6 Protection for the whistleblower from retaliation


Council acknowledges that whistleblowers fear possible retaliation from making a disclosure. This may be a concern of reprisals, discriminations, harassment or retribution. We are committed to minimise that from happening by:

- Keeping the details of the person making the whistleblow confidential and protecting their identity;
- Protection for the individual from victimisation for having made the disclosure; and

- Protection from personal disadvantage for having made the disclosure where the person disclosing has acted in good faith and has not engaged in misconduct or illegal activities or made a malicious disclosure.

Council intends to investigate any report thoroughly made in good faith. Every employee will be required to co-operate in internal investigations of misconduct or unethical behaviour.

DRAFT

	Title of Policy	Fraud Policy		
	Sponsor	Hannah Gillespie, General Manager People and Capability	Adopted by/Authorised by	Council
	Author	Hannah Gillespie	Date Adopted/Authorised	30/09/2013
	Type of Policy	Operational	Last review date	August 2020
	File reference	2206.03	Next review date	May 2022

Document Control			
Version	Date	Author(s)	Comments
1 st Commenced	Sep 2013		
1.0	Jun 2016	Peter Marshall	Periodic review, minor editing
1.1	May 2018	Hannah Gillespie	Period review, minor editing
1.2	July 2018	Hannah Gillespie	Amendments following AFR committee
1.3	August 2020	Hannah Gillespie	Changes to whistleblowing service and review

1 Background

Fraudulent behaviour is unacceptable at Kaipara District Council. All reported incidents of alleged fraud must be treated seriously and will be investigated. Kaipara District Council is committed to maintaining the highest ethical principles and integrity in discharging our obligations to the community.

2 Objective

To ensure that the assets and reputation of Kaipara District Council and its Staff are protected from fraudulent behaviour.

3 Definition of Fraud

Fraud is the deliberate practice of deception in order to receive unfair or unlawful gain and, for the purposes of this Policy, includes forms of dishonesty.

Examples of fraud include, but are not limited to:

- a) Violation of Council's policies relating to employment, finance, equipment and other assets;
- b) Forgery or alteration of any document belonging to Kaipara District Council;
- c) Forgery or alteration of a cheque, bank draft or any other financial document;
- d) Theft of funds or other assets;
- e) Improprity in the handling or reporting of money;
- f) Profiteering as a result of insider knowledge;
- g) Disclosing confidential information to outside parties;
- h) Accepting anything of material value from contractors, vendors or persons providing services/materials to Kaipara District Council, with the exception of gifts of minor value, in keeping with Council's policy;
- i) Bribery and corruption;
- j) Misrepresentation or failure to provide comprehensive information to decision-makers;
- k) Destruction, removal or inappropriate use of records and assets (furniture, fixtures and equipment); and
- l) Any similar or related inappropriate conduct.

4 Related Documents

- a) Code of Conduct for Staff;
- b) Code of Conduct for Elected Members;
- c) Conflict of Interest;
- d) Gift Policy;
- e) Procurement Policy and Strategy; and
- f) Whistleblower Policy.

5 Policy

At Kaipara District Council:

- a) There is a policy of “zero tolerance” in relation to fraud against Council or ratepayers, and standard practice will be to report instances of fraud to the Police.
- b) There is a commitment to the development and maintenance of processes and procedures to prevent and detect fraud, and provide for the investigation and management of fraudulent behaviour.
- c) Each Manager has the responsibility for ensuring that appropriate controls are in place at all levels to ensure safeguards against fraudulent activity and must take action to implement and maintain these controls. Further, Managers are responsible to ensure there are systems in place to regularly review transactions and activities that may be susceptible to fraud.
- d) Staff who become aware of, or suspect fraudulent behaviour must advise their Manager and/or General Manager immediately.
- e) All incidents of alleged fraud or dishonest practices must be reported to the General Manager People and Capability as soon as practicable.
- f) Any breach of this policy needs to be reported to Council’s Audit, Risk and Finance Committee as a compliance breach.
- g) Investigations will be undertaken or co-ordinated by the General Manager People and Capability. Where any employee is involved the General Manager People and Capability will inform the Chief Executive. In investigations where the General Manager People and Capability is involved, the investigation will be co-ordinated by the Chief Executive.
- h) The employee may be suspended while the investigation is being conducted in accordance with the terms of the employee’s employment agreement.
- i) Appropriate regard will be given to all relevant employment law principles, including the concepts of natural justice, the right of reply and collection of adequate evidence.
- j) All alleged incidents of fraud will be investigated, reported to the Mayor and, where an employee is found to have committed fraud, disciplinary action, in accordance with Human Resources policies, will be taken and reported to the Audit, Risk and Finance Committee.
- k) The recovery of lost money or other stolen property will be pursued wherever possible and practicable and all substantiated instances of theft will be reported to the Police.
- l) Kaipara District Council is required to report all incidents of fraud to the Office of the Auditor-General via our auditor.

6 Responsibilities

All employees	Reading and adhering to the conditions of this policy.
Managers/General Managers	Ensuring employees are aware of this Policy. Taking appropriate action when breaches of this Policy occur.
People and Capability Business Partner	Involvement in any investigation of alleged fraud concerning an employee by providing advice and guidance. Administering, revision, interpretation and application of this Policy. Taking appropriate action when breaches of this Policy occur.

7 Scope of Policy

This Policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Kaipara District Council. This Policy has limited application in the following case:

- a) Theft of money or goods by any person not employed by Kaipara District Council. The theft must be reported to the police and/or security. The General Manager People and Capability must be notified as soon as possible thereafter and be kept informed of any police investigation. For example, a robbery of a cash collection point.

This policy does not apply to:

- b) Minor fraud perpetrated by the public against Kaipara District Council. For example, providing wrong information on a license application.
- c) Routine performance management issues that should be resolved by the General Manager People and Capability.
- d) Conflict of Interest matters involving Councillors who are subject to provisions within the Local Authorities (Members' Interests) Act 1968, the Local Government Act 2002, and Kaipara District Council's Code of Conduct for Elected Representatives.

8 Investigations

The General Manager People and Capability has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this Policy. Where the alleged fraud involves an employee, the General Manager People and Capability will be advised of the alleged fraud immediately so that they may provide advice and guidance. Any investigation carried out must comply with Human Resources policies to the fullest extent possible.

Decisions to refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Chief Executive in consultation with, as appropriate, the General Manager People and Capability. Kaipara District Council's solicitors may also be consulted on the final decision for disposition of the case.

The General Manager People and Capability (and anyone acting on their behalf) will have:

- a) Free and unrestricted access to all Kaipara District Council records and premises.

- b) The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

The General Manager People and Capability has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy, except where the suspected fraud may involve:

- c) The General Manager People and Capability, in which case the Chief Executive will have primary responsibility for conducting the investigation;
- d) The Chief Executive, in which case the Mayor in consultation with the Chair of the Audit, Risk and Finance Committee will employ an appropriately qualified professional such as an external chartered accountant or external auditor who will have primary responsibility for conducting the investigation and reporting back to the Mayor and the Chair of the Audit, Risk and Finance Committee;
- e) The Mayor or an /Elected Member, in which case the Chief Executive and the Mayor or Chair of the Audit, Risk and Finance Committee employs an appropriately qualified professional such as an external chartered accountant or external auditor who will have primary responsibility for conducting the investigation in consultation with the Chief Executive and the Mayor or Chair of the Audit, Risk and Finance Committee.

9 Reporting Procedures

Great care must be taken in the investigation of alleged fraud to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

Any suspected fraudulent activities can be reported via the below contacts:

Insert new Whistleblowing service as agreed by Council

- Or to our Fraud Officer:
Attention: Fraud Officer
Kaipara District Council
42 Hokianga Road
Dargaville 0310

- a) The employee or other complainant may remain anonymous;
- b) The employee or other complainant may follow the Whistleblowing Policy process;
- c) All enquiries concerning the activities under investigation from the suspected individual, his or her lawyer or representative, or any other enquirer should be directed to the General Manager People and Capability; No information concerning the status of an investigation will be given out except through the General Manager People and Capability or the Chief Executive. The proper response to any enquiry is: "I am not at liberty to discuss this matter";
- d) Fraud perpetrated against Kaipara District Council will be reported to Council's Audit, Risk and Finance Committee, insurers, auditors and enforcement agencies, as required.

The reporting individual should be informed of the following:

- e) Do not contact the suspected individual in an effort to determine facts or demand restitution;
- f) Do not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the General Manager People and Capability, the Chief Executive or Council's solicitors.

10 Consequences

An investigation may result in a recommendation to terminate a supplier's or contractor's contract or, in the case of an employee, a commencement of a disciplinary process, the outcome of which may be dismissal of the employee where appropriate. The following applies as appropriate:

- a) Any decision to begin a disciplinary process, or to terminate an employee's employment at the conclusion of that process, will be made in accordance with Human Resources policies;
- b) Fraud perpetrated against Kaipara District Council will be reported to General Managers, Chief Executive and others as appropriate;
- c) Where suppliers are involved, any recommendation from the General Manager People and Capability will be put forward and reviewed with representatives of Procurement (contracts) and with Council's solicitors as appropriate, before any action is taken;
- d) Where instances of fraudulent conduct are substantiated, any decisions will be referred to the relevant General Manager and the Chief Executive for adjudication.

11 Policy Review

The Policy will be reviewed every two years or earlier as required.

Climate Adaptation Joint Committee establishment and appointments

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Gavin Dawson, Governance Advisor

Purpose/Ngā whāinga

To decide on the establishment of a Joint Committee on Climate Change Adaptation (the “Committee”) and provide information on related processes.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Agrees to establish the Joint Committee on Climate Change Adaptation under clauses 30 and 30A of Schedule 7 of the Local Government Act 2002, using the Terms of Reference (**Attachment B of this report**).
- b) Appoints [Insert Elected Member name] to be the Kaipara District Council representative on the Joint Committee on Climate Change Adaptation.
- c) Appoints [Insert Elected Member name] to be the alternate representative on the Joint Committee on Climate Change Adaptation.
- d) Agrees that Te Roroa and Te Uri o Hau will be engaged, to provide nominations for, the roles of primary Mana Whenua / Iwi representative and alternate Mana Whenua / Iwi representative, with a final recommendation to come to the Kaipara District Council for a decision by 16 December 2020.

Discussion/Ngā kōrerorero

On 2 September 2020, the Council was briefed on the background and purpose of the Committee (**Attachment A**) and the proposed Terms of Reference (**Attachment B**).

The Council Governance Team was engaged by the Policy Team to confirm the governance and administrative processes that would be required to have the Committee established and included in the Council governance structure.

The processes and information explained in this report will need to be implemented to give effect to the establishment of the Committee.

Agreement of Council to constitute the Joint Committee

The Committee will be formed under clauses 30 and 30A of Schedule 7 of the Local Government Act 2002 (the ‘Act’). The Act states that each member council must agree to form a joint committee, along with the terms of reference and other arrangements or conditions which may apply. To date, Northland Regional Council (NRC), Far North District Council (FNDC) and Whangārei District Council (WDC) have agreed to the joint committee and terms of reference.

Once adopted, all member councils of the Committee must agree to any changes to the Terms of Reference and other jointly agreed matters.

Appointment of Elected Members

One elected member will need to be appointed with the appointment of an alternate. A resolution of the Council is needed to make the appointments. This process would need to take place again if there were a change in the appointed member(s) to the Committee.

Appointment of Mana Whenua / Iwi Representatives

It is intended that the primary and alternate Mana Whenua / Iwi representatives will be nominated by Te Roroa and Te Uri o Hau, KDC Mana Whenua / Iwi partners. They will make a recommendation to the Council on who they would prefer to fill the two roles of primary and alternate representatives.

The nomination and recommendation process for the two positions would commence after the 30 September 2020 Council Meeting. A formal recommendation for the roles will be made to Council on 16 December 2020. The Governance and Policy Teams will liaise with the Iwi Relationships Manager on the best way to facilitate this process.

Remuneration of Mana Whenua / Iwi Representatives

Remuneration of the Mana Whenua / Iwi representative, or the alternate if they attend in the place of the permanent representative, is funded by KDC under the Terms of Reference for the Committee. The remuneration costs would come from the policy and planning budget.

The FNDC and NRC will be paying their representatives \$170 per meeting and WDC \$280 per meeting. Under the draft KDC Non-Elected Remuneration policy (on this agenda), our representatives would be paid \$50 per hour for a maximum of three hours (\$150).

If the KDC Non-Elected Remuneration policy is approved, it is intended that the Chief Executive approve a rate of \$170 maximum per meeting, using the exceptions clause of our policy. This will ensure that there is a more equitable approach to the levels of remuneration.

Administrative Authority

Northland Regional Council will be the secretariat responsible for the compiling and distribution of agendas and minutes, keeping official records, and meeting planning and co-ordination.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

The Northland Regional Council Chair and Chief Executive will be advised of the decision, and the Governance Team will commence appointment and other administration processes.

Attachments/Ngā tapiritanga

	Title
A	Council Briefing report dated 2 September 2020.
B	Draft Terms of Reference for the Climate Adaptation Joint Committee establishment and appointments.

Proposed Joint Climate Change Adaptation Committee

Meeting: Council Briefing
Date of meeting: 02 September 2020
Reporting officer: Katy Simon, Policy Analyst

Purpose/Ngā whāinga

To introduce the proposed Joint Climate Change Adaptation Committee and draft Terms of Reference.

Context/Horopaki

At the Council Briefing meetings on 3 and 10 June, staff reported on a proposed Climate Change Strategy and Work Programme. These reports introduced the idea of a strategic, unified approach to climate change work that included adaptation, mitigation and sustainability action plans and a Climate Smart Policy. The reports also introduced and updated Council on Council's participation in a joint regional approach to adaptation, Climate Adaptation Te Taitokerau (CATT), together with Northland Regional Council (NRC), Far North District Council (FNDC) and Whangarei District Council (WDC).

CATT is a regional joint adaptation group that first formed in December 2018. The group's aim is to ensure regional consistency in adaptation planning while recognising the need for unique local approaches at the district and community level. The group is developing a series of core projects, including:

- a communications plan;
- a climate change adaptation strategy for Te Taitokerau Northland;
- an associated 10-year work programme for Councils that identifies and addresses priority issues at both a regional and district level; and
- a Te Ao Māori Framework that applies a Māori world view to adaptation planning.

CATT meets regularly on a tri-monthly basis and NRC's Natural Hazards Advisor is the chair. CATT reports to Council's Chief Executives. Membership currently includes 18 staff from FNDC, WDC, NRC, and KDC. The Four Waters Advisory Group and Northland Transport Alliance are also represented. Te Taitokerau Māori and Council Working Party (TTMAC) and Te Huinga representatives have open invitations and have attended a meeting and a risk assessment workshop.

Participation in CATT and development of shared regional adaptation approach is a core component of Council's climate change work. This regional approach is integral to the proposed climate change work programme. So far, participation in CATT has been predominantly operational and staff led. CATT is now proposing the establishment of a Joint Climate Change Adaptation Committee to support formalising the proposed shared regional approach.

Discussion/Ngā kōrerorero

Acting collaboratively in Te Taitokerau Northland to plan how we adapt to climate change ensures an effective, efficient and coordinated approach. Collaborative inter-council arrangements have proven very effective at dealing with complex issues that benefit from cross-council coordination, most recent examples are the Northland Transportation Alliance and matters around Civil Defence Emergency Management.

As stated previously, CATT is currently in the process of developing a regional climate change strategy. While this group is functioning well, it is recommended that a joint council committee is also established to provide governance oversight of climate change adaptation activity.

The proposal to establish a committee was supported by the Chief Executives Forum at its meeting on Monday 3 February 2020, and subsequently endorsed by the Northland Mayoral Forum at its meeting on 24 February 2020. Both the Mayoral Forum and Chief Executives Forum recommended that this committee have equal representation by Māori.

The formation of a joint council standing committee is provided for in Schedule 7, clauses 30 and 30A of the Local Government Act 2002 (LGA). In terms of process, each Council must formally agree to the establishment of the joint committee and nominate elected members as committee members. Clause 31 of Schedule 7 of the LGA also allows a local authority to appoint non-elected members to a committee, if in the opinion of the local authority those persons have the skills, attributes or knowledge that will assist the work of the committee.

FNDC has formally approved the creation of the committee and the associated draft Terms of Reference (TOR) through resolutions at meetings held in August. WDC is in the process of gaining approval, with the draft TOR having been presented at their August Council Briefing. NRC will be seeking a Council decision on the proposed committee at their August meeting.

It is recommended that the committee have eight members with each Council nominating two elected members – one as their full member and an alternate as a ‘back-up’ in the event the first nominee is unable to attend meetings. Each Council is to also seek the nomination of two Iwi/Hapū representatives from their jurisdictions (again one as ‘back-up’ / alternate).

It is recommended that Iwi / Hapū representatives are remunerated for their participation and that remuneration is the responsibility of the nominating council. For KDC, this remuneration would develop in reference to our Mana Enhancing Agreement (MEA) with Te Roroa and our Memorandum of Understanding (MoU) with Te Uri o Hau. Remuneration for participation in the joint committee falls outside the scope of current compensation as outlined in both agreements since it's a regional, non-policy activity. Remuneration is accounted for in Council's proposed climate change work programme LTP budget. For the 2020/2021 financial year, remuneration costs are anticipated to be small and will come from current, operational budgets. Where hourly costs are not indicated by our MEA and MoU, [NRC's Appointed Members' Allowances Policy](#) will guide remuneration. This policy identifies maximum daily meeting (workshop) allowance of \$170, plus mileage.

NRC's Te Taitokerau Māori and Council Working Party provided their nominations for membership on the committee at their March 2020 meeting. The nominations were Toa Faneva, Te Rūnanga O Whāingaroa (primary member) and Thomas Hohaia, Te Roroa (back up member). Te Huinga (WDC Māori Representative Committee) nominated Delaraine Armstrong (primary) and Rosie Wellington (back up member) at the August 2020 meeting. The draft TOR have been presented to Te Roroa and Te Uri o Hau and staff are waiting on their decisions regarding participation and nomination.

The draft TOR for the committee are included as Attachment A for Council's consideration. The TOR includes a recommended purpose as well as responsibilities and representation arrangements. It is not proposed that the committee have decision making powers or delegations. Any recommendations from the Committee will be brought back to each respective Council to make decisions on. Administrative and technical support would be provided by CATT.

Clause 30A(1) of the LGA states that a local authority may not appoint a joint committee under clause 30(1)(b), unless it has first reached agreement with every other local authority or body that is to appoint members of the committee.

Under Clause 30A(2), an agreement under subclause 30A(1) must also specify—

- a. the number of members each local authority or public body may appoint to the committee; and
- b. how the chairperson and deputy chairperson of the committee are to be appointed; and
- c. the terms of reference of the committee; and
- d. what responsibilities (if any) are to be delegated to the committee by each local authority or public body; and
- e. how the agreement may be varied.

The draft TOR in Attachment A address the necessary requirements. The requirements of Clause 30A(1) will be considered to be met by adoption of the TOR by way of a resolution of each Council.

Next steps/E whaiake nei

A report to be presented to Council on the above matters for a resolution to adopt the draft TOR and establish the proposed Joint Council Climate Change Adaptation Committee.

Attachments/Ngā tapiritanga

	Title
A	Draft Terms of Reference

Joint climate change adaptation committee Terms of Reference

August 2020

Background

Climate change poses significant risks to the environment and people of Te Taitokerau - local government has responsibilities in reducing the impact of climate change (adaptation). It is essential that councils, communities and iwi / hapū work collaboratively to ensure an effective, efficient and equitable response to the impacts of climate change. Work on adaptation has already started between council staff with the formation of the joint staff working group Climate Adaptation Te Taitokerau and the development of a Climate Change Adaptation Strategy for Taitokerau. The formation of a joint standing committee of the Far North, Kaipara and Whangarei district councils and Northland Regional Council elected council members and iwi / hapū is fundamental to ensuring these outcomes are achieved in a coordinated and collaborative way across Te Taitokerau.

Role and Responsibilities

- 1) Provide direction and oversight of the development and implementation of climate change adaptation activities by local government in Te Taitokerau
- 2) Receive advice and provide direction and support to Climate Adaptation Te Taitokerau
- 3) Make recommendations to member councils to ensure a consistent regional approach is adopted to climate change adaptation activities
- 4) Act collectively as an advocate for climate change adaptation generally and within the individual bodies represented on the Committee
- 5) Ensure the bodies represented on the Committee are adequately informed of adaptation activity in Te Taitokerau and the rationale for these activities
- 6) Ensure the importance of and the rationale for climate change adaptation is communicated consistently within Te Taitokerau
- 7) Receive progress reports from Climate Adaptation Te Taitokerau

Membership

The Joint Climate Change Adaptation Committee (the committee) is a standing committee made up of elected members from the Far North, Kaipara and Whangarei district councils, the Northland Regional Council and representatives from Northland hapū and iwi.

The committee shall have eight members as follows:

One elected member from:

Kaipara District Council
Far North District Council
Whangarei District Council
Northland Regional Council

Iwi / hapū members:

One representative from iwi / hapū nominated by each council from within their jurisdiction. Where possible, this nomination should follow recommendations from council Māori advisory groups or committees.

Each council shall also nominate one alternative elected member and one alternative iwi / hapū member who will have full speaking and voting rights when formally acting as the alternate.

Status

The Committee is a joint standing committee of council as provided for under Clause 30(1)(b) of Schedule 7 of the Local Government Act 2002 and shall operate in accordance with the provisions of Clause 30A of that Act. The committee is an advisory body only and has no powers under the Local Government Act 2002 (or any other Act) other than those delegated by decision of all member councils. The joint standing committee shall operate under Northland Regional Council Standing Orders.

Committee Chair and deputy Chair:

The Chair and Deputy Chair is to be elected from members at the first meeting of the committee.

Quorum

At least 50% of members shall be present to form a quorum.

Meetings

The Committee shall meet a minimum of two times per annum.

Service of meetings:

The Northland Regional Council will provide secretarial and administrative support to the joint committee.

Draft agendas are to be prepared by Climate Adaptation Te Taitokerau and approved by the Chair of the Committee prior to the Committee meeting.

Remuneration

Remuneration and / or reimbursement for costs incurred by council members is the responsibility of each council.

Respective iwi / hapū representatives will be remunerated and reimbursed by the nominating council in accordance with the non-elected members remuneration policy of that council.

Amendments

Any amendment to the Terms of Reference or other arrangements of the Committee shall be subject to approval by all member councils.

Non-Elected Member Remuneration policy adoption

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Gavin Dawson, Governance Advisor

Purpose/Ngā whāinga

To provide the final draft of the Non-Elected Member Remuneration policy (the “Policy”) for adoption.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Adopts the Non-Elected Member Remuneration Policy located at Attachment A to this report.
- b) Notes the policy implementation timeframes and processes.
- c) Delegates the Mayor and Chief Executive the authority to make minor editorial changes that do not alter the intent of the policy

Discussion/Ngā kōrerorero

The draft Policy (**Attachment A**) and a briefing report (**Attachment B**) were presented to Council for feedback at the Council Briefing held on 2 September 2020.

The following feedback was provided by the Council and this has been included in the final draft of the Policy:

- Changes to some sentence phrasing to clarify intent of in two sections
- Clarify that mileage should only be claimed within Council boundaries
- Make clear that exceptions to the conditions and restrictions can be made.

Implementation processes and timeframes

There are several processes which need to be established, and discussion which needs to take place with stakeholders on how the Policy operates and the related processes applies to them.

Below is a table outlining the processes and timetable:

Process	Timeframe
Budget review and funding allocation finalised	By 30 October 2020
Appointment processes and funding arrangements for representative organisations clarified and confirmed	By 30 October 2020
Non-Elected Members and representative organisations advised of decision and related processes	By 6 November 2020 via email, and through a formal report during the November/December 2020 meeting cycles
First payments made to Non-Elected Members that have not opted out of the scheme starts	February and March 2021 meeting cycles

Significance and engagement/Hirahira me ngā whakapāpā


The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

If adopted, the new Policy will be included in the Council policy register, and the implementation process will begin.

Attachments/Ngā tapiritanga

	Title
A	Final draft of the Non-Elected Member Remuneration Policy for Adoption
B	Council Briefing report from 2 September 2020

 KAIPARA DISTRICT <small>Two Oceans Two Harbours</small>	Title of Policy	Non – Elected Member Remuneration Policy		
	Sponsor	General Manager Engagement and Transformation / Chief Executive	Authorised / adopted by	Council
	Author	Governance Advisor	Date authorised / adopted	
	Type of Policy	Administration	Last review date	N/A
	File Reference		Next review date	

Document Control			
Version	Date	Author(s)	Comments
1	19 Aug 2020	Governance Advisor	

1 Background

Public participation in Council democratic processes ensures that the views of the community are heard, especially through the non-elected members who sit on council committees and panels.

The Council recognises that non-elected members incur personal expense from time to time as a result of this participation, and it does not want participation to financially disadvantage or act as a disincentive to participate.

2 Objectives

This policy sets out the remuneration framework for non-elected members and how it shall be applied. It seeks to maintain a framework which is balanced, transparent, and accountable.

3 Definitions

Non-Elected Member: a person appointed by Council or Mayor to sit on a Committee or Panel of Council, who is not an Elected Member, District Licensing Committee Chair or Member, Independent Hearings Commissioner, or Chair of the Audit and Risk Committee.

Council Committee: a committee established by the Council or the Mayor under the Local Government Act 2002.

Panel: a panel established by the Council or the Mayor under the Local Government Act 2002.

Approved scheduled meeting: a committee or joint committee meeting that has been included in the Triennium meeting schedule and adopted by the Council, an approved extraordinary or emergency committee meeting, or a rescheduled or new committee or panel meeting convened under the Chief Executive's delegations.

4 Policy Statement

4.1 Policy exclusions

This policy does not apply to:

- a) The Mayor and Elected Members, who have their remuneration agreed through the Remuneration Authority and a decision of the Council at the beginning of each triennium.
- b) The District Licensing Committee Chair and Members, who have remuneration set by Government regulation.
- c) Independent Hearing Commissioners engaged by the Council, who are remunerated separate from this policy.
- d) Internal or external staff attending a committee or panel meeting as part of their employment.
- e) Members of a committee or panel who represent an organisation and are remunerated to attend by the organisation they represent.
- f) Members of a committee or panel who represent an organisation as a result of statute where remuneration has been provided for, or an agreement with the Council and remuneration has been provided for.
- g) The council's independent Chair of the Audit and Risk Committee, as that member is paid on invoice.
- h) Workshops or functions not organised by the Governance Team.

4.2 Eligibility for remuneration

Non-Elected Members become eligible to claim an hourly rate and claim mileage expenses **(Schedule A)** subject to the conditions and restrictions of this policy **(Part 4.3)** when:

- a) They attend approved scheduled Committee and Panel meetings which they are appointed to.
- b) They are delegated to represent that members committee or panel at another approved scheduled committee or panel by the Chair.
- c) They attend a workshop or function organised by the Governance Team.

4.3 Conditions and restrictions

The following conditions and restrictions apply to this policy:

- a) Remuneration and mileage will not be paid if a committee meeting or panel is cancelled.
- b) The appropriate hourly rate can only be charged for up to a maximum of three (3) hours.
- c) For clarity, if a meeting exceeds three (3) hours, the appropriate hourly rate no longer applies.
- d) Mileage claimed must cover the most direct route that is reasonable in the circumstances at a rate set out in Schedule A.
- e) If Non-Elected Members would like to receive payments and claim mileage must advise the Governance Advisor and complete the relevant forms and processes for loading into the KDC administration system.

4.4 Exceptions to this policy

Exceptions to this policy can be made in certain circumstances on a case by case basis. An application must be made to the Chief Executive or their delegate for approval through a Governance Advisor.

4.5 Procedures

The Governance Team determine the process for the claiming and payment of eligible remuneration and mileage. Please contact a Governance Advisor for more information or if you have any questions.

DRAFT

SCHEDULE A: Non-Elected Remuneration policy

Document Control		
Date	Author(s)	Comments
19 Aug 2020	Governance Advisor	

Hourly rates for chairs and committee or panel members

For part periods, hourly rates are paid in 15-minute increments, with the time rounded up to the closest 15-minute increment.

Chair	Committee or panel member
\$75 per hour	\$50 per hours

Eligible mileage rate

Rate
Rate set by the Inland Revenue Department within the Kaipara District. An exemption to this may be granted on a case by case basis under section 4.4 of this policy.

Attachment B: Draft Non-Elected Member Remuneration Policy

Meeting: Council Briefing
Date of meeting: 2 September 2020
Reporting officer: Gavin Dawson, Governance Advisor

Purpose/Ngā whāinga

To seek feedback and direction on the draft Non-Elected Member Remuneration policy (the “Policy”).

Context/Horopaki

The Council currently has 15 Non-Elected Members (Non-EMs) who serve on our committees. Their participation in Council democratic processes ensures that the views of the community and Iwi are heard.

For the purposes of this discussion a Non-EM is defined as:

- A person appointed by Council or Mayor to sit on a Committee or Panel of Council, who is not an Elected Member, District Licensing Committee Chair or Member, Independent Hearings Commissioner, or Chair of the Audit and Risk Committee.

Many councils throughout the country have formalised a Policy as they recognise that non-elected members incur personal expense from time to time as a result of their participation. Emphasising that they do not want participation to financially disadvantage participants or act as a disincentive to participate.

The formalising of a Policy would set out the remuneration framework for non-elected members and how it is applied, and seek to maintain a framework which is balanced, transparent, and accountable.

Discussion/Ngā kōrerorero

The matter of Non-EM remuneration has been raised at several governance meetings. There is a strong feeling that remuneration is needed for the time a Non-EM spends preparing, travelling, and participating in a governance meeting. Non-EM remuneration is not uncommon around the country. However, the rate and criteria do differ quite a lot between territorial and regional authorities.

Elected Members, the District Licensing Committee Chair or Members, Independent Hearings Commissioners, and the Chair of the Audit and Risk Committee are not included in this draft policy as they are remunerated through another mechanisms such as the Remuneration Authority, Central Government regulation, or another policy of Council.

Members of the Raupo Drainage Committee have been eligible for a rate of \$50 per month plus mileage since 2005. This was an opt in scheme which has only seen up to two members use this arrangement. The arrangement is still in place today and any payments are drawn from the Raupo drainage targeted rate. The proposed policy would see this arrangement closed, with the Policy applied to the Raupo Drainage Committee and costs borne from the general rate.

At present all Non-EMs can claim for mileage at a rate of 79 per kilometre or at the rate recommended by the Inland Revenue Department. No other meeting fees apply for committees, other than the monthly fee which applies to the Raupo Drainage District.

The Council currently has two non-statutory agreements with Te Uri o Hau Settlement Trust and Te Roroa Whatu Ora and Mana Whenua Trust. Both agreements note that unless otherwise agreed, each party shall provide its own resources for its participation in activities under the agreements signed, such as governance meetings. However, there is provision for further agreement between the Council and two organisations, on the remuneration of their representatives.

The policy proposes paying the rates below:

Chair	Committee or panel member
\$75 per hour	\$50 per hour

Mileage rate
According to rates set by the Inland Revenue Department.

This policy would cost about \$10,000 per annum to fund the 15 Non-EMs we currently have. This figure is based on three-hour long meetings maximum, of which many do not go beyond two hours.

The Northland Regional Council, Whangarei District Council, and Far North District Council pay the following rates:

Council	Rate
Northland Regional Council	\$170 per meeting maximum regardless of time plus mileage.
Whangarei District Council	Rate to be advised asap
Far North District Council	Unpaid

Next steps/E whaiake nei

The feedback and direction provided today will be included in the final draft. A policy for adoption will be considered at the September Council Meeting.

If adopted the budget will be included in the 2021-31 Long Term Plan and be applicable from then. A review and reallocation of current governance related budgets would be required to fund this policy during this financial year.

Attachments/Ngā tapiritanga

	Title
A	Draft Non-Elected Member Remuneration Policy

Exceptions Report for August 2020

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Louise Miller, Chief Executive

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Notes the Exceptions Report for August 2020.



Exceptions Report

For the month of August 2020

Financial Report

Activities Report

Capital Projects Update

August 2020 Financial Report

Statement of Operating and Capital Performance

	This Month 31 August 2020				Indicator	Year to 31 August 2020				Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000			Actual \$'000	Annual Plan \$'000	Variance \$'000			Annual Plan \$'000	Forecast \$'000
Whole of Council												
Rates	3,340	3,198	142	●		6,922	6,749	173	●		38,780	38,780
Activity Revenue and Other Income	399	421	(22)	●		1,333	981	352	●		6,454	6,454
Subsidies and Grants - Operational	1,365	391	974	●		1,159	814	346	●		4,809	4,809
Total Operating Income	5,104	4,010	1,095	●		9,414	8,543	871	●		50,042	50,042
Employee Benefits	1,444	1,155	(289)	●		2,414	2,314	(99)	●		13,142	13,142
Contractors	137	130	(7)	●		245	336	91	●		1,888	1,888
Professional Services	546	316	(230)	●		747	862	114	●		4,724	4,731
Repairs and Maintenance	1,185	731	(453)	●		2,148	1,494	(655)	●		10,240	10,203
Finance costs	385	238	(146)	●		391	477	85	●		2,860	2,860
Other Operating Costs	1,124	821	(303)	●		1,332	1,907	575	●		7,040	7,070
Total Operating Costs	4,820	3,392	(1,428)	●		7,277	7,389	112	●		39,894	39,894
Operating Surplus/(Deficit) (before Depreciation)	284	618	(334)	●		2,136	1,154	759	●		10,148	10,148
Capital Subsidies	734	852	(118)	●		466	1,164	(698)	●		15,081	15,081
Contributions	204	254	(50)	●		692	508	183	●		3,046	3,046
Other Capital Revenue	11	0	11	●		11	0	11	●		0	0
Total Capital Revenue	949	1,106	(157)	●		1,169	1,672	(503)	●		18,127	18,127
Capital Expenditure	660	2,319	1,658	●		1,574	4,637	3,063	●		27,822	27,822
Total Capital Payments	660	2,319	1,658	●		1,574	4,637	3,063	●		27,822	27,822
Subtotal Capital	289	(1,213)	(924)	●		(405)	(2,965)	(2,559)	●		(9,695)	(9,695)
Surplus/(Deficit) - before Loan Payments and Depreciation	573	(595)	(1,258)	●		1,731	(1,811)	(1,800)	●		453	453

Key: ● Within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

Statement of Operating and Capital Performance

Comments on major variances

Operating Income:

Account	Rationale	\$000
Rates Revenue	Penalties are ahead of budget for the year to date due to arrears penalties applied (July 2020) and instalment penalties.	166
Activity Revenue and Other Income	Activity revenue: <ul style="list-style-type: none"> • Increase in Building Control revenue. • Increase in Resource consenting income. • Increase in Campground fees – Kai Iwi Lakes pre booking for the summers season • Increase in Roding external recovery costs 	184 83 53 22
Operating Subsidies and Grants	Operational subsidies from NZTA are ahead of budget, due to unsealed roads maintenance work completed earlier than scheduled. PGF funding for Kaipara Kickstart Programme milestones claim received in August.	253 103

Operating Costs:

Account	Rationale	\$000
Employee Benefits	In the month of August, the Organisational restructure was completed, and redundancy packages paid out.	99
Contractors	Overall reduction of contractor's costs.	91
Professional Services	Costs overall are lower than budget across all activities.	112
Repairs and Maintenance	Community activities – Te Tai Tokerau Redeployment Package is one of the "Shovel Ready" projects started August 2020, removal of trees at Mangawhai Community Park and design, build and construct 5 mountain bike tracks at Harding Park. Roding works maintenance programme is ahead of budget – due earlier completion of scheduled unsealed roads maintenance work. Stormwater maintenance works completed ahead of schedule	313 218 65
Finance Costs	Below budget due to lower inter-period loan balances. Accruals was not done in July, now completed in the month of August.	85
Other Operating Costs	Costs overall are lower than budget due to: <ul style="list-style-type: none"> • Civic Grants not yet distributed to the community groups – timing difference • Library Grants not yet distributed to the community libraries – timing difference • Annual Software licenses – timing difference 	315 45 211

Capital Revenue

Account	Rationale	\$000
Capital Subsidies	Capital subsidies from NZTA are lower than budget year to date, due to projects work not started yet	(698)
Contributions	<p>The contributions are overall ahead of budget year to date.</p> <ul style="list-style-type: none"> • Development contributions are on budget for year to date • Financial contributions are ahead of budget for the month and year to date 	197

Statement of Financial Position

Public Debt: The public debt position at 31 August 2020 is \$44 million and the net debt position (debt less cash) is \$34.7million.

Public Debt and Requirements		June 2020	31 August 2020	June 2021
		\$000's	\$000's	\$000's
Debt				
	Public Debt	44,000	44,000	51,320
	Cash in bank (overnight deposits)	(4,398)	(9,283)	(1,926)
	Net Debt	39,602	34,717	49,393
Reserves (future obligations)				
	Development Contribution Reserve	(24,702)	(24,702)	(25,415)
	Other Reserves	24,538	24,538	13,021
	Total reserves (future obligations)	(164)	(164)	(12,395)
Debt Requirements				
	Public Debt	44,000	44,000	51,320
	Future obligations	24,538	24,538	13,021
	Gross Debt Requirement	68,538	68,538	64,340
	Less cash in bank	(4,398)	(9,283)	(1,926)
	Net Debt Requirements	64,140	59,255	62,414

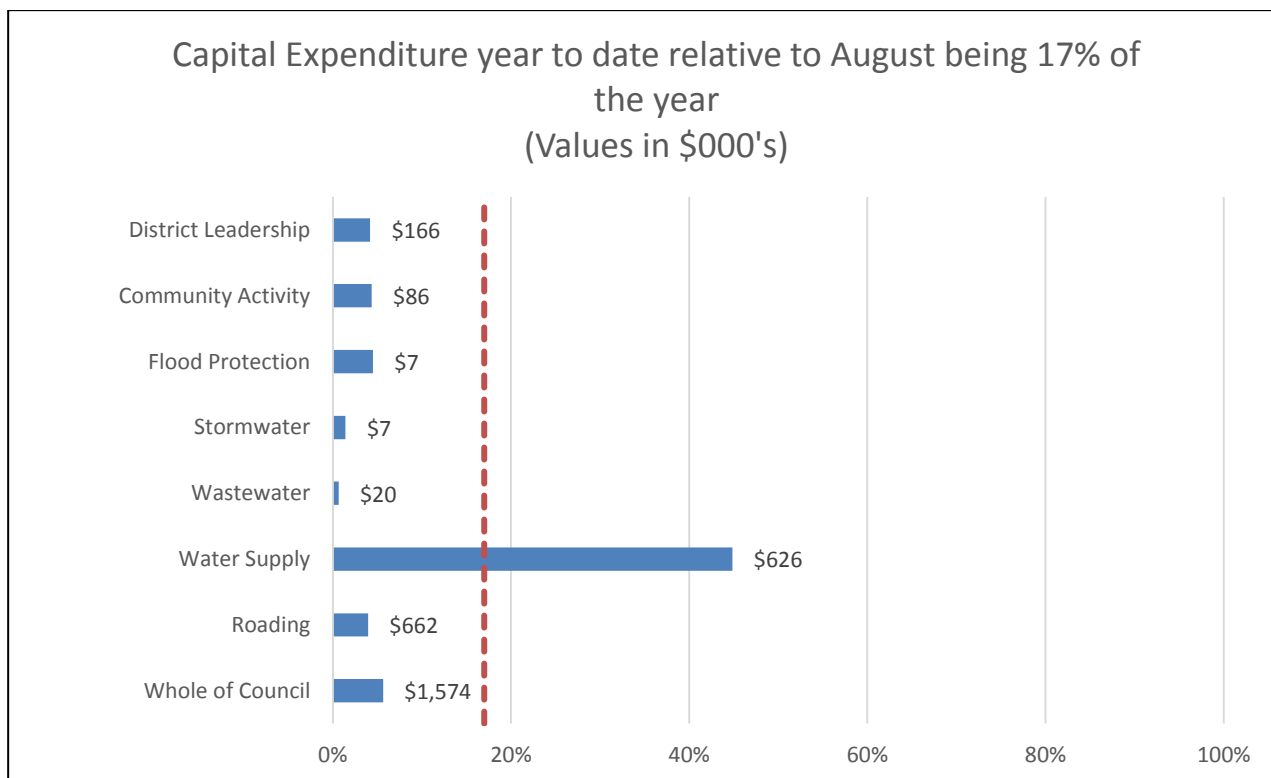
*Note: Reserves balances are only recalculated at end of year.

Activities Net Cost for the period to 30 August 2020

Activity	Actual as at 31 August 2020			Whole Year Annual Plan
	Operating Income \$000's	Operating Costs \$000's	Net Operating Surplus/(Deficit) \$000's	Net Operating Surplus/(Deficit) \$'000
Community Activities	938	1,224	(286)	199
District Leadership	1,734	1,639	94	(739)
Regulatory Management	1,390	1,110	280	49
Roads and Footpaths	2,797	2,057	740	4,427
Wastewater	1,378	503	875	3,083
Water Supply	519	439	80	1,614
Stormwater	332	158	174	917
Flood Control	130	40	90	293
Solid Waste	196	107	89	305
	9,414	7,277	2,136	10,148

Capital Expenditure for the period ended 30 August 2020

	Actual as at 31 August 2020				Whole Year
Activity - Capital Expenditure	Actual YTD \$000's	Annual Plan \$000's	Variance \$000's	Indicator	Annual Plan \$000's
Community Activities	86	329	243	●	1,972
District Leadership	166	660	494	●	3,960
Roads and Footpaths	662	2,791	2,129	●	16,748
Wastewater	20	516	496	●	3,096
Water Supply	626	233	(393)	●	1,396
Stormwater	7	83	76	●	496
Flood Control	7	26	19	●	155
Solid Waste	0	0	0	●	0
	1,574	4,637	3,063		27,823



Provincial Growth Fund**Programme performance:**

Funding Stream	External Fund	Total Funding granted:	Project breakdown:	Contract progress	Total Individual Project Budget	Actual Total Subsidy Claimed to date	Total Actual Expenditure to date	Outstanding Expenditure to be claimed on meeting milestone	Progress/Next Milestone
Kaipara Kickstart -Growing the Kai	PGF	-\$ 980,000	Growing the Kai Investigation	Approved	-\$ 980,000	-\$ 964,156	\$ 710,557	-\$ 253,599	Carry over underspend to 20/21 year to be used to fund Hub
Kaipara Kickstart - Roding (Agr 1)	PGF	-\$ 11,310,000	Roding projects include:						
			Waipoua River Road Investigate	Approved	-\$ 25,088	-\$ 26,550	\$ 28,233	\$ 1,683	
			Waipoua River Road Implementation	Approved	-\$ 1,574,912	\$ -	\$ 144,115	\$ 144,115	
			Pouto Road Phase 2 (Investigation)- Capex	Approved	-\$ 330,000	-\$ 76,177	\$ 79,907	\$ 3,730	
			Pouto Road Phase 1 (Physical works)- Capex	Approved	-\$ 5,050,000	-\$ 263,855	\$ 395,669	\$ 131,814	Claim in September 2020 to be processed
			Pouto Road Phase 2 Implementation	Approved	-\$ 2,800,000	\$ -	\$ 1,575	\$ 1,575	Media release September 2020
			50 MAX HPMV Network Extension- Bridges	Approved	-\$ 87,400	\$ -	\$ -	\$ -	
			50 MAX HPMV -Tomarata Bridge - Opex	Approved	-\$ 142,600	\$ -	\$ 92,992	\$ 92,992	
			Programme Support	Approved	-\$ 1,300,000	-\$ 650,000	\$ 786,368	\$ 136,368	Est \$170K subsidy claim to be processed September 2020
Kaipara Kickstart -Wharves (Kaipara Moana Activation Plan) (Investigation & Physical works)	PGF	-\$ 4,950,000	Kaipara Wharves Investigation	Approved	-\$ 950,000	-\$ 420,000	\$ 576,250	\$ 156,250	Next claim for subsidy will be made in September 2020
			Kaipara Wharves Implementation	Approved	-\$ 272,000	\$ -	\$ -	\$ -	No spend as yet. Forecast Income equals forecasted spend
			Dargaville Pontoon - Physical works	Approved	-\$ 654,000	\$ -	\$ -	\$ -	Lump sum claimed on completion - construction starting Sept
			Pouto Wharf	Approved	-\$ 1,809,000	\$ -	\$ -	\$ -	Lump sum claimed on completion due June2021
			Pahi Beach Wharf	Approved	-\$ 865,000	\$ -	\$ -	\$ -	Lump sum claimed on completion due Jan2021
			Tipuna Marae Beach Landing	In progress	-\$ 400,000	\$ -	\$ -	\$ -	Lump sum claimed on completion - detailed investigations in progress
Kaipara Kickstart -Kaipara Water - Phase 1B	PGF	-\$ 740,000	Kaipara Water storage and horticulture sites	Approved	-\$ 740,000	-\$ 50,000	\$ 80,962	\$ 30,962	Claim funds on committed expenditure- carry over to future financial years. License Agreements with Landowners for approval in September Council meeting then procurement can be finalised
Te Tai Tokerau Worker Redeployment Package (within Whangarei District Council contract)	PGF	-\$ 2,872,100	Urgent economic relief for regions workforce projects:						To receive 7 claim payments from WDC by end of December 2020
			Roding Grant 45% split -tree removal & upgrades	Approved	-\$ 1,272,100	\$ -	\$ -	\$ -	Roding works underway - subsidy claims to be processed in Sept 2020 \$807,778
			Parks Grant 55% split -Vege Clearance and clean ups	Approved	-\$ 1,600,000	\$ -	\$ 246,115	\$ 246,115	Parks subsidy claims processed in September 2020 = \$592,371, works committed \$1,140,000

Maungaturoto toilets	TIF R2	-\$ 149,100	Total project cost \$292,450 TIF funded \$149,100	Approved	-\$ 149,100	\$ -	\$ 93,019	\$ 93,019	Milestone claims
Baylys Beach Boardwalk and Toilet upgrade	TIF R2	-\$ 234,000	Total project cost \$325,000, TIF funded \$234,000	Approved	-\$ 234,000	\$ -	\$ 30,834	\$ 30,834	Milestone claims
Alamar Crescent Toilet - Mangawhai	TIF R4	-\$ 119,704	Joint funded with Council	Approved	-\$ 119,704	\$ -	\$ 6,116	\$ 6,116	Milestone claims
Lincoln Street Reserve Toilet - Mangawhai	TIF R4	-\$ 131,704	Joint funded with Council	Approved	-\$ 131,704	\$ -	\$ 3,500	\$ 3,500	Milestone claims
Mangawhai Reserve Toilet	TIF R4	-\$ 179,220	Joint funded with Council	Approved	-\$ 179,220	\$ -	\$ 1,390	\$ 1,390	Milestone claims
"In Principle" Projects waiting to commence/ contract to be signed:									
Kaihu Valley Rail Trail	PGF/SR	-\$ 4,000,000	Shovel ready	"in principle"	-\$ 4,000,000	\$ -	\$ -	\$ -	"in principle" - contract to be signed
Kaipara Stopbank Enhancement	PGF/SR	-\$ 6,000,000	Shovel ready	"in principle"	-\$ 6,000,000	\$ -	\$ -	\$ -	"in principle" - contract to be signed
8km shared pathway – Mangawhai Heads to Village	PGF	-\$ 2,400,000	Shovel ready	"in principle"	-\$ 2,400,000	\$ -	\$ -	\$ -	"in principle" - contract to be signed
Kaiwaka footbridges	PGF	-\$ 750,000	Shovel ready	"in principle"	-\$ 750,000	\$ -	\$ -	\$ -	"in principle" - contract to be signed
3 Waters Project	DIA	-\$ 4,700,000	Addressing backlog of rehabilitation and emergency works for water and waste	"in principle"	-\$ 4,700,000	\$ -	\$ -	\$ -	"in principle" - contract to be signed
Kaipara Kickstart (Roding) (Agr 2)	PGF	-\$ 3,150,000	Unsealed Network improvements	"in principle"	-\$ 3,150,000	\$ -	\$ -	\$ -	Confirmed and works commence once approval from Council 30 September
Kaipara Kickstart (Roding) (Agr 3)	SR	-\$ 4,910,000	Unsealed Network improvements	"in principle"	-\$ 4,910,000	\$ -	\$ -	\$ -	To be confirmed post RED Minister meeting 16 September
Total Externally Funded Projects		-\$ 47,575,828			-\$ 47,575,828	-\$ 2,450,738	\$ 3,277,602	\$ 826,864	

Activities Report

Special Projects

Special projects have been identified which are subject to MBIE funding and therefore carry different expectations than other externally funded projects – i.e. Tourism Innovation Fund (TIF) and National Land Transport Fund (NLTF).

Programme	Project	Value (\$k)	Project Manager	Status
Kaipara Kickstart				
KKS - Wharves	Beach landing	400	Jody Kelly	
KKS - Wharves	Dargaville Wharf	654	Jody Kelly	
KKS - Wharves	Pahi Wharf	865	Jody Kelly	
KKS - Wharves	Pouto Wharf	1,801	Jody Kelly	
KKS- Roding	Waipoua River Road	1,575	Curt Martin	
KKS- Roding	Pouto Phase 1	5,050	Curt Martin	
KKS- Roding	Pouto Phase 2	3,130	Curt Martin	
KKS- Roding	50MAX Bridges	250	Curt Martin	
KKS- Roding	Unsealed Network Improvements	3,150	Curt Martin	Funding confirmed for \$3m Negotiating Contract with MBIE
KKS - Kai	Kaipara Kai		Diane Miller	Complete
KKS - Kai	Kaipara Water	740	Diane Miller	Paper at Council Meeting regarding land agreements
Redeployment package				
Redeployment package	Kaipara Parks	1,600	Hayden McGrath	
Redeployment package	Kaipara Roads	1,200	Greg Monteith	
Shovel Ready				
Kaipara Stopbanks	Raupo Water storage	2,500	Curt Martin	Negotiating Contract with MBIE
Kaipara Stopbanks	Stop banks - Te Kopuru to Dargaville	3,500	Curt Martin	Negotiating Contract with MBIE
MCP	MC Shared Path	14,000 <i>PGF 2,400</i>	Tim Manning	Negotiating Contract with MBIE
Ancient Kauri Trail	Kaiwaka Bridges	750	Tim Manning	Negotiating Contract with MBIE
Ancient Kauri Trail	Kaihu Valley Trail	4,000	Jody Kelly	Negotiating Contract with MBIE

Kaipara KickStart Programme (PGF)

The Kaipara Kickstart programme continues to meet all contractual obligations.

The Kaipara Kai post contract outcomes report has been submitted to MBIE, which finalises the obligations of Council for this funding agreement. This report will be made available to elected members through their portal.

The Kaipara Water project, to establish two demonstration horticultural sites, has identified two sites and is currently working with Council management, landowners and MBIE to finalise the terms of the license agreement. A further update will be provided at the September Council Briefing.

Kaipara Roding Package – Further funding from central government to cover the funding shortfall for unsealed network \$4.91m was announced late August. This funding, together with the \$3.15m announced in February 2019 (PGF funding), means the total funding of \$8.06m will be sourced from MBIE. The team are working with MBIE to confirm the process to complete the required funding agreement. Pressure to commence work this coming construction season is dependent on funding commitments, which is a priority of the team. Other roading projects are progressing as planned.

Kaipara Wharves – All work is progressing as planned. Responses to procurement processes will enable the team to complete a further financial estimate to complete these projects and determine a revised contingency. Financial and procurement management continue to be a focus.

An update across the Kaipara KickStart programme will be provided at the Council Briefing session on 2 September, with bi-monthly meetings planned through to the end of the year.

Redeployment Package (former Forestry Redeployment Application)

Works have commenced and are progressing well in the following sites;

- Mangawhai Community Park - removal of gum trees and wilding pines continuing.
- Mangawhai Park – Golf course area, removal of wilding pines, acacia and other pest plant species
- Pou Tu o Te Rangi - pest plant removal, clearance and implementation of pest plant plan including follow up spraying.
- Kai-iwi Lakes – Taharoa Domain - area wide removal of pest plants and implementation of pest plant plan. Focus on target species of wilding pines, acacia, pampas and cotoneaster.

Currently 39 jobs employed as part of the current stages of works, of which 2 contractors were involved in some of the preliminary works and are currently not employed in the project. However, they may be required for future stages of the works. There are currently further stages of the works being finalised at present such as planting and revegetation, which is expected to require a further 15 + workers to complete.

Next month (September) works include:

- Mangawhai Community Park - removal of gum trees and wilding pines continuing.
- Mangawhai Community Park - preparation and revegetation planting of selected areas and groundwork preparation for the shared pathway.
- Kai-iwi Lakes – Taharoa Domain - area wide removal of pest plants and implementation of pest plant plan.
- Kai-iwi Lakes – mulching of wilding acacia stands to provide day visit areas.
- Pou Tu o Te Rangi - pest plant removal and implementation of pest plant plan continuing.
- Northern Wairoa Memorial Park - pest plant eradication.

Shovel Ready Projects

Contracts have been drafted and are with MBIE for consideration and approval.

Mangawhai Shared Path

- NZTA funding for pre-implementation has been confirmed. Design will be developed between Wood Street and the Village.
- Council paper to be developed to set out adjusted costs including MBIE contribution.

Kaiwaka Footbridges

- Survey for southern bridge and car park undertaken
- Project Manager (Tim Manning) confirmed
- Key milestones to be communicated to the public once an MBIE agreement is in place.

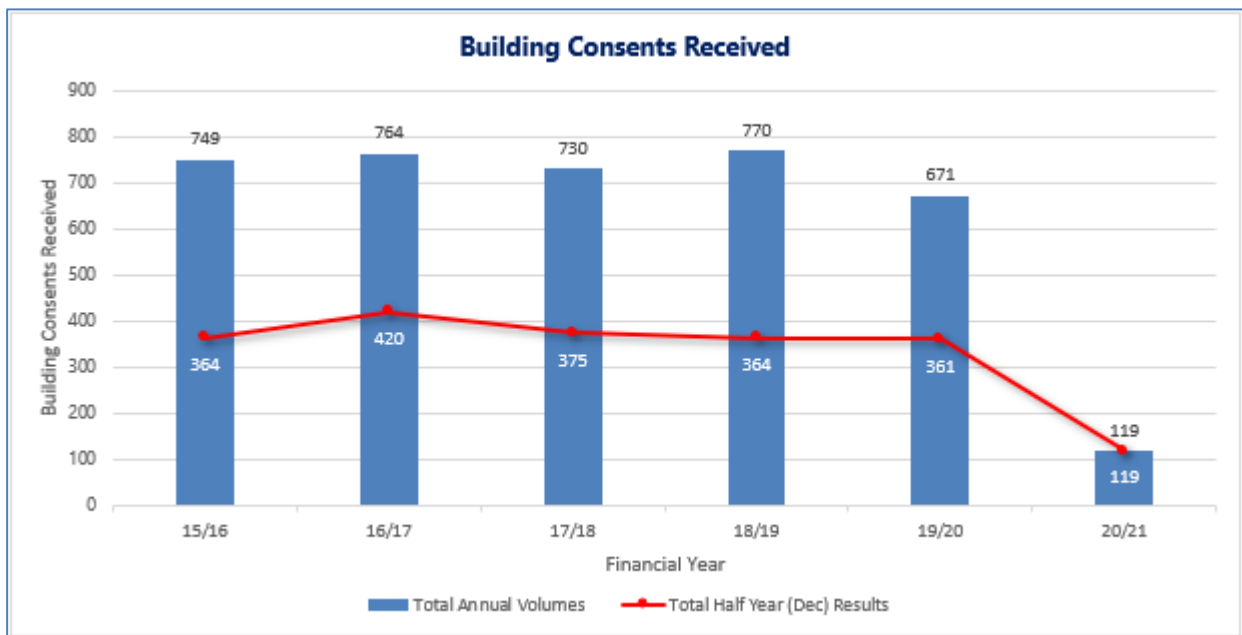
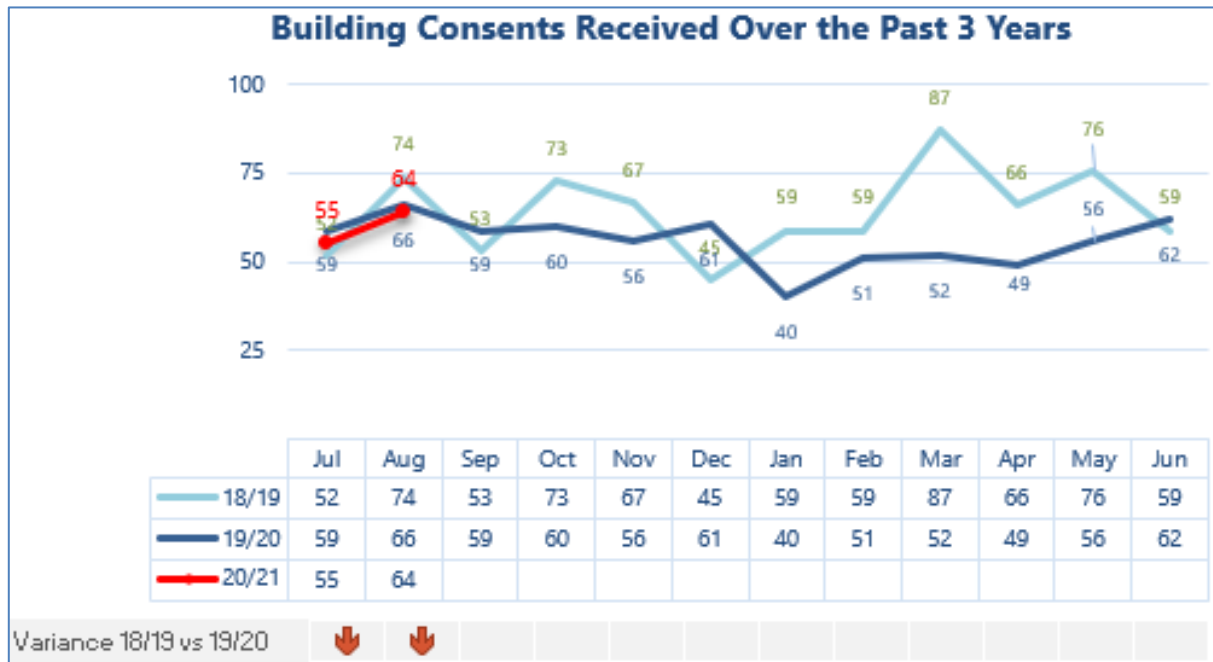
Kaipara Stopbanks

- Raupo water storage project redefined to come in within likely budget.
- Priority sections between Dargaville and Te Kopuru identified to come in within likely budget
- Project Manager (Curt Martin) confirmed

Kaihu Valley Trail

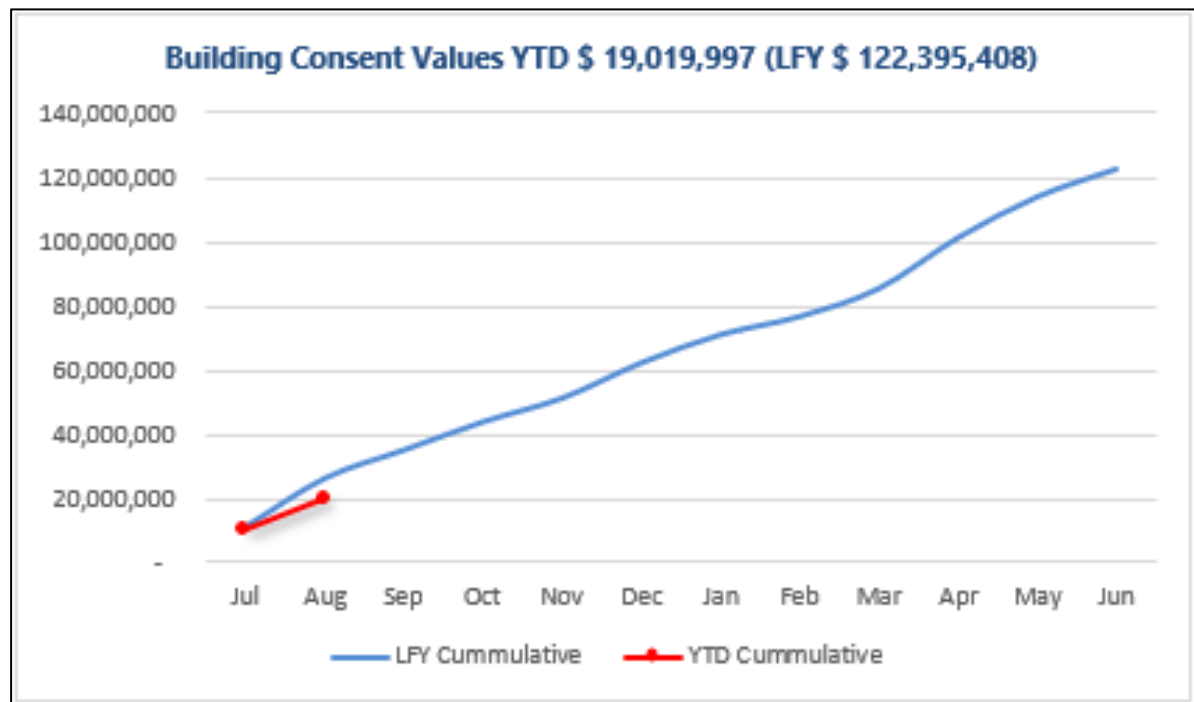
- Engagement with landowners has commenced following mail out to all affected owners.
- Discussions with MBIE (Te Ara Mahi) and MSD regarding training opportunities

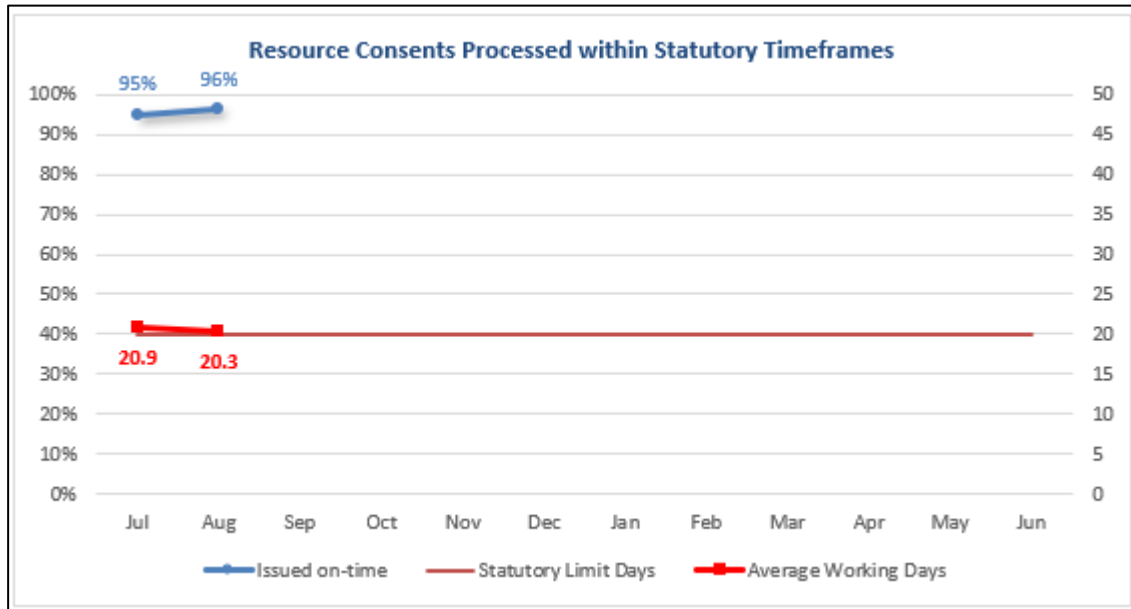
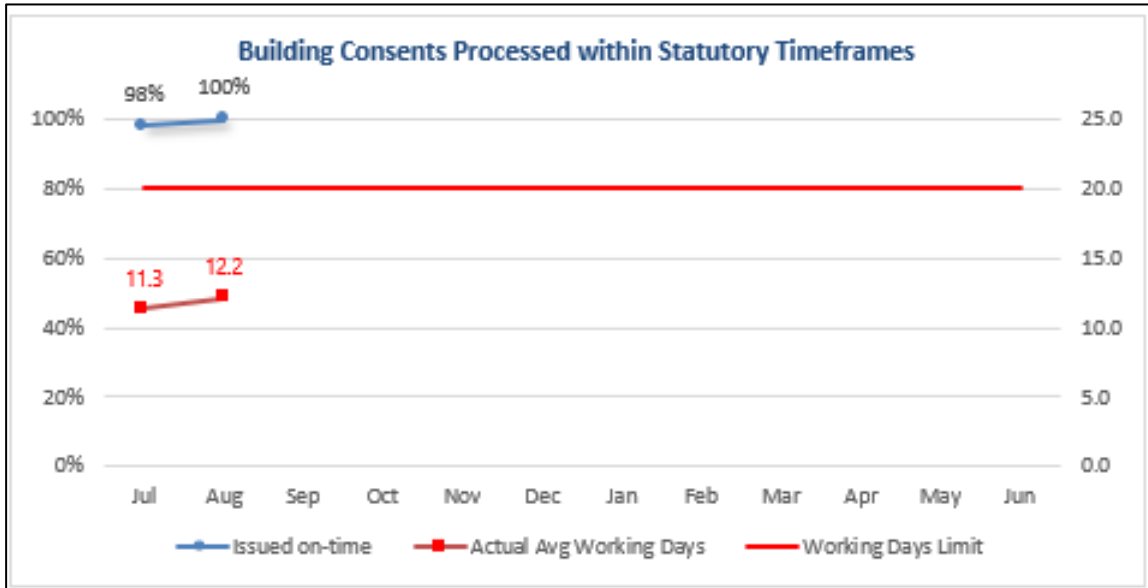
Building and Resource Consents



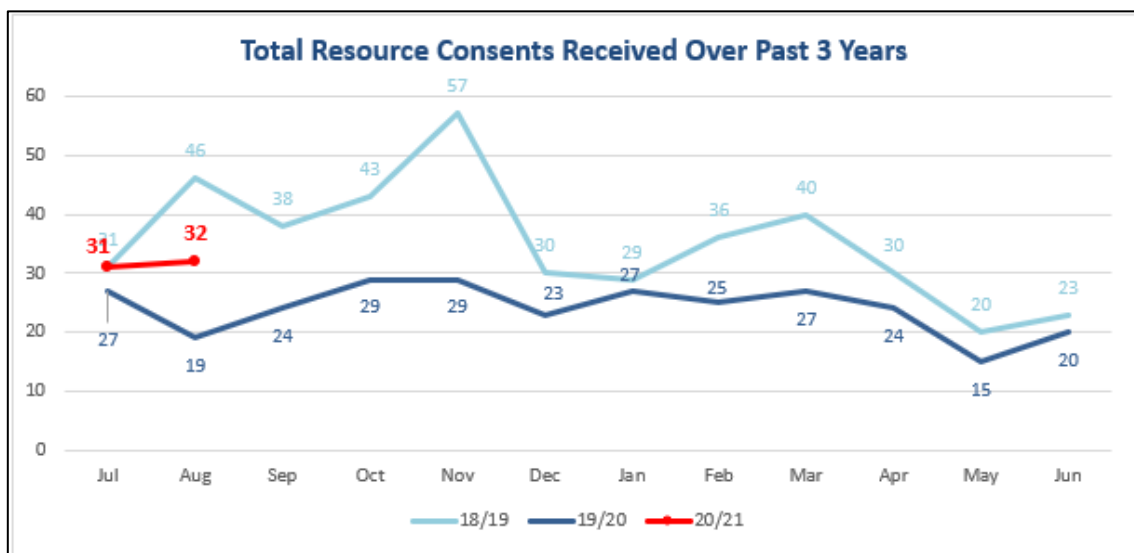
Building Consent Values YTD \$ 19,019,997 (LFY \$ 122,395,408)

Month	Commercial	Other	New & Relocates	Mangawhai Value of New & Relocates	Total	YTD Cumulative	LFY Values/Month
Jul	64,000	2,202,833	7,899,113	5,534,113	10,165,946	10,165,946	11,299,463
Aug	50,000	2,725,551	6,760,500	5,740,500	9,536,051	19,701,997	15,047,664
Sep							8,749,474
Oct							8,763,048
Nov							7,375,928
Dec							10,977,695
Jan							8,717,773
Feb							5,634,341
Mar							8,715,483
Apr							15,788,924
May							12,688,615
Jun							8,637,000
YTD BC Values	114,000	4,928,384	14,659,613	11,274,613	19,701,997		122,395,408



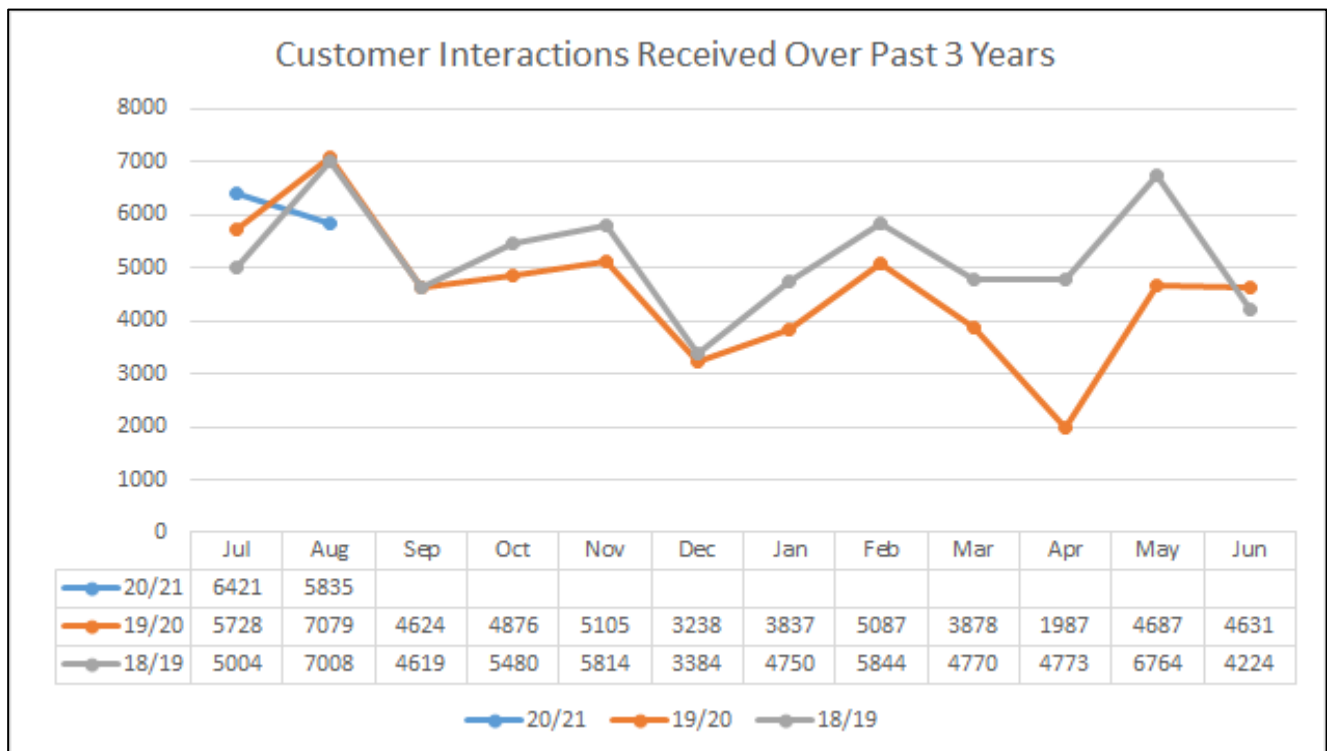
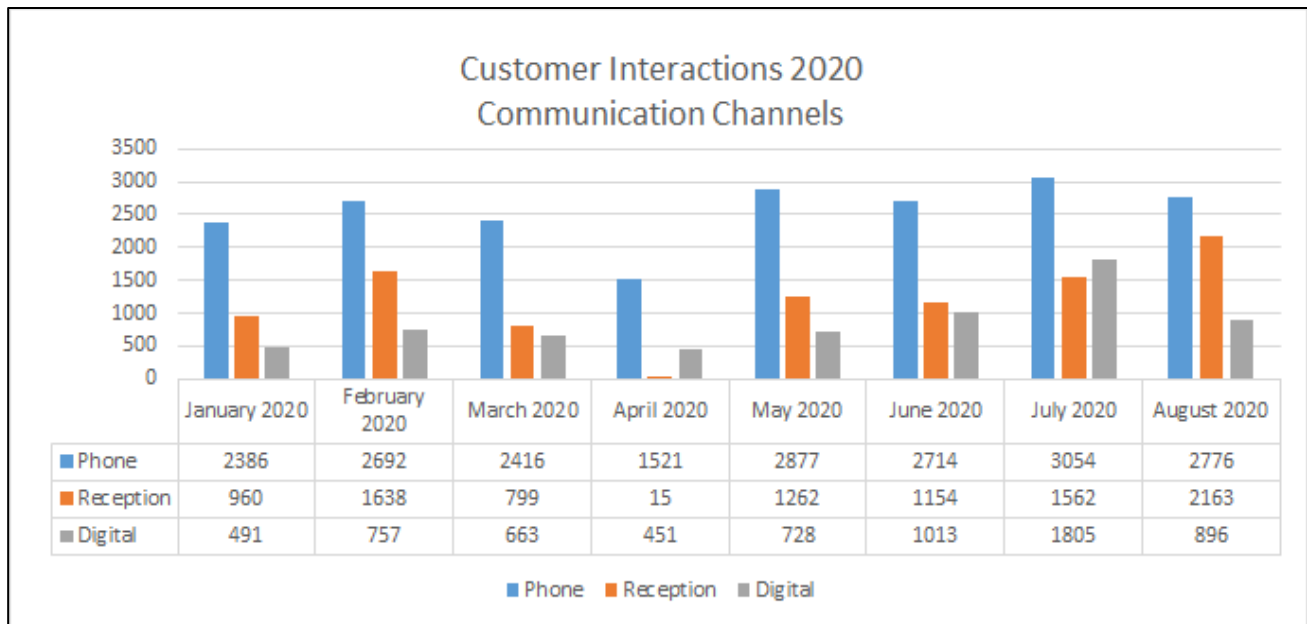


1 x Resource Consent processed 18 days over statutory timeframe due to the Planner being unwell and the unwillingness of the applicant to approve a s37 extension.

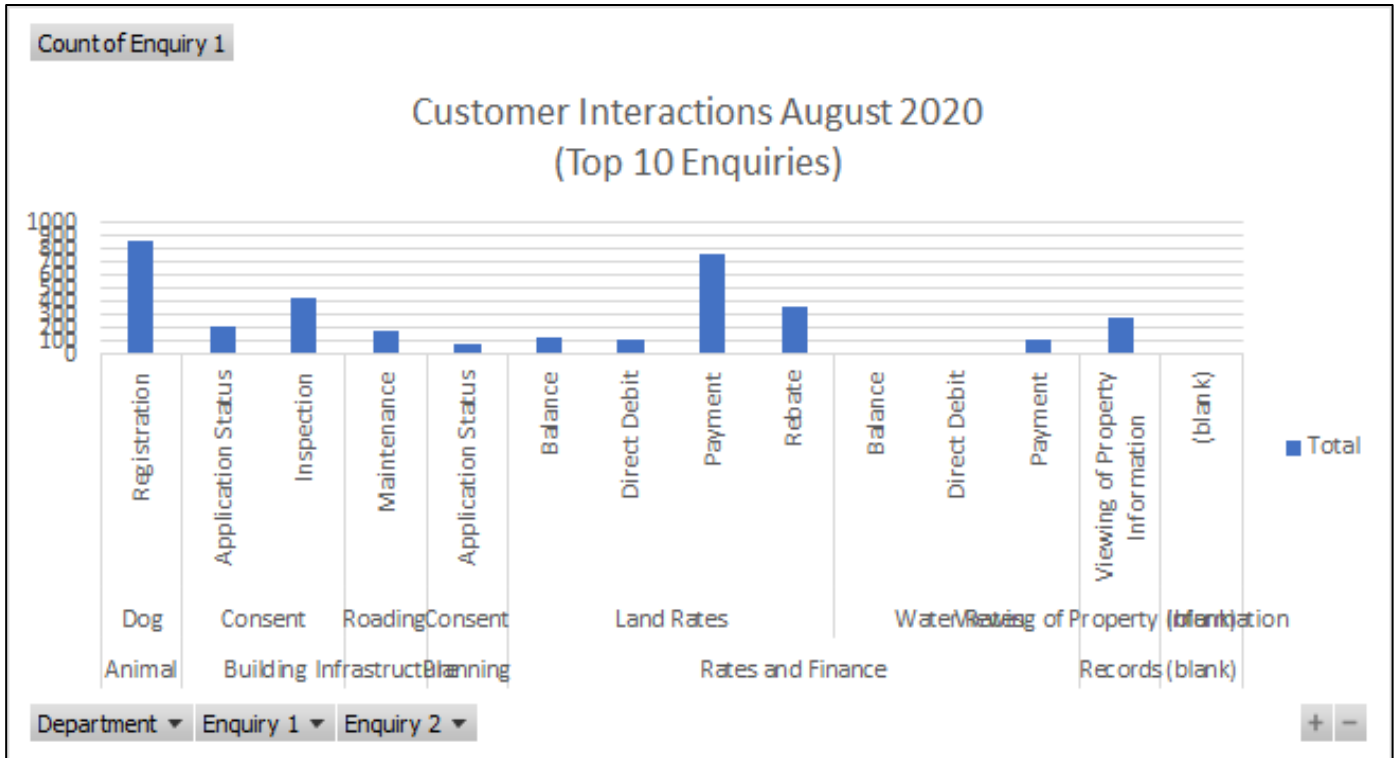


Customer Services – August 2020

Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (min:sec)	Average call abandonment (%)	Calls FTE
5835	896	2163	2776	1.57	12	2.36



* Digital – Email, Website, Social media



* Other – FENZ, NZTA, NRC, Utility Companies

Tender Programme

The 2020/21 tender programme as issued to Civil Contractors NZ (CCNZ)

Awarded		Procurement process underway	
Month	Estimate	Procurement Method	Comment
Underway			
Dargaville Water Renewals – Package 1	\$450k	Open Market PQM	Awarded - Forte
Baylys Beach Boardwalk	\$200k	Selected LPC	Awarded - Robinsons
Dargaville Pontoon	\$350k	Selected LPC	Awarded – Bellingham Marine
Dargaville Water Renewals – Package 2	\$1.1m	Open Market PQM	Awarded – United Civil
Waihue Road Bridge	\$500k	Open Market	Awarded – United Civil
Rotu Water intake Slip Repair	\$590k	Selected ECI	Emergency works awarded UCCL
Current			
Kaipara Toilet Facilities Various Install only	\$150k	Selected PQM	Preferred tenderer Wilsons Earthmoving
Pouto Road Sealing - Quarry - Stage 1 (including Provisional Stage 2)	\$5m	- Closed - Open Market	In progress
Waipoa River Road	\$1m	Direct Appointment	Preferred - Fulton Hogan and Te Roroa
MCP – Coastal Walkway Stage 2	tbc	Selected	Preferred Tenderer Broadspectrum
Pahi Wharf Upgrade	\$480k	Direct Appointment	Preferred Tenderer Bellingham
Next quarter			
Hakaru Closed Fill Landfill Leachate	\$460k	Open Market PQM	Paper Council in September, Tender in October
Kaihu Valley Trail - Head Contractor - Bridges	\$5m	Direct Appointment	Preferred - Wilson Earthworks
Mangawhai Community Plan - Insley St Intersections - Shared Path 2021 phase 1 <i>Potential for future sections</i>	\$10m	Open Market PQM	ROI to be issued Sep/Oct
Chases Gorge Stormwater Improvements	\$200k	Open Market PQM	Tendered in one section
Pouto Wharf Design Build	\$1.3m	ROI October	Design build
Mangawhai Waste Treatment Plant – Balancing Tank	\$1.5m	ROI October	
Eveline St Stormwater	\$150k	Open Market PQM	
3 to 12 months			
Bridge Replacement & Renewals	\$1.2m		
MCP Future Packages	\$15.5m		

Capital Projects Update

	On track or complete
	Could be delayed
	Highly likely to be delayed

Roading

Programme for the 2020/2021 year	Status	Comment
Sealed Road Resurfacing		Programme ready to roll out as anticipated.
Sealed Road Pavement Rehabilitation		
Structure Component Replacement		
Low Cost Low Risk		
➤ Lighting		
➤ Associated improvements		
➤ Bridges		
➤ New Footpath		
➤ Resilience		
➤ Safety		
➤ School Zones		
➤ Redeployment – New Footpath		

Parks and Reserves

Programme for the 2020/2021 year	Budget	Status	Comment
Operating Income	\$4,641,000		
Operating Expenditure	\$3,517,000		Operating expenditure is high due to the Te Tai Tokerau Redeployment Package costs, this will be offset by the funding as it is received
Kai Iwi Lakes	\$350,000		
Taharoa Domain	\$100,000		
Pou Tu o Te Rangi Harding Park	\$100,000		
District Parks and Reserves	\$201,000		
Mangawhai Parks and Reserves	\$614,000		Ongoing consultation has caused some delays
Dargaville Parks and Reserves	\$90,000		
Mangawhai Public Toilets	\$311,330		Due to delays in Maungaturoto toilet project this is holding up contractors starting on these toilets
District Public Toilet	\$188,122		Issue with resource consent holding up work starting/ Looking to resolve this month.

Four Waters

Water Supply

Programme for the 2020/2021 year	Status	Comment
946 Dargaville CBD Watermain Renewal 19.20		
947 SH14 Watermain Renewal		
Reeves Street Watermain		
937 Ruawai WTP		
939 Northern Raw Water Crossings		Accelerated procurement (selected tenderers) likely to bring project in within this year.
965 Northern Raw Water Renewals		

Wastewater

Programme for the 2020/2021 year	Status	Comment
Dargaville Wastewater Pond Desludging – 2019 - 2021		Project progressing well now in construction.
Maungaturoto Wastewater Treatment Plant Upgrade		
966 MCWWTP Upgrade Balance Tank		Business Case completed. Require Council support to advance project over this year and next.
935 Outfall Pumpstation		

Stormwater

Programme for the 2020/2021 year	Status	Comment
Eveline Street Stormwater Construction		Delayed start of works to allow landowner to complete private works

Land Drainage

Programme for the 2020/2021 year	Status	Comment
Raupo Floodgate 33		

Resolutions Register update September 2020

Meeting: Kaipara District Council
Date of meeting: 30 September 2020

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Notes the Resolutions Register September 2020.

Resolutions Register update September 2020

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
1	26/09/2017	6.6	Stopbank reinstatement - land known as Section 73 75 part 44 Block XV of the Tokatoka Survey District	3 Delegates responsibility to the interim Chief Executive to complete any associated works for the stopbank reinstatement of Raupo Drainage District flood protection based on feedback from community consultation and expert advice 4 Notes that the works are to be funded by Raupo Drainage Targeted Rate	GM IS	In Progress	Council made further decision on this issue in November 2018. Discussions with the landowners are continuing and meeting has been arranged for 22 September 2020 to conclude matters.
2	11/12/2017	6.5	Mangawhai Museum Partial Surrender of Lease	3 Approves the Partial Surrender of the Lease by the Mangawhai Museum 4 Approves the grant to the Mangawhai Museum of a non-exclusive licence to use the surrendered area for the use permitted in its lease 5 Delegates to the Acting Chief Executive responsibility for the finalisation of the Deed of Partial Surrender of Lease	GM IS	In Progress	The Deed of Partial Surrender can be finalised now with updated plans. However, the Museum has since advised they now want a new lease rather than a partial surrender. The Museum agreed to sign the new lease if Council seals carpark area they are surrendering. This was reported to the Mangawhai Community Park Governance Committee on 15 July 2019. The Committee deferred making a decision until more information on stormwater implications was known. August 2020 update - The Museum is currently reconsidering its position and appears more open to proceeding with the surrender.
3	23/05/2018	5.1.3	Issues and Options: Reserve Contributions	2 Adopts the Reserve Contributions (use of) Policy as consulted on in the Consultation Document for the Long Term Plan 2018/2028 effective from 01 July 2018 3 Continues to fund the existing \$100,000 p.a. budgets (\$150,000 for Mangawhai Park for 2018/2019 year only) for each of the three priority parks from reserve contributions as a priority over other reserve projects (and without being required to participate in the contestable funding round), until an alternative funding source is arranged, subject to each governance committee providing a business plan that conforms to the funding criteria of the policy 4 Directs the Chief Executive to advertise the contestable funding round in July 2018 in accordance with the new policy 5 Directs the Chief Executive to investigate the provision of alternative funding sources for the region's priority parks and other reserves on completion of the reviews of the Reserves and Open Spaces Strategy (ROSS) and the Reserve Management Plans to ensure there will be sufficient funding for their capital works programmes	GM T&E GM SGI GM IS	In Progress	Resolutions 2-4 have been completed. Understanding that Govt is reinstating the use of financial contributions so these will continue after April 2022. Council has to have discussion as part of LTP on allocation and if any general rates funding.

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
4		5.1.7	Issues and Options: Mangawhai Community Wastewater Scheme	<p>2 Approves the inclusion of \$20.05 million in the Long Term Plan 2018/2028 for the upgrade and extension of the Mangawhai Community Wastewater Scheme to accommodate new connections</p> <p>3 Agrees that the \$20.05 million shall be funded through debt</p> <p>4 Agrees that the growth portion of \$20.05 million debt servicing and financing be levied on future connections with the associated revenue raised from development contributions</p> <p>5 Notes that investigations of future disposal options to provide additional disposal capacity will be undertaken concurrently and a preferred option recommended to Council for approval</p>	GM IS	In Progress	<p>The updated investment strategy is being developed and will be presented at Council Briefing.</p> <p>The provision of a retention tank in the short term has been confirmed and paper prepared for Council.</p> <p>Disposal options to adjacent land will be pursued.</p> <p>Staff are looking to amend existing consent to increase capacity for future disposal as an initial option (estimate existing farm has 8-10 years' capacity).</p> <p>The preferred long term disposal option in the Draft Infrastructure Strategy is to continue disposal to land through increased efficiencies and disposal to land options.</p>
5	26/07/2018	4.11	Mangawhai golf course Reserve status exchange and Golf Club surrender of lease / variation of lease or grant of new licence	<p>3 Approves the surrender of the Mangawhai Golf Club lease on Lot 33 DP 185449 and the driving range Licence to Occupy and agrees in principle to approve a new Licence to Occupy for the Mangawhai Golf Club in accordance with the Community Assistance Policy</p> <p>4 Directs the Chief Executive to publically notify Council's intention to grant the Mangawhai Golf Club a new Licence to Occupy as required in section 119 of the Reserves Act 1977, and to report back to Council on the results of this consultation so that Council can consider any submissions received in accordance with section 120 of the Reserves Act 1977</p>	GM IS	In Progress	<p>Public notification was done in August 2018, with no objections received.</p> <p>Staff are in negotiation with the Golf Club on terms and conditions of the surrender and Licence to Occupy (LTO). Council's lawyers drafted an LTO for the Golf Club's consideration. Revised LTO was sent in May 2019. Meeting was held with the Golf Club in June 2019 to discuss the last remaining substantive issue, which is related to the rent review clause. The Club to provide a proposed revision in near future.</p> <p>August 2020 update - Further meeting was held in July 2020 and some progress was made towards resolution.</p>
6	20/11/2018	4.7	Murphy Bower Stopbank Options Report	<p>3 Resolves that the Murphy Bower stopbank located on SECT 73 75 PT 44 BLK XV TOKATOKA SD is remediated as per Option C of the aforementioned report – the remediation of the stopbank along the approximately 300m long section outlined under New Stop Bank and the upgrade of the existing section of the stopbank as highlighted by the area marked under Option 2 as per Fig 1 in Appendix A of the aforementioned report, without associated ground improvements i.e. construct the proposed stopbank to a standard no less than the existing stopbanks within the Raupo Drainage District at an estimated cost of \$375,000 + GST</p> <p>4 Resolves to defer the following Raupo Drainage District capital works and operational projects to fund</p>	GM IS	In Progress	<p>Meeting with landowner was requested but not accepted. Details were sent to landowner's legal advisors. If no agreement can be reached with the landowner regarding approval to enter private property to undertake the works, then Council will need to proceed with statutory process to obtain authority to enter property to construct the public works. No contact from the landowner as promised on 31 May. KDC engaged legal representation.</p> <p>Notification of Council's intention to complete the work in accordance with Land Drainage Act has been made. Meeting with landowner 23/09/20.</p>

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				the proposed stopbank: a) \$128,000 to come from financial year capital works projects; b) \$50,000 from Management services (identified to start hydraulic modelling); c) \$42,000 from the stopbank maintenance budget 5 Resolves to approve an additional Raupo Drainage District capital budget of \$45,000 to be loan funded			Discussions with the landowners are continuing and expected to conclude in the coming month or so. If agreement can't be reached it will be necessary to commence notification of Councils intention to complete the work in accordance with Land Drainage Act. Due to current workloads John Burt has taken the lead on the legal process here, Matt is still helping where he can with technical information, questions are still being raised by the legal representation for the land owner.
7	27/06/2019	4.4	Policy on Dogs and Dog Management Bylaw 2019 – Adoption	a) Adopts the Policy on Dogs and Dog Management Bylaw 2019 as presented in Attachment C to the circulated "Policy on Dogs and Dog Management Bylaw 2019 – Adoption" report b) Directs the Chief Executive to undertake a review of the effectiveness of the Policy on Dogs and Dog Management Bylaw 2019, 12 months after its adoption and to report back to Council on the review findings	GM T&E	In Progress	Bylaw implementation was delayed by 6 months, so 12 months of evidence not yet collected to provide robust and sufficient information. Will report to Council following the completion of 12 months of the bylaw being implemented, in March 2021.
8	29/08/2019	4.1	Independent Planning Functions Review	b) Requests the Chief Executive implement the recommendations provided by Barker & Associates and set out in Appendix 7 of the above report	CE	In Progress	Implementation remains on the Executive Team's priority list and will be reported to the September meeting of the Audit, Risk and Finance Committee.
9	26/09/2019	5.5	Development contributions for first response or community organisations	a) Notes the status quo with regard to development contributions charged to a first response or community organisation and that, in this instance, no remission been given and they be directed to apply for the applicable grant on their building and resource consent b) Requests the Chief Executive review the Development Contributions Policy for consistent approaches for both first response services; and community organisations	GM SGI	In Progress	Fire Service has been contacted and understands it can apply for grants. Review of the Development Contributions will be part of the 2021/2031 Long Term Plan process.
10	27/11/2019	5.7	Partial Road Stopping & Disposal – 35d Taranga View Road, Mangawhai	a) Agrees that the subject land is not required for further public works. b) Agrees to investigate the road stopping application in terms of the Local Government Act 1974 (LGA) of part of Seacoast Road (0.1014 ha) approximately for potential sale and amalgamation to the adjoining property owner at 35d Taranga View Road, Mangawhai. c) Requests Council staff seek an appropriate bond from the Applicant to cover initial Council processing costs and commence LGA stopping process d) Confirms that the applicant is to meet all costs involved with road stopping application.	GM IS	In Progress	Bond received and agreement signed. Staff are finalising road stopping.

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				<p>e) Requests Council staff firstly seek Ministerial approval for the partial stopping in accordance with Sec 342 of the LGA and if Ministerial approval granted;</p> <p>i. Authorise Council officers to initiate the road stopping process for the road land in accordance with Section 342 and the Tenth Schedule of the Local Government Act 1974.</p> <p>ii. Approve the disposal of the (subject land) to the Owners of 35d Taranga View Road subject to a successful road stopping process.</p> <p>f) Delegates the Chief Executive the authority to negotiate the terms of sale, impose any reasonable covenants, and enter into a sale and purchase agreement in respect of the road land with the adjoining owner, 35d Taranga View Road, Mangawhai, provided any such agreement is conditional upon the road being stopped.</p>			
11	26/02/2020	4.5	Kaihu raw water supply	<p>a) Approves that financial assistance by way of loan be given to identified affected dwelling owners in the Kaihu area to allow them to install water tanks on their property.</p> <p>b) Notes that statutory land charge will not be required where the land is Maori land.</p>	GM SGI	In Progress	Loan documentation being prepared now that new quotes have been confirmed. Iwi liaison Manager reports that Iwi have agreed to supply first tankful of water
12	29/04/2020	4.4	Adoption of Statement of Proposal for draft Consolidated General Bylaw 2020	<p>a) Adopts the Statement of Proposal for the draft Consolidated General Bylaw 2020 including the draft Consolidated General Bylaw 2020 and Summary of the Statement of Proposal for consultation.</p> <p>b) Delegates the Chief Executive and the Mayor the authority to make editorial changes.</p> <p>c) Delegates Deputy Mayor Curnow (Chair), Councillor Larsen and Councillor Vincent to form the General Bylaws Panel to hear views, to consider both written and verbal submissions and to make recommendations on the draft Consolidated General Bylaw 2020 to Council.</p>	GM T&E	In Progress	The panel public deliberations have occurred and the final proposed Bylaw is scheduled to be presented to Council for consideration at the September 2020 Council meeting.
13		4.6	Extension of Wastewater System to Spring Street	a) Approves, in principal, the extension of the Dargaville Wastewater Scheme (DWWS) to include the Springs Street residential area and for engagement and preparatory works to be continued in the 2020/21 financial year.	GM IS	In Progress	Project team and brief to be established and executed in July 2020
14	24/06/2020	4.1	Long Term Plan 2021/2031: Vision and Community Outcomes	<p>a) Adopts the Vision, Mission and Community Outcomes (located at Attachment A) for inclusion in the 2021/31 Long Term Plan.</p> <p>b) Delegates the Mayor and Chief Executive the authority to make minor editorial changes to the</p>	GM T&E	In Progress	All LTP preparation and planning work will be aligned to the vision, mission and outcomes.

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				Vision, Mission and Community Outcomes for the Long Term Plan 2021/2031.			
15	01/07/2020	2.1	Rotu intake slip repair	<p>a) Approves a total budget of \$665,280 which includes \$90,480 for Contingency, Project Management and Monitoring, Surveillance and Quality Assurance (MSQA).</p> <p>b) Approves the award of the Rotu Intake Slip Repair Contract to United Civil Limited for \$574,799.99 plus GST.</p> <p>c) Approves the additional expenditure</p> <p>i. to be loan funded in 2020-2021 with a subsequential recovery from an increase in the general rate of \$99,792 in 2021-2022 and a \$188,496 increase in the water charges in each of the 2021-2022, 2022-2023 and 2023-2024 years.</p> <p>d) Notes that the additional unbudgeted operational expenditure of \$665,279.99 exceeds the guidelines (\$300,000) when assessing significance under the Significance and Engagement Policy.</p> <p>e) Agrees that although the decision is significant, due to the urgent nature of this work Council will not engage with the community but inform the public of the decision.</p> <p>f) Delegates the Chief Executive to inform United Civil of the Council decision and execute the contract.</p>	GM IS	In Progress	<p>Site has been established and works have commenced.</p> <p>Project will be put forward for funding consideration as part of the 3 Waters reform</p>
16	29/07/2020	5.1	Mangawhai Community Plan funding	<p>a) Notes the report Mangawhai Community Plan – Funding for 2020/21.</p> <p>b) Notes that with the receipt of the PGF grant of \$2.4m, and pending the NLTF subsidy being received, sections 11, 12, 13, & 14 will now be able to be progressed. A paper outlining the impact of these funding streams will be presented to Council at its September Meeting.</p> <p>c) Approves allocation of an additional \$654,419 from Financial contributions.</p> <p>d) Supports the Chief Executive to commence the procurement of physical works as per the procurement business case which has previously been approved by Council.</p>	GM IS	In Progress	Noted that the Provincial Development Unit (PDU) has advised that the projects has been <u>approved in-principle</u> for funding from the Government's COVID-19 Response
17		5.2	Private Plan Change 78: Internal Hearing Commissioner	<p>a) Approves the appointment of Deputy Mayor Curnow as an Internal Hearing Commissioner for the Private Plan Change 78 hearing panel.</p> <p>b) Approves the appointment of Councillor Del la Varis-Woodcock as an Internal Hearing Commissioner for the Private Plan Change 78 hearing panel only for the circumstance that Deputy Mayor Curnow becomes unavailable.</p>	GM T&E	In progress	The PPC 78 hearing will be held in November. Cr del la Varis-Woodcock has declined the appointment as an alternate internal commissioner. Independent Hearing Commissioners have been selected using the terms of the Hearing Commissioner Policy.

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				c) Notes that the two remaining Independent Hearing Commissioners will be selected using the Hearing Commissioners Policy.			
18		5.3	Independent Commissioner Appointment Selection Panel establishment	a) Approves the establishment of a Selection Panel made up of the Mayor, Cr Vincent, and the Chief Executive or her Delegate, with a purpose of managing the recruitment and recommendation process to the Council, for the appointment of Independent Commissioners to the Kaipara District Council general list.	GM T&E	In progress	Expressions of Interest close on Wednesday 20 August, with interviews to follow after. A proposed list will be put forward to the September Council Meeting.
19		5.5	Long Term Plan 2021/31: Regional Economic Development	1. Supports the proposal (outlined in Attachment 1) for Northland Inc. to become a joint regional CCO; <ul style="list-style-type: none"> a) with a formal joint shareholders committee to provide oversight, b) with a funding arrangement that Northland Regional Council contribute 60% and Whangarei, Far North and Kaipara District Councils contribute 40% c) with that funding arrangement achieved over a six-year time frame aligned to the 2021-2031 Long Term Plan Cycle d) with public consultation to establish Northland Inc. as a joint regional CCO included and aligned to the 2021-2031 Long Term Plan 2. Supports, in principle, the development of a Regional Economic Development Strategy for inclusion in the 2021-2031 Long Term Plan Cycle, subject to scope, resources and funding. 3. Notes that recommendations 1 and 2 are subject to all of Northland's Council's agreement.	GM T&E	In progress	This decision will be incorporated in to the 2021-31 Long Term Plan consultation and process.
20		5.6	Significance and Engagement Policy – draft for consultation	a) Approves the legislative process, analysis and consultation approach outlined in Attachment A. b) Approves the Consultation Document provided in Attachment B. c) Delegates Cr Curnow, Cr Vincent, Cr Wilson-Collins to form the Significance and Engagement Panel to hear and consider community views, consider written submissions and to make recommendations to Council on final proposed amendments to Council's Significance and Engagement Policy d) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the Consultation Document prior to final printing and publication.	GM T&E	In progress	The policy is open for public consultation which closes on 3 September 2020.
21		5.7	Non-Compliant Treasury Ratio	a) Notes that the liquidity risk position is non-compliant due to the maturity of the debt due in May 2021.	GM SGI	Completed	Completed as confirmed by Council

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				b) Approves the out of debt ratio position as a temporary position until May 2021.			
22	05/08/2020	2.1	Dargaville Wharf - Physical Works Contract Award	a) Awards the Dargaville Pontoon Physical Works Contract to Bellingham Marine Limited. b) Delegates the Chief Executive the authority to finalise and sign Contract 955 with Bellingham Marine Limited valued at \$653,732 to deliver the Dargaville Pontoon Physical Works.	GM IS	Completed	Contract executed 05 August 2020, post resolution.
23	26/08/2020	5.1	Kaipara District Licensing Committee Annual Report 2019/20 - Adoption	a) Approves the report 'Kaipara Territorial Authority District Licensing Committee Annual Report 2019/20' for public release. b) Delegates to the Mayor and the Chief Executive the authority to approve minor editorial changes to the 'Kaipara Territorial Authority District Licensing Committee Annual Report 2019/20'.	GM ET	Completed	The report has been lodged with the relevant authority.
24		5.2	Electoral voting systems – 2022 local body elections	a) Agrees to retain the Single Transferable Voting (STV) electoral system for the 2022 and 2025 Local Government elections.	GM ET	Completed	The Electoral Officer has been advised and now progressing the matter according to the relevant process.
25		5.3	Three Waters Reform – Memorandum of Understanding	a) Agrees to sign the Memorandum of Understanding (MoU) (Attachment B) b) Delegates the Mayor the authority to sign the Memorandum of Understanding on behalf of the Council. c) Nominates the Chief Executive as the primary point of communication for the purposes of the Memorandum of Understanding and reform programme (as referred to on page 6 of the MoU). d) Delegates decisions about the allocation of regional funding to the Chief Executive, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct council allocations, and noting that participation by two-thirds of territorial authorities within the Northland region is required to access the regional allocation. e) Notes that the Memorandum of Understanding cannot be amended or modified by either party, and doing so would void these documents. f) Notes that participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU). g) Notes that the Council has been allocated funding of \$2.35m (excluding the regional proportion to be determined), which will be	GM ET	Completed	The signed document has been lodged with the relevant authority.

Ref	Meeting Date	Item Number	Item Name	Resolution	Assigned	Status	Comments
				received as a grant as soon as practicable once the signed Memorandum of Understanding and Funding Agreement are returned to the Department of Internal Affairs, and a Delivery Plan has been supplied and approved (as described on page 5 of the MoU). h) Notes that staff will report to the September Council meeting for decision on the Funding Agreement and Delivery Plan.			
26		5.4	Pōuto Road Seal Extension Physical Works – Delegation of Authority to Award	a) Delegates authority to the Chief Executive to approve the award of Contract CON960 for Pōuto Road Seal Extension Physical Works subject to the contract price being within the approved project budget of \$5,050,000	GM IS	In progress	Tenders are currently being evaluated
27		5.5	Procurement Plan – Pōuto Road Seal Extension Phase 2 Physical	a) Approves the Procurement Plan of Phase 2 of the Pōuto Road Seal Extension Physical Works.	GM IS	In progress	Awaiting confirmation of funding from MBIE
28		5.6	Greenhill Quarry – Lease and Contract Award	a) Approves that a Deed of Lease – Greenhill Quarry, between Kaipara District Council and Broadspectrum NZ Ltd, be prepared by Council's legal advisors with an ability for Council to terminate the lease on six months notice, which notice can be given at any time under section 8(6) of the Public Bodies leases Act 1969, but with an end date no later than 30 June 2026 to coincide with the final expiry date of Contract 888. b) Delegates authority to the Chief Executive to execute the Deed of Lease – Greenhill Quarry subject to the necessary resource consents being acquired prior to executing the Lease. c) Approves the award of Contract CON961 – Greenhill Quarry Operation to Broadspectrum NZ Ltd for the contract price of \$1,406,500 + GST subject to the Deed of Lease – Greenhill Quarry being executed by both parties to the Lease. d) Notes that the quarry will primarily supply roading metal for Pōuto Road, parts 1 and 2, which is funded by the PGF Pōuto Road Parts 1 and 2 sealing grants.	GM IS	In progress	
29		5.7	Mangawhai old fire station demolition	a) Approves the demolition of the Council property on 9 Wood Street, Mangawhai (the former fire station building).	GM IS	In progress	Procurement process has commenced

Public excluded items 30 September 2020

The following recommendation is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 (LGOIMA) and the particular interest or interests protected by section 7 of the Act.

On the grounds that matters will be prejudiced by the presence of members of the public during discussions on the following items, it is recommended:

Recommendation/Ngā tūhunga

a) That the following items are considered with the public excluded:

Item	Grounds for excluding the public
Confirmed public excluded committee minutes, Independent Hearing Commissioner Appointments, and Kaipara Water Storage	<ul style="list-style-type: none"> ▪ To protect the privacy of natural persons, including that of deceased natural persons (LGOIMA s7(2)(a)), to avoid prejudice to measures protecting the health or safety of members of the public(LGOIMA s7(2)(d)), to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (LGOIMA s7(2)(h)) and to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (LGOIMA s7(2)(i)) ▪ To protect the privacy of natural persons, including that of deceased natural persons (LGOIMA s7(2)(a))