

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 District Council 3 Waters programme focuses on renewals, planned and emergency. Over the 2018-2019 and 2019-2020 financial years, the percentage budget utilisation against the annual plan was 91% and 65% respectively. The 3 waters 2020/2021 Annual Plan budget is \$3,606,000. Our SCADA and telemetry control upgrade is proposed as a backup project. It is internet based for communication, the SCADA brand is Vijeo Citett, Schneider M580 is the brand for

automation and controllers in Water and Wastewater Treatment Plants while outstations are Schneider SCADA pack RTU. The programme proposed here spans water supply pipe renewals; reservoir replacement and the reinstatement of a watermain which succumbed to a slip. Wastewater renewals include wastewater main renewals and a upgrade of an aerator to meet environmental compliance. For years the infrastructure assets have not been 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
 - Kaipara District focused -To help with scoping, coordination and design review, RFI collection of information, project and programme management, reporting
3. Dargaville Haimona and Pirika St Watermain Renewals
 - Construction of 1400m of 150mm ID watermain renewals
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)?

\$6,106,048

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 Raw Watermain Renewals (Additional)	\$540,000
2. Maungaturoto Water Reservoir Replacement (Additional)	\$250,000
3. Ruawai Watermain Renewals (Additional)	\$240,000
4. Te Kopuru Wastewater Treatment Plant Upgrade (Additional)	\$385,000
Total Additional	\$1,415,000

Backup Projects

1. Maungaturoto Wastewater Renewals (Backup Project)	\$410,000
2. Kaipara District Wastewater Condition Assessments & Models (Backup)	\$840,000
3. Kaipara District Water Condition Assessments & Models (Backup)	\$600,000
4. Kaipara District Leak Detection (Backup Project)	\$200,000
5. Kaipara District Wastewater Ponds Fencing (Backup Project)	\$235,000
6. Kaipara District Database Management Improvements (Backup Project)	\$300,000
7. Kaipara District SCADA Upgrade (Backup project)	\$950,000
8. Kaipara District Water TP Electricals Upgrades (Backup Project)	\$550,000
9. Kaipara Water Storage Bulk Main (Backup Project)	\$2,000,000
Total Backup Projects	\$6,085,000

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
Total Private failing Schemes	\$2,250,000

Funding Source	Amount (NZ\$M)
Rates -Renewals and Upgrades (Capex)	\$5,860,000
Rates -Condition Assessments & Models (Opex)	\$1,640,000
Private Failing Schemes (\$30million NZ wide fund)	\$2,250,000
Total	\$9,750,000

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 Haimona and Pirika St Watermain Renewals	\$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?

The total number of people employed is 22 direct FTE and 17 indirect calculated as follows:

As per the jobs multiplier spreadsheet

Industry	Percentage of investment	Investment breakdown (\$m)	Direct impacts	Indirect impacts	Induced impacts	Direct + Indirect	Direct + Indirect + Induced
Non-residential building construction	0%	\$ -	0.0	0.0	0.0	0	0
Heavy and civil engineering construction	36%	\$ 1.68	4.4	7.4	4.4	11.8	16.2
Construction services	41%	\$ 1.92	11.5	6.3	5.8	17.9	23.6
Scientific, architectural, and engineering services	24%	\$ 1.12	5.7	3.4	3.2	9.2	12.4
Total	100%	\$ 4.72	21.7	17.1	13.4	38.8	52.2

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 purchase and installation of the Te Kopuru Wastewater Treatment Plant aerator and the construction of the renewal of the raw watermain in Maungaturoto, Dargaville Haimona & Pirika St watermain, Ruawai Watermain Renewals 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 Haimona and Pirika St Watermain Renewals	Not funded in any plan. Year 2028/2029 in 2018-2028 LTP, also in the proposed 2021-2031 LTP 100% Capex.	\$650,000	Construction of 1400m of 150mm ID watermain renewals	November 2020-February 2021
Business Case and Options Assessment for Northland aggregation	Not funded in any plan. 100% Opex	\$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 & 5 100% Capex	\$795,000	2.5 km of watermain renewals. Designs are complete. Next steps tender for construction. Shovel ready.	December 2020-June 2021
Te Kopuru WWTP Aerator Upgrade	Not funded in any plan. 100% Capex	\$60,000	Aerator upgrade to meet environmental compliance. Can be purchased immediately. Design and recommendation from Engineers received. Shovel ready.	October 2020-January 2021
Water Design Engineer (18-month	Not funded in any plan.	\$161,048	In order to effectively and expedite the design process. Formulation of	October 2020-

fixed term)	100% Opex		scope, coordination and review of designs from the panel of engineering consultants.	March 2022
Maungaturoto Raw Watermain Renewal	LTP Year 4,5 & 6. 100% Capex	\$900,000	The design for the 3km of raw watermain is complete and the next steps is tender for construction. Shovel ready.	December 2020- May 2021
Maungaturoto Water Reservoir Replacement	LTP Year 5. 100% Capex	\$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. 100% Capex	\$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. 100% Capex	\$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. 100% Capex	\$460,000	Wastewater main renewals to be scoped inhouse by KDC from 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. 100% Capex	\$400,000	Wastewater main renewals to be scoped inhouse by KDC from 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\$3,825,000	Year 2021-2023
Included in Annual Plan 2020/21	N	Amounts NZ \$0	N/A
Not funded in any plan	Y	Amounts NZ\$2,281,048	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	
2.a)	[Completion of 20% of total value of work for Dargaville Haimona and Pirika St Watermain Renewals] 20 % instalment payment on construction of 20% (280m) of the project. 30% 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 March 2021]	NZ\$[\$130,000]	NZ\$[650,000]	

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.

2b)	[Practical Completion of the Dargaville Haimona and Pirika St Watermain Renewals] 30% payment on Practical Completion (1400m of 150mm ID pipe constructed).	[30 November 2021]	NZ\$[\$195,000]		
3a).	[40% Completion of purchase and installation Te Kopuru WWTP Aerator] 40% instalment payment. In addition to the \$60,000; a further \$385,000 is required for the upgrade of the Te Kopuru WWTP to address high discharge volumes, wetland renewal and provide a better treatment system taking the estimated amount to \$445,000.	[31 December 2020]	NZ\$[24,000]	NZ\$[445,000]	
3b)	[70% Completion of installation Te Kopuru WWTP Aerator] 10% instalment payment	31 January 2021	NZ\$[6,000]		
4a).	[Appointment of a Kaipara DC focused Water Design Engineer (18-month Fixed Contract)] 20 % to be claimed after 4 months through the fixed term. This position is not part of the Northland PMO.	[28 February 2021]	NZ\$[32,210]	NZ\$[161,048]	
4b).	[Appointment of Water Design Engineer (18-month Fixed Contract)] 30 % to be claimed 12 months through the fixed term.	[31 October 2021]	NZ\$[48,314]		

5a).	[Business Case and Options Assessment for Northland/Multiregional Aggregation model] 40% payment on delivery of First Draft Business Case for review.	[28 February 2021]	NZ\$[26,000]	NZ\$[65,000]	
5b).	[Business Case and Options Assessment for Northland/Multiregional Aggregation model] 10% payment on delivery of Final Document.	[30 April 2021]	NZ\$[6,500]		
6.a)	[Completion of 40% construction by contractor for the Ruawai Watermain Renewal] 40 % payment on completion of construction of 40% the length of replacement watermain (1km). There are no budgets in the Annual Plan. This is to cover the earned value of construction work at about midway and at the end of the project. In order to complete the watermain renewals in Ruawai, an additional \$240,000 is required bringing the total to \$1,035,000.	[31 December 2020]	NZ\$[318,000]	NZ\$[1,035,000]	

6.b)	[Practical Completion of (2.5km) construction by contractor for the Ruawai Watermain Renewal] 10 % payment on completion of 2.5km length of replacement watermain. 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 June 2021]	NZ\$[79,500]		
7a).	[Completion of 10% construction by contractor for the Maungaturoto Raw Watermain Renewal] 10% payment on completion of 10% the length of replacement watermain (0.3km). There are no budgets in the Annual Plan. This is to cover the earned value of construction work at start and at 70% of the project. In addition to the \$900k funding from the 3 waters stimulus, an additional \$540k is required to complete the renewal of the raw watermain.	[31 December 2020]	NZ\$[90,000]	NZ\$[1440,000]	

7b).	[Practical Completion of the Maungaturoto Raw Watermain Renewal] 100% payment on 70% construction completion of 3km. This is to allow for payment of the anticipated forward work constituting 30%. Since this is a high value project, we need the cashflows to be consistent.	[31 March 2021]	NZ\$[360,000]		
8a).	[Completion of 20% construction of total value of work by contractor for the Maungaturoto Reservoir Replacement] 20 % payment instalment on 20% project completion. There are no budgets in the Annual Plan. This is to cover the earned value of construction work at start and at the end of the project. In addition, a second 300m ³ treated water reservoir needs to be replaced for \$250,000 to take the total to \$490,000.	[31 June 2021]	NZ\$[48,000]	NZ\$[490,000]	
8b).	[Practical Completion of the Maungaturoto Reservoir Replacement] 30% payment on Practical Completion	[30 November 2021]	NZ\$[72,000]		

9a).	[Completion of 20% construction by contractor for the Maungaturoto Water Truck Filler and Main Upgrade] 20 % on completion of half the length of replacement watermain (160m). There are no budgets in the Annual Plan. This is to cover the earned value of construction work at start and at the end of the project.	[31 August 2021]	NZ\$[102,000]	NZ\$[510,000]	
9b).	[Practical Completion of Maungaturoto Water Truck Filler and Main Upgrade]. 30% payment on Practical Completion.	[30 November 2021]	NZ\$[153,000]		
10a).	[Completion of 20% construction by contractor for the Maungaturoto Hurndall St Watermain] 20 % on completion of half the length of replacement watermain (160m). 30% 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\$[90,000]	NZ\$[450,000]	
10b).	[Full payment on completion of 70% (560m) construction by contractor for the Maungaturoto Hurndall St Watermain] 30% payment on Practical Completion.	[30 September 2021]	NZ\$[135,000]		

11a).	[Completion of 40% construction by contractor for the Dargaville Wastewater Renewals] 40 % on completion of 40% of the 1km total construction of 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 June 2021]	NZ\$[184,000]	NZ\$[460,000]	
11b).	[Completion of the remaining 100% (1km) construction by contractor for the Dargaville Wastewater Renewals] 10% payment on Practical Completion.	[31 December 2021]	NZ\$[46,000]		
12a).	[Completion of 40% construction by contractor for the Kaiwaka Wastewater Renewals] 40 % payment on completion of 40% of the 800m total construction renewals by contractor (320m). There are no budgets in the Annual Plan. This is to cover the earned value of construction work at midway and at the end of the project.	[30 June 2021]	NZ\$[160,000]	NZ\$[400,000]	
12b).	[Completion of the remaining 100% (800m) construction by contractor for the Kaiwaka Wastewater Renewals] 10% payment on Practical Completion.	[31 December 2021]	NZ\$[40,000]		

13.	[Completion of expenditure programme]	[28 February 2022] <i>[To be no later than 31 March 2022]</i>	NZ\$[] ³	NZ\$[]	
	TOTAL		NZ\$[2,345,524]	NZ\$[6,106,048]	

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 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. See Proposed Programme vs Reform Objective matrix below:

Project Type	Project Name (Project numbering as per s5)	Reform Objectives						
		1	2	3	4	5	6	7
A. Capital Renewals	3. Dargaville Haimona and Pirika St Watermain Renewals	✓	✓	✓	✓	✓		✓
	<ul style="list-style-type: none"> Renewal of 1,400m of 150mm ID watermains 							
	4. Dargaville Wastewater Renewals							

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

	<ul style="list-style-type: none"> Design and construction of 1km of 150mm ID wastewater pipe renewals <p>5. Kaiwaka Wastewater Renewals</p> <ul style="list-style-type: none"> Design and construction of 0.8km 150mm ID wastewater pipe renewals <p>Maungaturoto Hurndall St Watermain Renewals</p> <ul style="list-style-type: none"> Realignment and replacement of 0.8km 150mm ID slip damaged watermain, design and construction <p>7. Maungaturoto Raw watermain Renewals</p> <ul style="list-style-type: none"> Replacement of 3km of 200mm ID raw watermain, construction only <p>8. Maungaturoto Water Reservoir Replacement</p> <ul style="list-style-type: none"> Replacement of 300m³ treated water reservoir, design, supply and build. <p>10. Ruawai Watermains Renewals</p> <ul style="list-style-type: none"> Construction of 2.5km of watermain, design already completed. <p>11. Te Kopuru Wastewater Treatment Plant Aerator Upgrade</p> <ul style="list-style-type: none"> Wastewater Treatment pond aerator upgrade <p>Maungaturoto Wastewater Renewals (Backup Project)</p>							
B. Asset Condition Assessment	<p>Kaipara District Wastewater Condition Assessments & Models (Backup project)</p> <p>Kaipara District Water Condition Assessments & Models (Backup project)</p>	✓	✓	✓	✓	✓		✓
C. Maintenance	Kaipara District Council Wastewater Ponds Fencing (Backup project)	✓		✓	✓		✓	✓

D. Asset management system and process	Kaipara District Council Database Management Improvements (Backup project)	✓	✓	✓	✓		✓	✓
E. Data and Technology system	Kaipara District Council SCADA Upgrade (Backup project)	✓		✓	✓		✓	✓
F. Leakage management	Kaipara District Council Leak Detection (Backup Project)		✓	✓	✓	✓		✓
G. Water Safety Priorities	Kaipara District Council Water Treatment Plant Upgrades (Backup Project)	✓		✓	✓		✓	✓
H. Capital Project - Drought Resilience Upgrades	<p>9. Maungaturoto Water Truck Filler and Main Upgrade</p> <ul style="list-style-type: none"> Design and construct truck filler and 0.8km 150mm ID of watermain Ensures that self-supplied communities will have access to water within the region and no pay exorbitant prices during summer as water carters go further afield to find water. <p>Kaipara Water Storage Bulk Main (Backup Project)</p>	✓	✓	✓	✓	✓	✓	✓
I. Preparation for Reform	<p>1. Business Case and Options Assessment</p> <ul style="list-style-type: none"> To fund the work to optioneer models for the Northland/Multiregional 3 waters model. <p>2. Water Design Engineer</p> <ul style="list-style-type: none"> To help with scoping, coordination and design review Collection reporting of RFI information Progress reporting 	✓	✓	✓	✓	✓	✓	✓

Objectives Key:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes);

2. ensuring all New Zealanders have equitable access to affordable three waters services;
3. improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale;
4. increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards;
5. moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils;
6. improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers; and
7. undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader "wellbeing mandates" as set out in the Local Government Act 2002

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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:

THREE WATERS STIMULUS GRANT DELIVERY PLAN – ADDENDUM

To satisfy condition precedent 3 (clause 3 of Part 1 of the Funding Agreement), a final Delivery Plan must be executed by each participating territorial authority in a form approved by the Department of Internal Affairs.

A draft Delivery Plan for Kaipara District Council (**Territorial Authority**) has been completed and submitted to the Department of Internal Affairs and Crown Infrastructure Partners Limited for consideration (**Delivery Plan**). This Addendum is attached to, and forms part of, that Delivery Plan.

Following initial assessment, changes to the Delivery Plan have been proposed and agreed by the Territorial Authority and the Department of Internal Affairs. This Addendum contains those changes.

The Territorial Authority and the Department of Internal Affairs agree that, notwithstanding the provisions of the Funding Agreement, for the purposes of satisfaction of condition precedent 3 of the Funding Agreement:

- the Delivery Plan, as amended by this Addendum; and
- this Addendum executed by both the Territorial Authority and the Department of Internal Affairs,

when read together satisfy such condition precedent in respect of Funding for the first Expenditure Programme Milestone (first line item) (as described in paragraph 1 below) only, and the Funding in relation to such Milestone (being the Initial Instalment, as defined in paragraph 1.a below) shall be payable by the Department of Internal Affairs in accordance with this Addendum following receipt of these duly executed documents.

Notwithstanding the above or any provision of the Funding Agreement, payment of further instalments of funding in respect of the Expenditure Programme remain subject to satisfaction of the conditions precedent in this Addendum.

The Addendum will take precedence over the Delivery Plan, to the extent of any inconsistency between the two. To avoid doubt, any update to:

- the milestone table at section 14 of the Delivery Plan (“key milestones of the expenditure programme”); and/or
- any other part of the Delivery Plan,

that this Addendum is attached to, as outlined in Part 1 below, will take precedence over any previous milestone table or relevant part of the Delivery Plan (as applicable) agreed by the parties.

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

Amendments to Delivery Plan: The Delivery Plan is amended as follows:

Part 1: Milestone table:

Indicative milestone table and release of initial instalment of funding:

1. The milestone table in section 14 of the Delivery Plan that this Addendum is attached to (“key milestones of the expenditure programme”) (**Indicative Table**):
 - a. records the terms of payment for the first Expenditure Programme Milestone (first line item) and the amount of the Maximum Funding Instalment for such milestone (being 50% of the Total Maximum Amount payable to the Territorial Authority and representing advance funding for projects identified in the Delivery Plan) (**Initial Instalment**); and
 - b. records subsequent indicative milestones to progress the Expenditure Programme.

Updated milestone table and release of second instalment of funding:

2. The parties agree that the Territorial Authority will work with Crown Infrastructure Partners Limited to prepare an updated milestone table recording all milestones for the rest of the Expenditure Programme (including the Support for the RFI Response funding details if relevant, as described in Part 2 below) (**Updated Table**). To avoid doubt, updates are to be limited to updates to the table of Expenditure Programme Milestones only. The Updated Table is to be completed by the Territorial Authority and submitted to Crown Infrastructure Partners Limited and the Department of Internal Affairs for approval by the Department of Internal Affairs (**DIA Milestone Approval**), by the date of the first quarterly report.
3. The inputs in the Updated Table (or any subsequent updates to the Updated Table) are to reflect appropriate measurable outputs or activities to support the delivery of the Expenditure Programme, including identification of one or more appropriate milestones for each project identified in the Delivery Plan (**Update Criteria**).
4. The Updated Table (or any subsequent updates to the Updated Table) will be deemed appended to this Delivery Plan once DIA Milestone Approval has been sent and received by the Territorial Authority and Crown Infrastructure Partners Limited, and the Indicative Table (or the then current version of the milestone table) will be deemed amended and updated from such date.
5. Release of the next instalment of Funding following the Initial Instalment, is conditional on:
 - a. DIA Milestone Approval having been sent and received by the Territorial Authority and Crown Infrastructure Partners Limited; and
 - b. in relation to each instalment of Funding following the Initial Instalment, material achievement of the applicable Expenditure Programme Milestone(s) having been demonstrated to the satisfaction of the Department of Internal Affairs (on Crown Infrastructure Partners Limited’s recommendation).

Further updates to milestone table and release of further instalments of funding:

6. The parties recognise that the milestones within the Expenditure Programme are subject to change and planning restrictions over time. Therefore, should the Territorial Authority consider that changes be proposed to the milestones to support the Expenditure Programme at any time following DIA Milestone Approval having been sent and received by the Territorial Authority and Crown Infrastructure Partners Limited in respect of the Updated Table, the Territorial Authority should propose such changes to Crown Infrastructure Partners Limited and the Department of Internal Affairs for approval by the Department of Internal Affairs in an updated version of the Updated Table on submission of the next quarterly report, regardless of whether that report is accompanied by a Payment Request. Each proposed update to milestones within the milestone table is subject to DIA Milestone Approval and the Update Criteria specified above.
7. Where further updates to milestones in the Updated Table (or such version of the milestone table that is current at the time in accordance with the provision below) have been proposed, the release of further instalments of Funding will be conditional on:
 - a. DIA Milestone Approval having been sent and received by the Territorial Authority and Crown Infrastructure Partners Limited; and
 - b. material achievement of the applicable Expenditure Programme Milestone(s) having been demonstrated to the satisfaction of the Department of Internal Affairs (on Crown Infrastructure Partners Limited's recommendation).

Part 2: Support for RFI response:

8. The Department of Internal Affairs has released a Request for Information document to all Territorial Authorities (**RFI**) to assist with water reform planning. A response is required within a set timeframe.
9. The Territorial Authority may opt to redirect up to \$60,000 (plus GST, if any) of the Funding toward acquiring resource to support its response to the RFI (**Support for the RFI Process**). To avoid doubt, this amount must be drawn from the Total Maximum Amount payable to the Territorial Authority and does not represent additional funding payable from the Department of Internal Affairs to the Territorial Authority.
10. Should the Territorial Authority choose to do this, a line item must be added to the Updated Table recording the amount apportioned to Support for the RFI Process.

Part 3: DIA Guidance:

11. The Department of Internal Affairs may issue guidance from time to time in relation to the water reform programme with a view to assisting Territorial Authorities in their preparation for, and engagement with, the water reform programme.

The parties sign this Addendum as acknowledgement and agreement of its terms and conditions:

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: Allan Prangnell

Position: Executive Director, Three Waters, Department of Internal Affairs

Date: 29 October 2020

SIGNED for and on behalf of

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

Name:

Position:

Date:

Name:

Position:

Date: