



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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EXTRAORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date: Tuesday 15 September 2020

Time: 3.00pm-4.00pm

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Present Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne,
Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor

In Attendance Interim Chief Executive, Director Corporate Services, Director
Community Services, Director Infrastructure Services, Director
City Services, Director City Strategy, Manager Communications
and Marketing, Chief Financial Officer, Investment and Funding
Manager, Manager Property, HBLASS Programme Manager

Administration Governance Team

Apologies

Council resolution Councillors Boag / Crown

That the apologies from Councillors Chrystal and Wright be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the management

Nil

AGENDA ITEMS

1. HAWKE'S BAY REGION 3 WATERS REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 962595

Reporting Officer/s & Unit: Keith Marshall, Interim Chief Executive

1.1 Purpose of Report

To present to Council the Morrison Low report *Hawke's Bay Three Waters, Business Case of Three Waters Service Delivery options*

At the Meeting

The Interim Chief Executive spoke to the report, providing a brief overview and noted that the report has been canvassed at length with Council.

There was no further discussion or questions from Councillors.

Council resolution

Councillors Simpson / Browne

That Council:

- a. Note and receive the Morrison Low report *Hawke's Bay Three Waters, Business Case of Three Waters Service Delivery options*, and that it will be a helpful contribution to the upcoming 3 Waters reform process.
- b. Note that Napier City Council has signed up to working with the Government on the 3 Waters reform process.

Carried

2. THREE WATERS REFORM PROGRAMME - FUNDING AGREEMENT, DELIVERY PLAN AND PROPOSED PROJECTS

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	965068
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

2.1 Purpose of Report

To provide delegation for the signing of the Funding Agreement and Delivery Plan associated with the Three Water Services Reform Programme including proposed projects.

At the Meeting

The Director Corporate Services tabled the Draft Three Waters Stimulus Grant Delivery Plan (attached under **Appendix A**).

The Director Infrastructure Services spoke to the report noting that this report is in relation to Central Government's Three Waters Reform programme of work and identifies the proposed projects that Council will be allocating their share of the region's funding to.

In response to questions from Councillors, the following points were clarified:

- While the preference is for additional staff to be employed under fixed term contracts, there is a risk that the proposed works may not be able to be completed in the given timeframe due to the short supply of engineers. This risk will be considered and discussed regionally also. In the event that issues arose, Council could also examine the option of using external engineering consultancy or contractors to help fill any gaps.
- The list of proposed projects well exceeds the funding available to Council. It is highly unlikely that Council would need to identify further projects, but should this occur, these would come back to Council for consideration.
- The Three Waters Stimulus Grant Delivery Plan is in draft form only at this stage and will come back to Council prior to the 30 September deadline for a final decision, once the programme has been finalised.
- It is intended that the quarterly reporting will be aligned with Council's current reporting cycle.

Council resolution

Councillors Browne / Tapine

That Council:

- Approve entering into the Funding Agreement and Delivery Plan for the first stage of the Three Waters Services Reform Programme by 30th September.

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- b. Approve the proposed projects to be undertaken as part of the Delivery Plan, noting that these are subject to approval from the Department of Internal Affairs (DIA).
 - c. Provide delegation to the Chief Executive to make required changes to the Delivery Plan in order to finalise the agreement with DIA, noting that Council have been provided with projects that are in excess of the \$12.51m available funding, and projects will be prioritised from those identified under Priority 2 and 3 list provided in this report.
 - d. Note the Reform Programme is part of the Governments programme to reform current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term, and that signing the MOU, Funding Agreement and Delivery Plan does not create any obligation upon Council with regard to future steps of this reform programme;
 - e. Delegate signing of the Funding Agreement and Delivery Plan to the Chief Executive and Mayor.

Carried

3. BUDGETS TO BE CARRIED FORWARD TO 2020/21

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	962775
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To seek Council approval to carry forward budgets into 2020/21 or future years depending on the timing of the programme.

At the Meeting

The Chief Financial Officer spoke to the report, noting that many of the carry forward requests relate to projects already underway at year end where budget is required to complete the projects in 2021. Almost half of the total requested carry forward amount is made of up capex carry forwards in relation to the pool project.

In response to questions from Councillors, the following points were clarified:

- Due to Covid-19 and the affect this had on the Annual Plan process, the time required to rationalise the list of proposed projects down just wasn't available.
- Some projects have not commenced yet but are programmed to be completed in 2021. It was noted that rather than taking these projects out of the plan, they can be held over and reconsidered under the Long Term Plan process.
- This year's total carry forward amount is significantly higher than previous years. Last year was in the order of \$15 Million and prior to that it was much lower.

Council resolution

Councillors Taylor / Simpson

That Council:

- a. Approve total capital carry forward budgeted expenditure of \$36,002,409 from 2019/20 into 2020/21 (or future years depending on the timing of the programme).
- b. Approve total operational expenditure carry forward budgeted expenditure of \$5,347,371 from 2019/20 into 2020/21.

Carried

4. DRAFT REVENUE AND FINANCING POLICY AND UNDERLYING INFORMATION

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 953015

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To recommend the proposed amendments to the Revenue and Financing Policy for adoption by Council and subsequent consultation with the community.

At the Meeting

The Chief Financial Officer spoke to the report, providing a brief overview and noted that a number of workshops have been held with elected members in relation to this Policy.

A number of Councillors commented that the comprehensive review process provided elected members with a greater understanding of how council funds its activities. In response to questions, it was noted that although the Policy is reviewed every three years, Council was well overdue for a significant review. The last significant review was undertaken in 2001.

Council resolution

Mayor Wise / Councillor Taylor

That Council:

- a. Adopt the Draft Revenue and Financing Policy as attached in Appendix A
- b. Note that the rating implications from the Revenue and Financing Policy review will be reflected in the Statement of Proposal and Consultation Document to be presented to Council on 8 October 2020.

Carried

5. DRAFT RATING POLICY

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government (Rating) Act 2002
<i>Document ID:</i>	963006
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

5.1 Purpose of Report

- To reintroduce and update the Rating Policy.
- To review and update the policy in alignment with proposed Revenue & Financing Policy, and Remission & Postponement Policy amendments.
- To recommend the proposed amendments to the Rating Policy for approval by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager spoke to the report noting that the Rating Policy is the bridge between The Revenue and Financing Policy and the Funding Impact Statement.

The Mayor noted that no questions were raised by Councillors as this Policy had also been canvassed extensively in workshops.

Council resolution

Councillors Crown / Boag

That Council:

- a. Approve the reintroduction of a Rating Policy.
- b. Approve the proposed General Rate differentials and rates applied.
- c. Approve an increase in the City Water Rate from 50% to 70% for Rating Units that are not connected but within 100m of the system.
- d. Approve an increase in the Sewerage Rate from 50% to 70% for Rating Units that are not connected but within 30m of the system.
- e. Approve a note that a Wastewater Rate is being proposed to replace the Sewerage Rate.
- f. Approve the introduction of a Stormwater Rate.
- g. Note proposed amendments to rating differentials and definitions within the draft Revenue & Financing Policy.
- h. Note proposed amendments to remissions within the draft Rates Remission Policy.
- i. Note proposed amendments to postponements within the draft Rates Postponement Policy.
- j. Approve Council officers consulting on the Rating Policy in conjunction with the Revenue & Financing Policy.

Carried

6. DRAFT RATES REMISSION POLICY

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 960522

Reporting Officer/s & Unit: Garry Hrustinsky, Investment and Funding Manager

6.1 Purpose of Report

To review and update the Rates Remission Policy in accordance with s.109 of the Local Government Act 2002.

To review and update the policy in alignment with proposed Remission & Postponement Policy amendments.

To recommend the proposed amendments to the Rates Remission Policy for approval by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager provided a brief overview of the report.

In response to questions from Councillors, the following points were clarified:

- The Consultation Document will be brought to Council on 8 October 2020 for consideration.
- The indicative dates for consultation at this time are from 12 October to 15 November 2020.
- Any change in Covid alert levels will be managed. Should levels increase again, this will only affect face to face meetings. All other consultation will continue as planned.

Council resolution

Councillors Tapine / Boag

That Council:

- Approve the inclusion of a Remission for Farmland Under 5 Hectares.
 - Approve the inclusion of a Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates.
 - Approve the inclusion of a Remission for Residential Properties Used Solely as a Single Residence.
 - Approve the removal of Remission for Land Subject to Special Preservation Conditions.
 - Approve the removal of Remission of Uniform Annual General Charges (UAGC) and Targeted Rates of a Fixed Amount on Rating Units Owned by the Same Owner.
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- f. Approve other minor changes detailed in this report
 - g. Note proposed amendments to rating differentials and definitions within the draft Revenue & Financing Policy.
 - h. Note proposed reintroduction and amendments to the Rating Policy.
 - i. Approve Council officers consulting on the Rates Remission Policy in conjunction with the Revenue & Financing Policy.

Carried

7. DRAFT RATES POSTPONEMENT POLICY

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 960526

Reporting Officer/s & Unit: Garry Hrustinsky, Investment and Funding Manager

7.1 Purpose of Report

To review and update the Rates Postponement Policy in accordance with s.110 of the Local Government Act 2002.

To better align the policy with proposed Rating Policy and Remission Policy amendments.

To recommend the proposed amendments to the Rates Postponement Policy for adoption by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager spoke to the report noting that the review of the Rates Postponement Policy was triggered by the review of the Revenue and Financing Policy.

Council resolution

Councillors Mawson / Taylor

That Council:

- a. Approve the proposed amendments to the Rates Postponement Policy to remove Postponement for Farmland.
- b. Note proposed amendments to rating differentials within the draft Revenue & Financing Policy.
- c. Note proposed reintroduction and amendments to the Rating Policy.
- d. Approve Council officers consulting on the Rates Postponement Policy in conjunction with the Revenue & Financing Policy.

Carried

8. SPORTSGROUNDS CHARGES RELIEF PACKAGE

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	964142
Reporting Officer/s & Unit:	Bryan Faulknor, Manager Property

8.1 Purpose of Report

To seek Council approval for the remission of Sports Grounds Charges and Rodney Green Centennial Event Centre hire charges for the 2020 winter sports period and the 2020/21 summer sports period.

At the Meeting

Councillor Price declared a conflict of interest as the Chair of Basketball Hawke's Bay.

The Manager Property spoke to the report noting that the proposed fees and charges remissions only apply to the 2020 winter sports season and the 2020/21 summer sports season, and would align Council with Hastings District Council.

In response to questions from Councillors, the following points were clarified:

- The estimated cost noted in the report is a combination of lost revenue and refunds.
- The intention is that this would be a blanket remission on sportsground charges for all sporting codes.
- Remissions apply to non-professional Not for Profit sports organisations only. Commercial activities will still be charged.
- Professional rugby at McLean Park is not included, but some individual games may be considered on a case by case basis.

ACTION: Council officers to come back to Council with additional information around how accountability for relief flowing back to clubs from regional sports organisations may be captured.

Council resolution

Councillors McGrath / Mawson

That Council:

Resolve

- To approve the remission of Sports Grounds charges and Rodney Green Centennial Event Centre hire charges for the 2020 winter sports period and the 2020/2021 summer sports period.
- Approve that the remissions be funded from any unused portion of the Rental Relief Fund and Rates Relief Fund approved 30 April 2020 and to ensure that the budget requirements of the activity are met.
- To approve the general guidance criteria for remission:

-
- Remission to be given to non- professional Not for Profit sports organisations only. Where relief is given to Regional Sports organisations then the expectation is that this will flow back to clubs and accountability for this may be required at Council's discretion.
 - Applies to seasonal hire for open grounds and the Rodney Green Centennial Events Centre
 - One off open ground sports games in general excluded, however remissions may be considered on a case-by-case basis.
 - McLean Park charges in general to be excluded; however, remissions may be considered on a case-by-case basis.
 - Representative games and tournaments excluded.
- iv. To approve that delegation be given to the Director of Corporate Services and Council's Team Leader Parks, Reserves, Sportsgrounds to approve remissions.
- v. To note that this relief is an extension to the rates and rental relief approved by Council 30 April 2020 and is in response to the financial effects and hardship caused by the Covid-19 pandemic.

Councillor Price did not participate in the discussion or vote due to his conflict of interest in relation to Basketball Hawke's Bay.

Carried

The meeting closed at 4.00pm.

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval

APPENDIX A



Te Tari Taiwhenua
Internal Affairs

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:	Three Waters Reform Programme
2. Territorial Authority:	Napier City Council
3. Total Maximum Amount Payable (NZ\$M):	\$12.51m
4. Organisation Lead Contact:	
Name:	Jon Kingsford
Position:	Director Infrastructure
Email:	jonk@napier.govt.nz

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:
- The expenditure programme developed as part of this application considers ways in which Napier can fast track operational and capital projects that will assist Council to improve the delivery of our 3 waters programmes. The programme of work largely targets Water. All three waters are Council's number one priority.

A proportion of the programme covers the improvement of information capture and management for three waters, the upskilling of our in-house operations team to be better prepared for the proposed water reform implementation and the delivery of key fire low and water conservation and water quality projects.

Council has a large programme of work ahead with the recently completed 3W masterplans leading to the need for additional resource to scope projects ready for our delivery team to deliver. Some of this work can be brought forward on the basis of this work.

The goal for Council over this timeframe is to catch up on operational work that has not been prioritised in the past and to ensure that the supply, the data and the people are in the best state possible moving forward through the reform.

The delivery plan includes allowance for the start of a student support and cadet programme to entice students and school leavers into the industry.

Part of the programme is addressing risks, for example the repair to the WW Outfall chamber has recently been identified as a risk

6. Location/address of the programme:

(if this is a series of investments, please identify each location where relevant)

Napier

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

\$12.51m

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

Funding Source	Amount (NZ\$M)
Nil. Programme will be scaled to accommodate funding requirements or prioritised as necessary.	\$
	\$
Total	\$

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

Note that a larger programme of work has been put forward to allow for any unforeseen delivery constraints or cost pressures making the programme flexible enough to accommodate any changes. (e.g. resourcing, industry supply etc.).

Priority 1	13,290,000
AM improvement programme (Update and implement asset management improvement programmes across three waters teams)	240,000

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Accommodation for 3 Waters staff – new lease for space required	80,000
Additional Financial Capability (to assist with delivery of a large programme of capital work and to oversee this programme of work)	200,000
Additional resources for 3 Waters (recruitment assistance, Operations engineers and support, management support, 3W planning team leader, sustainability and natural hazards support, cadet and graduate programme, comms and engagement support, procurement support)	2,820,000
Data Collection – EAM (Fully implement an upgraded enterprise asset management system for 3W team, undertake asset data condition assessments and upgrade information quality)	800,000
Delivery improvement review (integrate PMF, contract mgmt., procurement, design, PMO etc. to improve our project management and delivery capability)	250,000
Extend MMTP (Deliver Maintenance Management Transformation Programme faster)	350,000
Financial and Development Contribution Policy review (Ensure that 3W programmes are funded appropriately and that our FC/DC policy is up-to-date and robust)	500,000
FW-2 (Address urgent fireflow issues across the network as identified from recent model and master plan project outcomes)	1,000,000
Iwi Engagement on 3 Waters (including cultural values assessment)	300,000
Low manganese water in the A1/A2 area (Reduce water quality issues for the city through alternative supplies/treatment)	2,000,000
Outfall repair - valve chamber (reduce risk of environmental contamination)	200,000
Parks Water bores Investigation and implementation (Increase resilience and improve water conservation)	500,000
Peer review - 3 Water models & Masterplans (Continue with the master planning process by undertaking peer reviews of models, additional calibration and peer review of master plans)	800,000
REGIONAL PROJECTS (yet to be defined)	500,000
Review of Private Water Supplies (address potential affordability and equitable access issues for communities)	250,000
SCADA – new location - re-orientate off the crows nest (provide a location for the telemetry base station for improved monitoring of services, and risk management)	1,000,000
Te Awa Structure Plan – 3 Waters (Enable growth and address affordability issues)	500,000
Training – Operator training, 3W capability training, project management and contract management	200,000
Water safety plan – update to the latest WSP framework in preparation for new regulation and to align with the low manganese water project.	200,000
Water Safety Plan delivery of improvement items – provide network monitoring to manage quality and safety of the water supply.	500,000
Water main pigging (linked to the low manganese water project)	100,000
2	3,200,000

District monitoring (improve safety, knowledge and leakage management)	500,000
District monitoring area (DMA) programme	500,000
Environmental solutions (new resource to assist with projects)	200,000
FW-2 (Continue the fire flow programme)	500,000
Improvements Magiq to Sytle (integrate our project management software with finance system.	150,000
Pandora Industrial main (treatment of trade waste if required)	300,000
Parks Water bores Investigation and implementation (infrastructure)	500,000
SCADA Support (additional staff to operate the system and free up the replacement programme)	550,000
3	600,000
HRIS Module (Transparency around costs of supplying services)	300,000
SCADA – technology in the field	300,000
Grand Total	17,090,000

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

Total number of additional staff for Napier City Council	22 STAFF
This includes additional 3 Water staff including operations and planning staff and supporting functions around delivery including procuremnts, finance and comms and engagement. The number of staff includes cadets, graduate programme and Work Experience for students	
Estimated number of contractors to complete identified projects	approximately 113
This has been estimated on the basis of new roles that will be directly recruited then an assessment of the number of contractors and or consultants that would be required, at a minimum, for delivery of the work. This has also considered that existing staff will be engaged in the work and not all of the additional staff estimated as part of this assessment would be full time FTEs, it is the total number of “new ” people involved in the delivery of the projects.	
TOTAL NUMBER OF PEOPLE EMPLOYED	approximately 136+

Expenditure Programme commencement

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

Establish internal recruitment requirements and advertise roles or work with recruitment agency

Establish work programme as per delivery plan

Develop the cadet and graduate programme and advertising campaign within relevant tertiary training organisations to grow capability for Council and the industry.

Prioritise and bundle current annual plan projects and stimulus projects to streamline procurement processes and ensure delivery

Some of the projects are underway and can be quite easily extended to allow for a greater scope.

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):

Additional staff will be on fixed term contracts (assuming resources are available for the work that is required – e.g. engineers are in short supply)

Programme identified will be based on key pieces of work that are not currently funded but that we have already prepared for in some way

Achieving the programme is partly dependent upon the resources that we can obtain but does cover across several teams.

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y/N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	Y/N	Amounts NZ\$	N/A
Not funded in any plan	Y/N	Amounts NZ\$12.5m	Year
Was funded but COVID-19 deferred	Y/N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	Y/N	Amounts NZ\$ E.g. scada, more money in various projects, more money in Pandora industrial	Year 20/21

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\$6,255,000 [Note: this is to be 50% of the Total Maximum Amount Payable]	Nil	
2.	[Commencement of expenditure programme]	[date] [To be no later than 31 March 2021]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
3.	Finalise Lease and IT requirements for 3W staff	Mid November 20	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
4.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
5.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
6.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
7.	[Completion of expenditure programme]	[date] [To be no later than 31 March 2022]	NZ\$[INSERT HERE] ³	NZ\$[INSERT HERE]	
	TOTAL		[Must be less or equal to Total Maximum Amount Payable]	[Must be equal to the total estimated cost of the expenditure programme]	

¹ All figures should be GST exclusive.

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

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

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

The programme is designed to improve capacity and capability in the existing team and to provide opportunities for new people entering the industry, making it more resilient given the current lack of resources.

It aims to address information and process gaps in the delivery of water services and to bolster the operational capacity of both the strategy and operations teams.

There are a few key major capital projects that have been included that will enable water quality, water losses and fire flow issues to be addressed.

The types of funding requested covers the following areas:

- Lease for additional staff space
- Additional support for operations, planning and delivery teams
- Capability improvement of existing staff
- Community focus – key projects
- Increasing industry capability through student, cadet and graduate programmes
- Information improvements (data quality, capture and telemetry)
- Infrastructure spend on key projects (mainly water quality, fire flow, DMAs for water loss reduction and peer reviewing our masterplans and models)
- Regional Collaboration (to be agreed)
- Meeting statutory requirements
- Improving technology

By the end of this process we will have sufficient staff and external support to address the following:

- Data quality issues.
- Delivery of a fit for purpose Enterprise Asset Management System, concentrating on 3W.
- Commencement of a graduate and cadet training programme as well as providing summer holiday positions for current students in engineering, project management or environmental fields.
- Upskilling our existing staff to be more prepared for the 3W reform programme
- Getting ahead with planning through additional funding to support and streamline operations practices
- Increase the capability of several groups through the delivery of training around water industry requirements, contract management, project management, procurement.

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

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Government:

The key objectives of the reform are met across all of the projects. The summary table of how each project meets the reform and stimulus objectives is attached to this document.

A large proportion of the work addresses the improvement of safety and quality drinking water and environmental performance through the improvement of available information, updating the water safety plan to the new framework and fast tracking some network monitoring. Our recent water supply model and masterplan projects have identified a large FW2 programme that needs to be started and this is a good opportunity to pull this unfunded work into the programme.

Many of the projects address affordability and capability challenges. The team have been addressing a backlog of operational and asset management improvement whilst trying to plan for the future. The projects put forward allows for additional capacity to achieve some key milestones around data collection and management and an increased focus on managing our planned and reactive maintenance programmes.

As an organisation, there is also a conscious decision to support the existing staff and our internal service provider to be as ready for a new organisation as possible, through improved exposure to modern systems, increased capability through training programmes and preparing the Activity and the assets to transfer to a new entity which supports the "improvement of regional coordination at a larger scale".

Almost all of the projects assist with transparency and accountability as information and process improvement and training are key elements of the programme of work.

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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:

SIGNED for and on behalf of
Napier City Council

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

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Position:

Date:

Name: Keith Marshall

Position: Chief Executive

Date: 30 September 2020

Name: Kirsten Wise

Position: Mayor

Date: 30 September 2020

Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
SCADA Support	✓	✓	✓	✓	✓	✓		✓	✓
SCADA – new location - re-orientate off the crows nest	✓		✓	✓	✓	✓			✓
SCADA – technology in the field				✓	✓	✓			
HRIS Module	✓		?			✓			✓
Financial and Development Contribution Policy review	✓	✓	✓	✓	✓	✓	✓		✓
Outfall repair - valve chamber	✓	✓	✓	✓	✓				
Low manganese water in the A1/A2 area	✓	✓	✓	✓			✓		✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
District monitoring	✓	✓		✓	✓	✓		✓	✓
Accommodation for 3 Waters staff – new lease for space required	✓	✓	✓	✓	✓	✓	✓	✓	✓
Water safety plan	✓	✓	✓	✓	✓	✓	✓		✓
Extend MMTP	✓	✓	Partial	✓	✓	✓	✓	✓	✓
Te Awa Structure Plan – 3 Waters	✓	✓	✓	✓	✓	✓	✓		✓
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓
Water main pigging	✓	✓	✓	✓			✓		✓
Pandora Industrial main	✓	✓	✓	✓	✓	✓			
Improvements Magiq to Sytle	✓	✓	✓	✓		✓			✓
Delivery improvement review (integrate PMF, contract mgmt., procurement, design, PMO etc)	✓	✓	✓	✓		✓			✓
AM improvement programme	✓	✓	✓	✓	✓	✓		✓	✓
Water Safety Plan delivery of improvement items	✓	✓	✓	✓	✓				✓
Environmental solutions	✓	✓	✓	✓	✓	✓		✓	✓

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District monitoring area (DMA) programme – didn't get funding via CIP	✓	✓	✓	✓	✓	✓		✓	✓
Additional Financial Capability	✓	✓	✓	✓		✓			✓
Additional resources for 3 Waters	✓	✓	✓	✓	✓	✓	✓	✓	✓
FW-2	✓	✓	✓	✓	✓		✓		✓
Training – Operator training, 3W capability training, project management and contract management	✓	✓	✓	✓	✓	✓			
Data Collection – EAM	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peer review - 3 Water models & Masterplans	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Review of Private Water Supplies	✓	✓	✓	✓	✓	✓	✓	✓	✓
Iwi Engagement on 3 Waters	✓	✓	✓	✓	✓	✓	✓	✓	✓
REGIONAL PROJECTS									

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