SECURING OUR REGION'S FUTURE

WAIMEA WATER LTD | ANNUAL REPORT 2021

Waimea Water

Our Commitment

Waimea Water is committed to building and operating a safe, reliable and efficient dam for the benefit of the region.

Contents

OVERVIEW

About Waimea Water

Waimea Water Ltd (WWL) is a Council-Controlled Organisation established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. The dam is a significant infrastructure project for the region, which will secure the water supply for Nelson Tasman for the next 100+ years. Approval to proceed with the dam was reached by the Tasman District Council (TDC) on 30 November 2018, with financial closure on 21 December 2018. As a joint venture project between the TDC and Waimea Irrigators Ltd (WIL), the dam realises the vision, and many years of work by groups and individuals, to provide greater water security for the Waimea Plains and wider community (also see the Timeline on pages 10 and 11). WWL is focused on ensuring that it has the people, systems and positive relationships it needs to deliver a world-class water project for Nelson Tasman.

The Waimea Community Dam

The four year construction project began in March 2019, with site works commencing in August 2019. The concrete-face rockfill dam will be 53 metres high, 220 metres long, and six metres wide at the crest. The Waimea Community Dam is designed to the latest and highest international design standards under New Zealand and international Dam Safety Guidelines. Compliance with these standards is regularly peer reviewed by technical dam experts as the build progresses. The dam is being constructed for WWL through a joint venture between experienced local companies Fulton Hogan Ltd and Taylors Contracting Ltd (Contractor). Damwatch Engineering Ltd independently reviews the construction and provides design guidance. GHD Engineering peer reviews design changes and designs temporary works. The project has faced ongoing geological challenges (outlined on pages 18 to 21). COVID-19 has also impacted on the construction programme and costs (see page 22). A number of key elements were completed this year, including the diversion culvert, the temporary coffer dams, the starter dam, and the reinforced rockfill section of the embankment that extends 29 metres above the riverbed.

Once the dam is in place, the reservoir will fill up naturally over several months while the mechanical and electrical works are constructed, with the final commissioning expected at the end of 2022.

When finished, the lake created by the dam will contain approximately 13 billion litres of water. The benefits of the dam for the region are:

- Providing the community with water security and supporting a growing population.
- Healthy Lee and Waimea rivers for swimming, fishing and other recreational activities.
- Healthier rivers for aquatic life to thrive.
- A robust and more resilient economy strengthened by the success of horticulture and farming industries and the subsequent growth of associated secondary and tertiary industries.
- Enabling residential, commercial and industrial investment and development, which brings jobs and associated economic activity.
- Greater potential to develop, maintain and grow businesses for future generations.

Key Facts

Concrete-face rock filled dam – approximately

53m HIGH

220m LONG

Constructed from approximately

490,000m³

OF ROCK

Lake created by the dam will contain approximately

13 billion litres

OF WATER

UP TO

2.2 m³/s Flow

into the Lee and Waimea River systems during drought

Filling of reservoir

MID **2022**

Estimated economic benefit in the first 2 years

$55m*

and between

$600 -$900m

over 25 years

*NZIER Report 2017

Features of the Waimea Community Dam

The dam sits against the **ABUTMENT** - or side of the valley. Its foundations have been cleaned, mapped and defects treated with concrete and flow preventing material.

The **FLIP BUCKET** at the bottom of the spillway dissipates the water's energy, created from dropping 50m, by 'ejecting' it into the plunge pool.

The downstream **REINFORCED FACE**, provides temporary flood protection from a 1:1000 year flood during construction.

Surplus river flows down the **SPILLWAY.** Designed for a maximum of 3 X 1:100 year flood (1,094 m3/s), passing ~85% of river flow.

The **EMBANKMENT** is the dam itself and built from ~80% indigenously mined rock and engineered for 1:10,000 year earthquake loads.

PLINTHS found and seal the upstream edge of the dam and are tied to the concrete face. A **GROUT CURTAIN** through the plinth and up to 40m deep is made by pumping grout through more than 750 bores into the sub-strata.

FLOW PREVENTING and **DRAINAGE ZONES** using imported rock behind upstream concrete face.

An impermeable **APRON** has been added to stop water seeping through rock shear-zones beneath the spillway.

Upstream **CONCRETE FACE**, which sits on top of stacked concrete kerbing.

The **CULVERT** runs through the dam at river level. It diverts the river during the build, then post construction it is closed and used for pipework to release water.

The 'gravity' **STARTER DAM** is the foundation of the dam.

2021 Performance Highlights

Culvert
completed and river diverted

Starter Dam
completed

Reinforced rockfill
embankment
completed

Mechanical and electrical design
completed

Construction
60%
complete

NIL
Significant injuries

15,000
trees planted on Rough Island

Project Progress (spend)
57%

Diversion Culvert Blessing, August 2020

Timeline

Several decades of work has been invested into this significant regional infrastructure.

LINE INDICATES THE START OF CONSTRUCTION

1979

NC&RWB[1] commissions a study to consider building a dam in the Wairoa Gorge.

2003

WWAC[2] is established to look at options for water supply.

2011

Waimea Community Dam Ltd is incorporated.

2014-15

March Changes to water rules in the Tasman Resource Management Plan.

September Waimea Community Dam Ltd lodges application for resource consent.

October – May Community consultation about dam funding and management.

Resource consents granted, subject to conditions.

2017

Expressions of Interest process to establish the construction cost of the dam.

June NZIER updates its 2014 economic assessment, showing the benefits of the dam are greater than earlier estimates.

November – December Public consultation on funding Council's share of the dam.

2018

September / October A revised budget is proposed.

November TDC[3] voted to proceed with construction.

December WWL[4] is incorporated and takes ownership of dam construction and management.

2019

March Site Dawn Blessing. Project starts.

August Ground-breaking ceremony ahead of excavation and rock mining.

2020

January / February Geological issues identified, requiring adaption of design and increased budget.

April Construction recommences after the COVID-19 Level-4 suspension of construction.

August Blessing and ceremony for completed culvert, river diverted.

December Starter dam completed.

2021

February Further geological issues and COVID-19 impacts require budget increase.

June Completed downstream reinforced rockfilled portion of dam (29m high).

August COVID-19 Level 4 restrictions.

[1]Nelson Catchment and Regional Water Board
[2]Waimea Water Augmentation Committee
[3]Tasman District Council
[4]Waimea Water Ltd

Report from Board Chair

Welcome to the third Annual Report for Waimea Water Ltd (WWL).

At the end of this financial year, the Waimea Community Dam is almost two-thirds complete as we head into the final year of construction.

The Board is pleased with the progress given the challenges incurred and thanks the efforts of our Contractor, Fulton Hogan Taylors, suppliers and the WWL team.

Most pleasing is the project's safety performance, particularly in light of the tight cost and schedule pressures. The Board appreciates the vigilance of the Contractor and our team on the health, safety and wellbeing of all those working on the project.

WWL was established to construct the dam and manage its operation and maintenance. We are already looking ahead to our operational phase, having developed and submitted an operating plan to shareholders this year. We will commence implementing our operating and maintenance systems over the coming year.

Meanwhile, like most New Zealand infrastructure projects, COVID-19 has impacted heavily with construction delays, a struggling international supply chain and construction cost inflation. With more than a third of construction still to come, and continued uncertainty pertaining to both the geology and COVID-19 related costs, it is likely that the project cost will be close to, and stress the higher end reforecast of $164M announced in February this year.

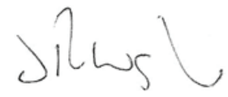
WWL is working hard to build the dam as efficiently and economically as possible, meeting all safety and environmental requirements, while also adjusting the design for encountered conditions to ensure the dam meets the highest requirements demanded by standards and regulations. As a Board, we are very cognisant of the residual geological, inflationary and contractual risks.

In the decades since New Zealand last built a large public dam, the Clyde Dam, our population has grown by 45% and so it is little wonder that many regions are struggling with water security. For our part, Tasman has front-footed the challenge of water security in a growing population, with the Waimea Community Dam assuring a future water supply that will underpin our region's prosperity.

We are already seeing the economic benefits from our dam contributing to the local economy. Aside from the onsite work and workforce, the dam is enabling housing developments and investments in local industries and services.

The Waimea Community Dam will be a vital part of the region's success in the future benefitting many generations to come. Like many infrastructure projects, such as Nelson's Maitai Dam constructed in the 1980s, I am sure the challenges and pains during construction will be overshadowed by the benefit of the dam in ensuring water supply security for many generations to come. The Board is proud to be part of this legacy and contribution to the region.

As always, we thank you for your support.



David Wright

Report from Chief Executive Officer

We have made significant progress over the last financial year constructing the Waimea Community Dam, while addressing challenges associated with the geology and a COVID-19 constrained world. I am proud of the way our team has progressed construction while managing challenges and finding solutions. We have a strong team of experienced specialists working hard to manage the design, construction and operation of the dam in a safe, reliable and efficient manner.

In August 2020, we celebrated and blessed the completion of the diversion culvert. Following diversion of the river, the starter dam was constructed, and the embankment foundations treated and prepared. The embankment has progressed well, with the upstream kerbed face constructed to a height of 20 metres above the riverbed and the downstream reinforced rockfilled dam completed, 29 metres above the riverbed, by the end of the financial year. The foundation to the lower spillway was prepared, and construction of the spillway floor and flip bucket commenced during the year.

Most importantly, I am extremely pleased that we have made such progress this year without any serious harm injuries and in full compliance with our resource consent, which is testament to the focus and performance of our Contractor, Fulton Hogan, Taylors, and the wider team, and for which I am very grateful.

The geology on the true left of the site has not been kind to us. Unexpectedly, as we excavated to grade, we encountered highly fractured foundations and large shear zones of ground rock and dispersive clay matter, running along and beneath the spillway. The defects will require unplanned investment in treatment, sealing and stabilisation in the next financial year.

The project cost is being similarly strained by the dramatic global escalation of mechanical, electrical and other material costs. Reportedly, this is due in part to reserve banks around the world stimulating economic activity through unprecedented simultaneous monetary easing in response to recessionary fears caused by COVID-19.

Additionally, freight has increased 200% to 300% and international delivery times have ballooned, as the whole world "appears" to want to buy and build at the same time. These combined pressures during 2020, have impacted the construction industry, everywhere.

These challenges and the cost of COVID-19 and associated delays led us to reforecasting our projected cost in February to $158.4M, with an upper risk range of $164M. As challenges exacerbate, this upper boundary is likely to be stressed. Project risk is expected to dissipate late 2021 as we complete the spillway excavation, construct the embankment and conclude our mechanical and electrical procurement.

Nature has also thrown many challenges at the project and the team has responded. These have included working under COVID-19 restrictions, thawing frozen embankment fill during the winter and managing floods. With 50% more rain than average and over twice as much rain as last year so far this calendar year, construction has been tested.

In April, we experienced a 1:2 year flood event that, if the dam had been completed, would have filled a third of the reservoir in 48 hours. The site flooded to 11 metres above the riverbed, and we needed to repair part of the embankment fill when floodwaters receded. Three months later, in July (subsequent to the reporting period), we experienced a 1:5 year event that would have filled the reservoir in 48 hours. Water rose to 20 metres above the riverbed and within nine metres of overtopping the embankment. Despite the amount of water, the design and safety plans worked well, which is a credit to the Contractor's management of these events. Watching these rainfall events, I am in no doubt that the reservoir will refill over our winters.

Observing the recent floods and droughts around the region and country, and as climate change science attests, the dam will be a vital asset giving our region a competitive advantage and a prosperous economy for generations to come. Despite the scale and complexity of this project being a challenge for our small region, we are already the envy of others.

I acknowledge and appreciate the efforts of our Waimea Water team, the Contractor Fulton Hogan Taylors, dam engineers Damwatch Engineering Ltd and the rest of the wider team in building our dam. No one can question the effort and determination to complete the dam in mid-2022 for filling the reservoir over the spring in time for the 2022/2023 season.

I thank all those involved in the project and the wider community for your ongoing support for our team and this project.

Ngā mihi

Mike Scott

Executive Management Team

Mike Scott
Chief Executive Officer
Master of Engineering (Civil)

Mike has a Master of Engineering with Distinction in Civil Engineering from the University of Canterbury, specialising in environmental engineering and has completed executive international management training at the Thunderbird School of Global Management in Arizona.

Mike has 27 years' postgraduate experience in business and commercial development, strategy, planning, operations and engineering in predominantly the energy sector in Australia, Scotland, USA and New Zealand. Before joining WWL, Mike was the Vice President North West Shelf Venture at Woodside Energy Limited. He also held the position of Chief Executive Officer at North West Shelf LNG Joint Venture Project. Mike previously held the position of Vice President for Strategic Business Development and Growth at Woodside Energy Limited.

Richard Timpany
Commercial Manager and Company Secretary
Bachelor of Laws, Bachelor of Commerce (Finance)

Richard has a Bachelor of Laws and Bachelor of Commerce (Finance) from University of Otago.

Richard worked in various capital market roles in Sydney and then London before returning to New Zealand. He has consulted on irrigation projects in Central Otago prior to becoming the Chief Executive Officer at Hunter Downs Development Company in Timaru.

Daniel Murtagh
Construction Manager
Bachelor of Engineering with Hons (Mechanical)

Daniel holds a Bachelor of Engineering (Hons) (Mechanical) degree, and is a Chartered Professional Civil Engineer, an International Professional Engineer and member of the NZ Society on Large Dams (NZSOLD).

Daniel has extensive knowledge in the development of challenging large-scale capital projects around New Zealand. Daniel successfully managed the ground up development of the $45M Sheffield Water Scheme in mid-Canterbury. This project involved the design, consenting, capital raising and construction of a cooperative irrigation scheme including a High PIC earth ring embankment dam.

Daniel has significant experience in infrastructure project management, administration of New Zealand construction contracts, water reticulation design, quality control and plant commissioning.

Iain Lonie
Engineering and Project Manager
Bachelor of Engineering (Civil), Master of Engineering Science (Geotechnical)

Iain is a Chartered Professional Engineer (Aus) and a Registered Professional Engineer of Queensland. He holds a Bachelor of Engineering (Civil) from University of Auckland and a Master of Engineering Science (Geotechnical) from the University of New South Wales.

Iain has a background in dams, tailings and geotechnical engineering in a variety of locations, including New Zealand, Australia and South East Asia. His experience includes the feasibility, preliminary and detailed design of Greenfield dam projects and the assessment, design and construction of dam upgrades. He gained his expertise working in design and construction roles at GHD Engineering and as Dams Team Leader for the Snowy Mountains Engineering Corporation (SMEC) in Queensland.

Dave Ashcroft
Chief Financial Officer
Chartered Accountant

Dave has significant commercial experience spanning three decades, specialising in organisations undergoing significant change in a variety of industry sectors in New Zealand, Australia, the United States and Europe. Previously he has worked with Koata Ltd, NZ Artesian Water and the Aimex Service Group, and had senior executive team roles at the Cawthron Institute and at a Sealord aquaculture joint venture in Tasmania.

Dave is passionate about the success of the region and supports a small number of local businesses and organisations in both a commercial and volunteer context. He is a Chartered Accountant and a member of the NZ Institute of Directors and of the Australian Institute of Company Directors.

Alasdair Mawdsley
Environment and Sustainability Manager
Bachelor of Science (Geography and Environmental Management)

Alasdair has nine years' environmental management experience and a Bachelor of Science, majoring in geography and environmental science from Auckland University.

Prior to joining WWL, he managed consenting, environmental, sustainability and heritage issues for Downers and McConnell Dowell Constructors Ltd on the Auckland City Rail Link, a project that involved underground tunnelling in a high risk, dense urban environment.

Alasdair's former experience also includes work on the Te Mihi Geothermal Power Project, Waterview tunnels and a range of smaller tunnelling projects. He also brings eight years' experience from an earlier career in the freight industry.

Richard Greatrex
Construction Engineer
Bachelor of Engineering with Hons (Civil), Chartered Professional Engineer International Professional Engineer

Richard is a generalist civil engineer with experience in design, construction and contract management. His broad experience includes industrial process engineering, structural, roading, three waters and geotechnical. He has successfully completed several full-time site roles on heavy civil construction projects as either the owner's or designer's representative.

Richard has worked on some of New Zealand's largest infrastructure projects, including the East Taupo Arterial, SH20-1 Manukau Extension, SH16 Causeway and Waterview tunnel tender phase. His international experience includes geothermal exploration infrastructure in Indonesia. Prior to working with Waimea Water Ltd, Richard worked for Stantec on the design and contract management of pipework, river and dam upgrades around New Zealand. He is a member of the NZ Society on Large Dams (NZSOLD).

Andrew Busfield
Mechanical and Commissioning Engineer
Bachelor of Engineering (Mechanical)

Andrew has 16 years' experience in the power and water industries, working in the project planning, pre-construction and construction phases for engineering consultancies, project owners and developers, and a major international hydropower contractor.

Andrew's years in site-based roles during project construction have given him a strong understanding of elements such as planning, equipment specification and layouts, constructability and logistics considerations, construction and installation methodologies, and contractual relationships.

Encountered Geology

WWL has provided public updates throughout the project about the encountered geological conditions not being as expected or funded. These conditions and their impacts are described below. Forecasts developed to the end of this financial year expect geological issues to cost in excess of an additional $32M to the original 2018 budget.

Unsuitable indigenous rockfill

The original embankment design anticipated onsite sandstone as drainage material. Trials in early 2020 discovered, however, that the mined indigenous rockfill is predominantly foliated silt or mudstone argillite. The incipient foliations cause the rock to break down on processing and handling, resulting in excessive fines or dirty fill unsuitable for drainage.

WWL adjusted the embankment design to use dedicated drainage layers, with 110,000 m3 of drainage rock imported from a neighbouring quarry. The remaining 77% of the embankment uses lower cost indigenous rock as planned.

Unsuitable rock for drainage

Imported drainage rock

Overburden and embankment size

More overburden (soil and soft rock) than expected was removed from both the abutments and the old riverbed in 2021. Large 'holes' of soft material from old river paths needed to be removed.

The additional overburden means ~60,000 m3 more rock fill is required within the embankment to now be ~490,000 m3 in size, 13% larger than planned.

Stabilisation of colluvium

Colluvial material encountered above the right-hand side (RHS) plinth in 2019 has required additional stabilisation.

Voids and foundation treatment

More than 1,000 m3 of concrete has been poured in 2019 and 2020 to treat voids found beneath the culvert and left-hand side (LHS) plinth.

More voids and foundation defects have also been exposed beneath the embankment and spillway that require treatment.

Fractured left-hand side (LHS)

Upon removal of overburden during 2021, the true left-hand side has been found to be highly fractured and defective.

To meet dam safety requirements, WWL:

1. Is using 50% more flow-preventing material than anticipated on treating defects, now applying 34,000 m^3 (7% of the embankment). This is exacerbated by the fines from indigenous river gravels lacking the required properties, therefore, the need to import 15,000 tonnes of sand from around Te Tauihu.
2. Will install stabilisation to the batters above and below the spillway to anchor the rock and protect the spillway.

Shear-zones bisecting spillway

In mid-2021 WWL discovered three shear-zones of up to two metres wide and consisting of clay gouge and heavily shattered very weak rock that intersects the spillway near the Ogee Weir. These shear zones pose a risk to the spillway due to the potential for erosion leading to structural failure of the spillway.

The construction of a 5000 m^2 impermeable apron upstream of the spillway ogee, together with surveillance and enhanced grouting ensures dam safety.

RHS Plinth stabilisation

During late 2020, a lower section of the RHS plinth, approximately 12 metres above the embankment foundation, was found to have deficient rock to found the plinth.

This deficiency was rectified by using a concrete beam to replace the missing rock, as well as a concrete 'staircase' to mitigate differential settlement of the rock fill against the plinth.

Additionally, voids beneath the plinth have required remediation.

Solifluction deposit

A 45,000 m^3 solifluction deposit (highly weathered soil), not identified during exploration and design, was encountered in 2020 beneath the proposed spillway access and reservoir roads, immediately upstream of the spillway. If left untreated and once saturated by reservoir filling, this would be unstable and erode into the reservoir, causing water quality problems and a loss of access for operations.

The material has been removed and replaced, and a high-capacity sub-soil drainage system installed.

Grout

In December 2020, WWL identified a need to further strengthen the waterproofing and prevent seepage beneath the dam. Greater quantities of drilling and grout are needed to achieve closure of the subsurface. Whereas the original plan had been to drill ~300 bores and ~5,000 metres of drilling, more than 750 bores and 11,000 metres of drilling is expected.

Spillway

The lack of topography on the left and the fractured founding rock on the right has led to redesigning the spillway walls to be free standing cantilevered walls, rather than a concrete liner reliant on the founding rock that does not exist in sections of the spillway.

Additional drainage and foundation treatment has also been required in 2021 to accommodate the founding rock.

Flip bucket

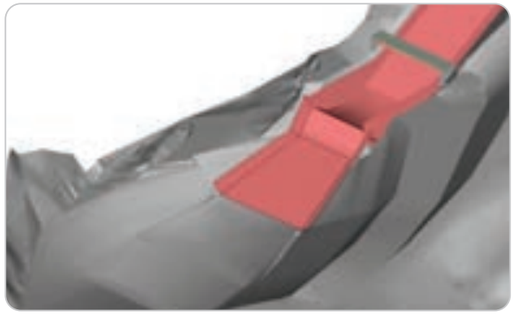
In constructing the flip bucket at the bottom of the spillway during 2021, the founding rock has been discovered to be unsuitable.

The unsuitable material has been removed and replaced with more than 2,000 m3 of mass concrete.

Plunge pool and apron

The highly fractured and foliated nature of the rock will most likely result in greater erosion of the plunge pool than expected.

This has required a more permanent and safer concept involving a larger plunge pool and more resilient apron. These mitigate the operating risk of erosion beneath the embankment, spillway and surrounding roads, and avoid the need to periodically replace the apron slab at inopportune times.



AREAS OF ACTIVITY

Project Performance

WWL actively manages the project's schedule and cost whilst progress is reported regularly to shareholders, financiers, stakeholders and the public throughout the year.

Objective

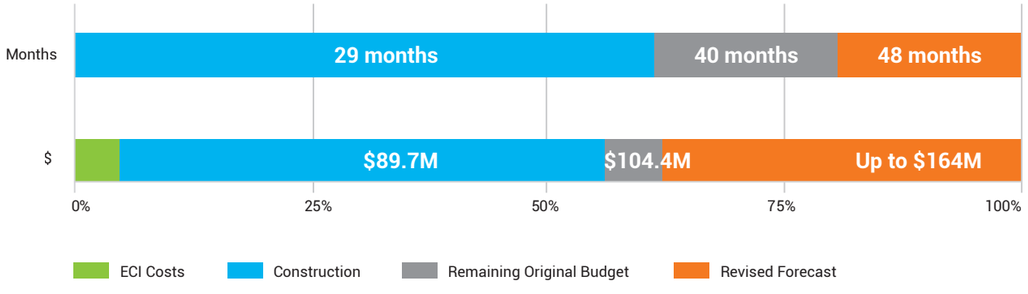
WWL is committed to efficiently and cost-effectively constructing and operating a dam that is safe, reliable and sustainable to the highest appropriate standards.

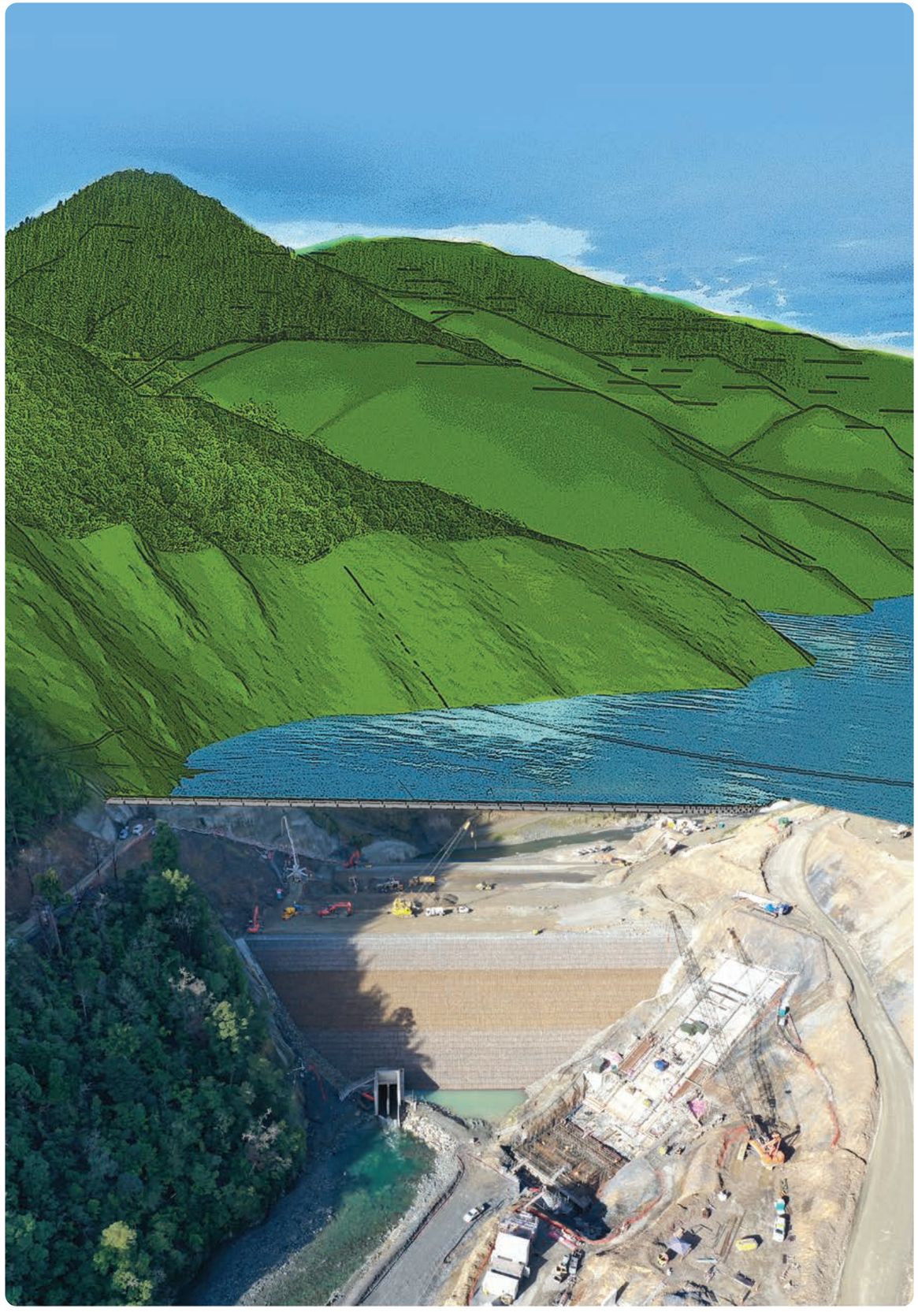
Progress

Construction is 60% complete, with completion of the dam expected to be in mid-2022, approximately eight months behind schedule, due in part to delays associated with COVID-19, the loss of recovery time, flooding and overcoming the encountered geological conditions. WWL is planning on filling the reservoir during the spring of 2022, concurrent with fitting out the dam with mechanical and electrical components, to complete and commission the dam at the end of 2022.

The project has also faced cost pressures, predominantly due to encountered geology, and COVID-19 impacts. In February 2021, WWL announced a revised forecast estimate of $158M, with a risk range of between $148M and $164M, given residual uncertainty in COVID-19 costs and geology. This was an upward revision from the previous forecast presented in February 2020 of $129.4M.

PROJECT PERFORMANCE





Progress of the rockfill embankment at 30 June 2021 against the line showing the completed height. Artist's impression of full reservoir.

Design

The Waimea Community Dam is designed in accordance with the highest requirements of international and NZSOLD guidelines, which include flood and earthquake magnitude considerations, and in accordance with New Zealand building regulations.

As a responsible dam owner, WWL has a primary obligation to avoid exposing the community to risks or hazards associated with the build and management of the Waimea Community Dam.

All dam safety critical elements of the dam's design have been assessed by international dam engineering company, Damwatch Engineering Ltd. Where warranted, these designs are reviewed by an independent panel of engineers from GHD.

Objective

WWL's aim is to design and construct the right dam for the location and to meet the needs of the region now and in the future - a quality design that is safe, reliable and efficient, and in line with international best practice.

On site reviewing the spillway, September 2021.

Progress

The design team completed significant design changes in response to encountered ground conditions (as outlined on pages 18 to 21), as well as closing out the financier's required design changes by addressing the recommendations made by their Independent Technical Expert.

In addition to the above changes, WWL has now completed the design of the ancillary mechanical and electrical design packages. Cost impacts to the project of this work is outlined in the Operating and Financial Overview section of this report.

Dam design amendments

The following design activities were completed this financial year, largely to address issues caused by the encountered geology:

- The embankment internal zoning – modified to suit the native rock.
- The concrete face – revision to reinforce to suit current international practice.
- The spillway – approach channel, flip bucket and plunge pool were revised to suit encountered geological conditions and detailed hydraulic modelling.
- The lower spillway bridge abutments were modified to suit rock conditions.
- The plinth foundation on the RHS abutment was modified to suit the topography and geology in this area.
- Reservoir closure and temporary pipework to manage river flow and floods, while the dam is fitted out with mechanical and electrical components in the closed culvert.

Additionally, the design of the mechanical and electrical ancillary packages has been completed:

- Power supply revised to a micro onsite hydro-power generation and associated modifications to the electrical design, to replace a high voltage cable to site.
- Design of dam instrumentation including environmental and dam safety related instruments.
- Internal platforms and stairs within the diversion culvert.
- Intake screens.
- Screen access platforms.
- Winch design and winch platform.

Mechanical and electrical pricing and procurement

On completion of the ancillary mechanical and electrical packages, described above, WWL commenced procurement of these works.

The main mechanical element, the 160 metre long and 1.4 metre diameter stainless steel pipeline, was procured in early 2021. Intake screens, valves, which have a long lead time from Europe and the USA, and intake pipework, were ordered in mid-2021.

The following packages are now under procurement;

- An expanded control building to house backup batteries and control systems.
- The cover at the downstream valve chamber.
- Temporary works associated with the diversion closure.
- Control systems, winches and winch platform, SCADA, and intake screens.
- Environmental and dam safety instrumentation.

WWL plans to procure the electrical works and components in late 2021.

Opportunities investigated for cost and schedule savings

WWL is continuing to work with the Contractor, suppliers and our designers to identify opportunities to reduce procurement cost and risk to project timeframes. Recently this has resulted in changing the parapet wall to a fully precast profile reducing programme risk.

Risk Planning

Our risk analysis processes are ongoing and enable early risk identification. WWL's team of engineers and geologists continue to monitor geological conditions as they are encountered, and adapting the design to suit. This risk is reducing as we emerge out of the ground.

Procurement costs and delivery timeframes for materials have been largely impacted by COVID-19 and remain a key risk that is being constantly monitored and regularly reviewed, as outlined on pages 44 and 45.

Next steps

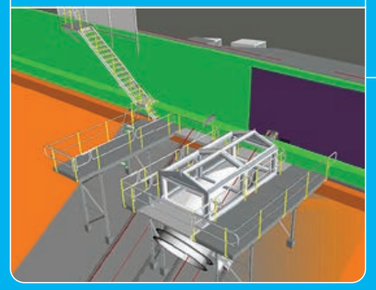
WWL will complete the procurement of final design elements and will continue work with the Contractor to identify and investigate programme and cost saving opportunities. Closure planning and commissioning plans for the dam are a priority for the coming year.

Preparation for Lower and Upper Intake Screen installation.

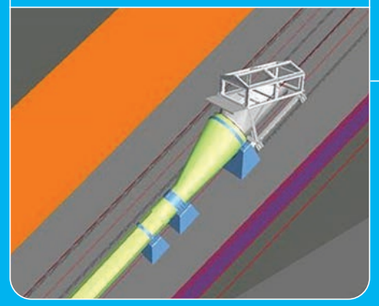
How the dam's mechanics and electrics work

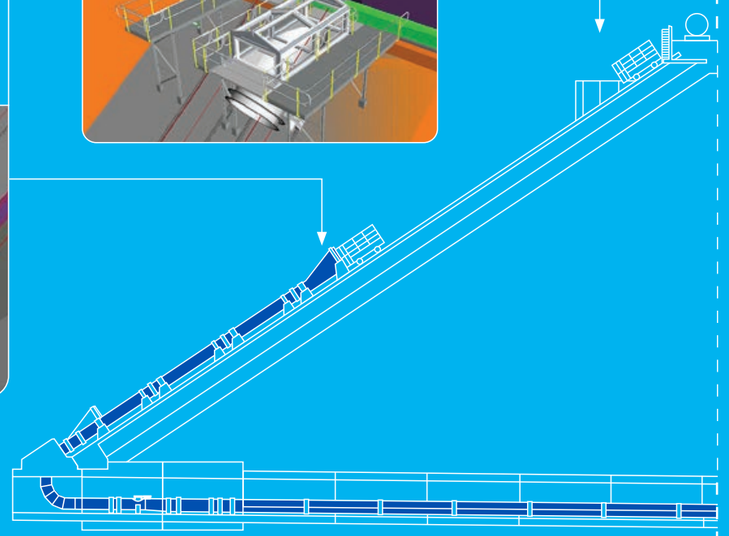
Water from the upstream reservoir flows into either or both of the lower and upper intake screens. The screens work as a filter to exclude fish and debris from the outlet works. The water then flows through the screens into the upstream valve chamber, where the water from the two intakes is mixed to maintain water quality targets. After flowing through approximately 120m of pipework the length of the dam, the water reaches the downstream valve chamber where cone valves control the release of the water to the river.

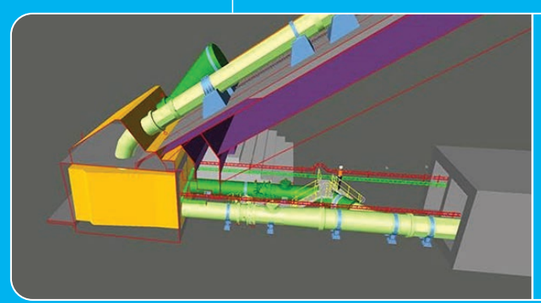
The INTAKE SCREENS can be winched to the dam crest for ease of cleaning and maintenance, with a platform to make it safe for personnel.



Reservoir water is filtered through the upper and lower INTAKE SCREENS, to meet water quality objectives. The 20mm screen openings prevent harm to fish and eels and prevent debris from entering the pipes and valves.





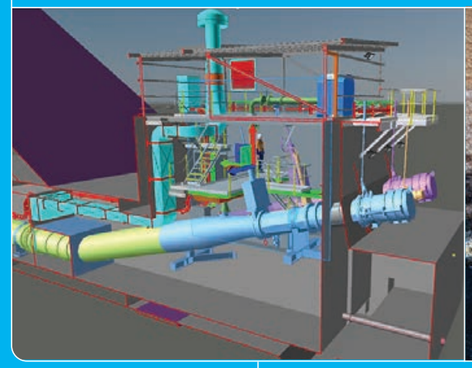


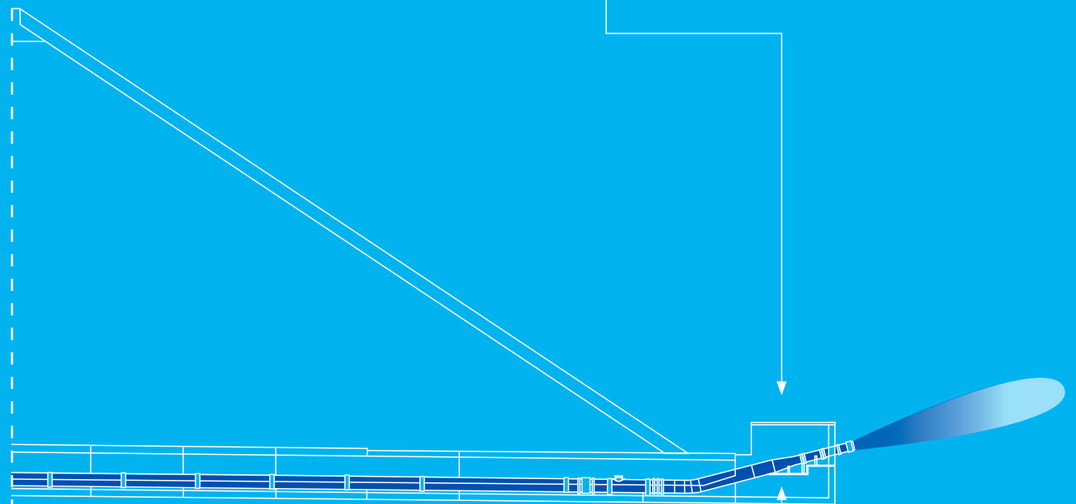
The two intake pipes enter the UPSTREAM VALVE CHAMBER, where water quality is achieved by mixing the flows from the two pipes using butterfly valves.

▲ UPSTREAM CONSTRUCTION

▼ DOWNSTREAM CONSTRUCTION

A VALVE CHAMBER DOWNSTREAM houses fixed cone valves to allow safe discharges to the river. Also inside the valve chamber is the micro hydropower turbine, which provides power for the dam and a ventilation system so it is safe for personnel to access the conduit.





A DOWNSTREAM VALVE CHAMBER houses fixed cone valves to safely discharge water into the river by dissipating energy. The micro-power turbine is also inside the valve chamber to power the dam.

During dry periods, the Waimea Community Dam's stored water is released to maintain even flows in the Lee and Lower Waimea rivers. The flowing rivers top up the Waimea aquifers to maintain water levels for extraction, reduce the risk of saltwater intrusion from the coast and maintain a healthy river habitat for plants and animals. The flow from the dam will support both horticulture and the domestic water wells near Appleby that supply water to the combined Richmond / Nelson water network. Mapua, Ruby Bay, Brightwater and Wakefield also use bores in the Waimea Plains, benefitting from the recharged aquifers. The Waimea Community Dam catchment covers approximately 26% of the full Waimea River catchment. In an average year the dam is expected to be full 83% of the time. The size of the reservoir mitigates the impact of a drought greater than a 1:50 year event.

Construction

The Waimea Community Dam is now in the third year of construction, with work fronts and personnel on site peaking and the dam embankment rapidly rising. In this past year the project successfully moved through a flood-risk period, but there were relatively infrequent floods (just two in the period) and no significant damage to the build. As was the case in the first year of the project, the second year presented construction challenges for WWL and the Contractor with unexpected geology (outlined on pages 18 to 21), flood events, resource constraints, and the COVID-19 pandemic and associated impacts.

Objective

WWL's aim is to build a dam that complies with all regulations and industry standards and current best practices, to stand the test of time, while doing so as cost effectively as possible.

Progress

Key construction highlights have been the completion of the diversion culvert, the temporary upstream and downstream coffer dams, the starter dam, and the reinforced rockfill section of the embankment reaching a height of approximately 29 metres above the riverbed.

Following the diversion of the river through the culvert in September 2020, multiple construction activities began to progress, such as exposing the balance of the valley floor foundation, the treatment of foundation defects, placing imported drainage material, building the reinforced rockfill embankment and commencing the concrete face kerbing. In parallel, progress has been made on the now rectangular walled spillway, construction of the plinth and commencement of the grout curtain, which is the primary foundation waterproofing for the dam.

Completion of the reinforced rockfill component of the embankment in June 2021 was a major milestone. With this completed, the culvert was able to safely pass a 1:100 year flood event without overtopping, while any higher events up to a 1:1000 year flood would still safely overtop the dam. The embankment height at the top of the reinforced rockfill is 29 metres, leaving a further 24 metres to be constructed to reach the dam's full height.

A permanent communications link has also been established, enabling remote monitoring and supervision of the dam. This was a major cost-saving initiative, negating the need for 18km of fibre cable.

In progress

- Grouting is 50% complete.
- Approximately 60 metres of the spillway foundation's middle section has been exposed, cleaned, mapped, treated and covered with site concrete.
- Excavation of the upper spillway sections.
- Slip-forming operations on the spillway wall bases. This type of concrete placement is unique and has required specialist personnel and equipment from Brazil.
- Mass concrete pours in the flip bucket area saw the largest concrete pours of the project take place. The largest single pour was 480m^3, with more than 2,000m^3 of concrete poured in the flip bucket in total.
- Filling of the main embankment is 68% complete. Bulk fill with indigenously mined rock in the middle section of the embankment has reached the same level as the reinforced rockfill.
- The concrete kerbing progressed up to 168mRL (approx. 19.6m above the river level), so construction of the concrete face starter slabs could begin.
- 28,000m^2 of foundation mapping and treatment is nearing an end on the dam abutments, with less than 2,700m^2 to go.

Completed Projects

- Diversion culvert ✓
- Coffer dams ✓
- Starter dam ✓
- Reinformed rockfill section of embankment ✓
- The drainage blanket in the embankment ✓
- The upstream plinth ✓
- Grout curtain across the starter dam and most of the LHS plinth ✓

Reinforced rockfill placement in embankment, December 2020, downstream view

Rockfill placement reaches 18 metres in March 2021, downstream view

Rockfill reaches 26 metres in May 2021, downstream view

Upstream view, May 2021

Embankment progress x metres, June 2021

Risk management and issues arising

Anticipated and unanticipated risks eventuated this year. Geological conditions continue to have a significant impact, as does the COVID-19 pandemic. WWL reviews and maintains an established risk register as the primary tool for managing project risks.

Onsite productivity remains challenging, in part as a result of resource constraints within the construction sector.

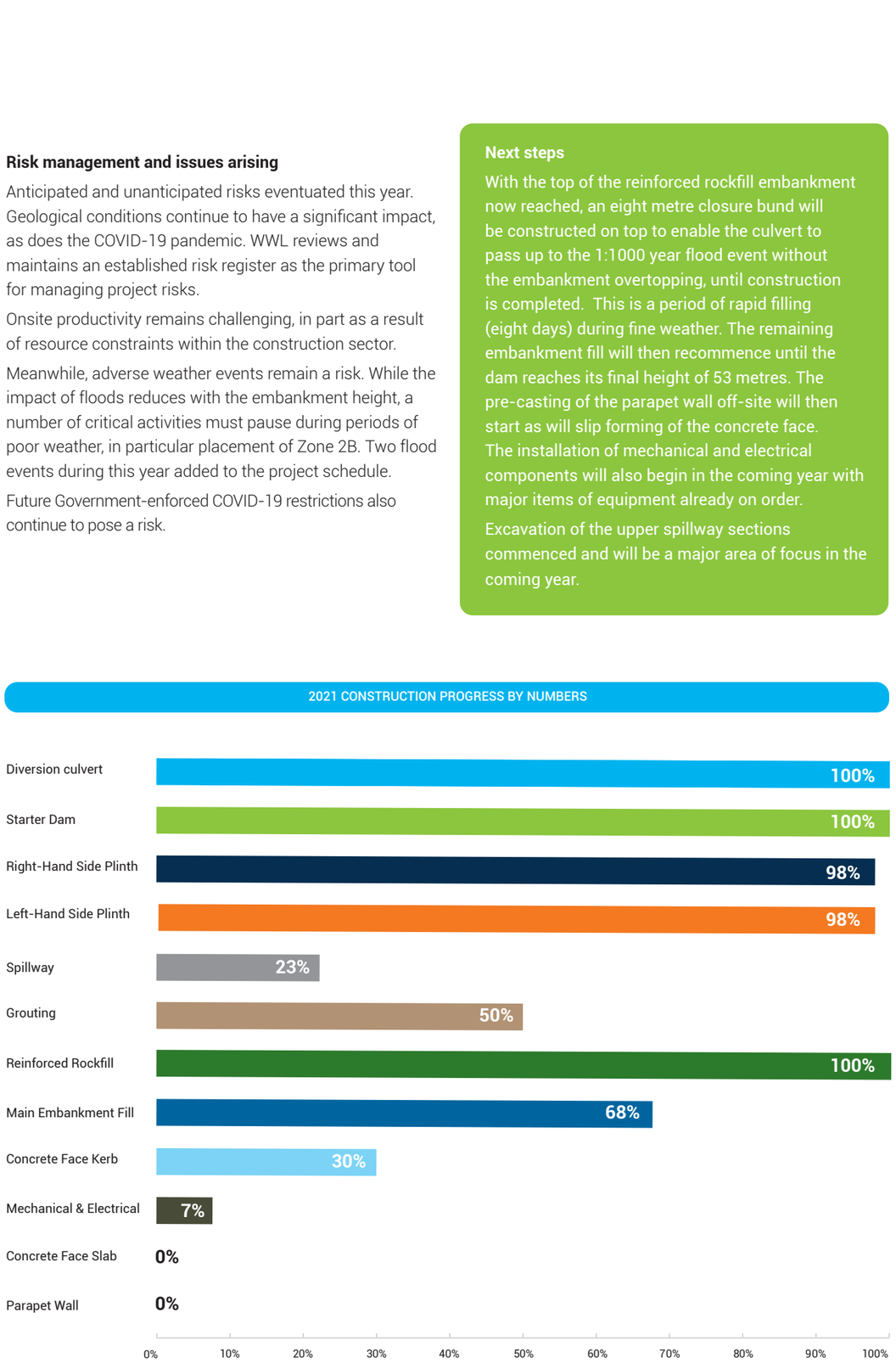
Meanwhile, adverse weather events remain a risk. While the impact of floods reduces with the embankment height, a number of critical activities must pause during periods of poor weather, in particular placement of Zone 2B. Two flood events during this year added to the project schedule.

Future Government-enforced COVID-19 restrictions also continue to pose a risk.

Next steps

With the top of the reinforced rockfill embankment now reached, an eight metre closure bund will be constructed on top to enable the culvert to pass up to the 1:1000 year flood event without the embankment overtopping, until construction is completed. This is a period of rapid filling (eight days) during fine weather. The remaining embankment fill will then recommence until the dam reaches its final height of 53 metres. The pre-casting of the parapet wall off-site will then start as will slip forming of the concrete face. The installation of mechanical and electrical components will also begin in the coming year with major items of equipment already on order.

Excavation of the upper spillway sections commenced and will be a major area of focus in the coming year.




Spillway construction underway, February 2021


Spillway construction underway, February 2021


Progress, May 2021


Massive concrete pour in spillway flip bucket, June 2021

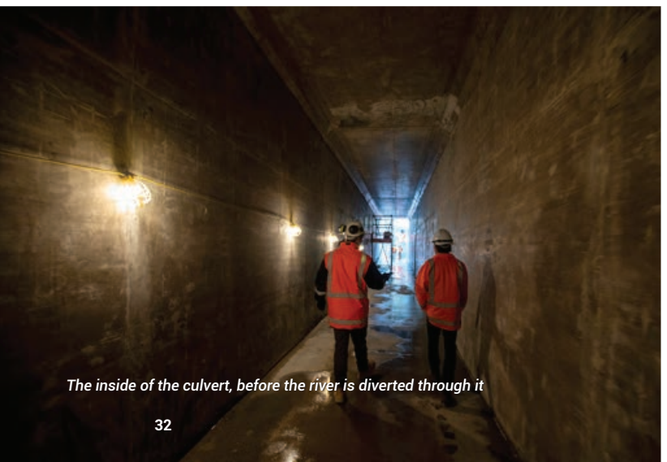
PROGRESS OF THE SPILLWAY THROUGH THE YEAR


Flip bucket progress, July 2021

View across concrete face. Concrete slabs being placed on kerbing, September 2021

Meeting to review rock grading

Project engineers onsite



The inside of the culvert, before the river is diverted through it

Placing gravel layer behind kerbing

Sustainability and Community Relationships

WWL recognises the interdependence between social, environmental and economic outcomes. A prosperous economy can support good social, cultural and environmental outcomes.

WWL's three sustainability strands encompass the environment, economy and community.

Environment - The dam will have environmental benefits for the region, including healthier Lee and Waimea rivers. During construction we strive to protect the environment, recognising the importance of environmental health to the regional economy. WWL is also implementing a number of biodiversity and environmental initiatives, including planting natives at Rough Island and restoring parts of the Waimea Bermlands.

Economy – The project provides positive economic outcomes to the regional economy, directly during construction through the work and workforce, and indirectly through enabling investment and growth across the region. Once operating, New Zealand Institute of Economic Research (NZIER) estimates the economic benefit to be $55M in the first two years.

Community – A Partnering Deed ensures WWL works closely with Ngāti Koata to protect and nurture taonga in the area and to integrate Māori cultural values in caring for the environment in WWL's work. For openness and transparency, WWL proactively engages with shareholders, stakeholders and the wider public. WWL also employs engineering interns and graduates to support the development of future engineers.

Objective

WWL is delivering a project that has environmental and economic benefits for the region and is ensuring these benefits are not eroded through unexpected adverse effects on the environment.

Rough Island

Progress

Environment

WWL's Biodiversity Management Plan (BMP) addresses Resource Consent conditions 13-30, with actions aiming to offset ecological losses at the dam site. The BMP describes nine ecological restoration projects within the Waimea catchment.

WWL met its 2019 and 2020 Emissions Trading Scheme (ETS) obligations.

Biodiversity Management Plan Progress Highlights

At Rough Island

As part of WWL's commitment to mitigate the environmental impacts of the dam build, a planting and restoration project over 10.3 Ha at Rough Island is being undertaken.

The second year of planting has been completed. Working with the TDC, FuturEcology staff have introduced a further 15,000 native trees, building on the approximately 11,000 planted last year.

The restoration project also includes eradicating non-native pest plants from around the wetland, providing an opportunity for rare and threatened species on the island to regenerate and thrive and to enable augmentation of the existing jointed twig rush population. During the year, WWL and TDC established a Memorandum of Understanding for TDC to provide funded staff to perform weed management at Rough Island, in return for the provision of trees to optimise planting at reduced costs.

Below the dam (Dam to Lucy Creek)

WWL commissioned a pest flora and fauna survey to inform restoration work planning. Acting on those recommendations, WWL has contracted Kaitiaki o Ngahere to carry out old man's beard control at native forest sites within the target area.

In the Lee and Wairoa catchments

New Zealand shovel mint, rock coprosma and scented broom have all been salvaged from the reservoir footprint and propagated. Some 600 plants have been planted in the Wairoa and Lee River catchments. Monitoring shows a number of early plantings reaching maturity and seeding, which is a positive sign for the project.

Planting on Rough Island

BIODIVERSITY MANAGEMENT PLAN PROGRESS HIGHLIGHTS

	Year 1	Year 2 (2020/21)	Year 3	Year 4	Year 5+
1. Downstream eel trap and transfer					
2. Rare and threatened plants	Salvage trips completed. Propagation of three plant species underway. One species planted at four sites.	Salvage of rare plants (shovel mint, rock coprosma and scented broom) from the reservoir footprint and new populations planted out.			
3. Alluvial and riparian forest downstream of the dam		Pest flora and fauna survey complete and restoration recommendations developed. Weed control contract arranged.			
4. Rough Island wetland	11,000 plants ordered. Ground prepared for planting. Planting contractor confirmed. Plants for 2021 ordered.	15,000 plants planted in winter 2021. 13,000 plants ordered for 2022 planting season. Monitoring of two key wetland plant species completed and jointed twig rush population augmented with 250 examples.			
5. Waimea River Park berm land					
6. Old Man's Beard control in Wairoa catchment					
7. Protect existing alluvial podocarp forest	Programme being reviewed.				
8. Downstream gorge turf plant communities	Four identified sites reviewed.	The Gorge Turf monitoring programme is underway, monitoring the health of turf plant communities in the Lee River before and after the dam modifies the river flow.			
9. Biodiversity Compensation Fund					Discussion underway.

BMP projects underway

BMP projects yet to commence

Economic

There are approximately 150 predominantly local people employed onsite each day. WWL has also hired two summer engineering interns, who provide invaluable assistance to the project, while they experience a unique training opportunity.

Community

WWL works collaboratively with Ngāti Koata to respect cultural values in caring for our environment. This year Ngāti Koata provided names for the Pig Flat bridges. Pig Flat is the location of the Waimea Water and construction team site offices, 200 metres downstream from the dam site.

The downstream bridge is to be named Mauriri and the upstream bridge will be called Apihai.

This year WWL's communications and engagement activities included, but were not limited to; a stand at the Richmond A & P Show, a manned public information presence in the Richmond Mall (February and March) and information boards at the Richmond Library (April). Regular updates to shareholders at open council meetings; reports, presentations, newsletters and construction updates published on the WWL website; and a minimum of weekly updates posted on Facebook, which has 577 followers (59 more than last year).

Media trips to the site also occurred as regularly as possible. With site tours for the wider public not practicable, WWL created a video using timelapse footage and CAD, so the public could see construction progress to-date and the future build until completion.

Risk Planning

As part of the Biodiversity Management Plan, WWL reports against the Resource Consent conditions.

The independent Biodiversity Technical Advisory Group (BTAG) reviews each stage of work. WWL engages regularly with DOC and TDC.

A statistical monitoring regime has been established to gauge the success of restoration planting at Rough Island.

Next steps

WWL will continue to progress the Biodiversity Mitigation Programme and to work openly and collaboratively with our stakeholders. Aided by our ecological experts, we see a great opportunity to learn and experiment through the construction phase trap and transfer programme. These lessons can be discussed with iwi stakeholders and DOC in order to better inform our long-term fish passage approach.

Public engagement A & P Show

Environmental Protection and Compliance

WWL is committed to minimising its impact on the environment by using practices that protect the environment during both the build and long-term operation of the dam.

WWL uses skilled and experienced independent specialists and robust systems for environmental training, auditing and monitoring.

Objective

WWL's vision is to build and operate the Waimea Community Dam to the highest affordable sustainability standards.

Progress

The project has 22 permits containing 178 resource consent conditions set by the TDC. To meet the Resource Consent conditions WWL has six Management Plans, with a suite of nine Supplementary Environmental Management Plans (SCEMP). The following provides the plan certification progress.

Management Plans

The following five Management Plans were certified prior to this financial year, in 2019.

- Construction Traffic Management Plan.
- Hazardous Substances Emergency Spill Response Plan.
- Construction Environmental Management Plan.
- Biodiversity Management Plan.
- Vegetation Clearance Plan.

This financial year, the Construction Emergency Action Plan was certified, and development of the Reservoir Release Water Management Plan commenced.

Supplementary Environmental Management Plans

Before this financial year the following six SCEMPs had been certified:

- Access road to dam site – roading improvements.
- Site compounds, disposal area and concrete batching plant.
- Access to eastern and western dam abutments.
- Eastern abutment earthworks.
- Western abutment earthworks.
- Reservoir access and disposal areas.

This year the final three SCEMPs were re-certified, after updates through the period:

- Vegetation clearance of dam footprint.
- Dam footprint / embankment.
- Lower and upper borrow and processing area.

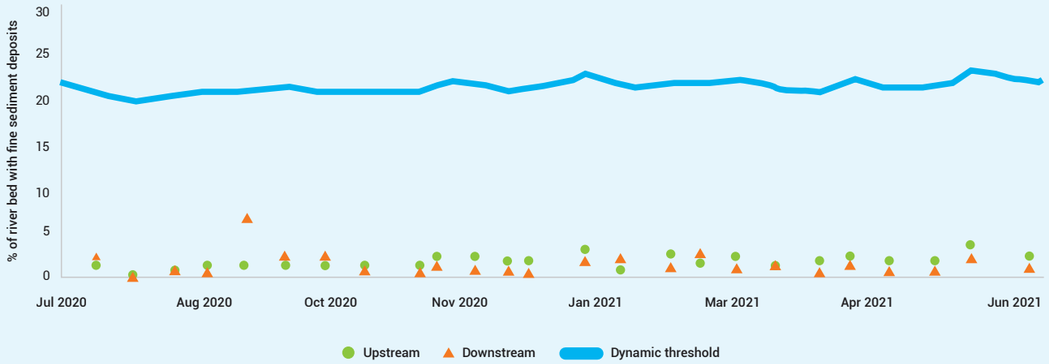
Key activities progressed

Through the year, WWL worked in compliance with its resource consents. Construction has proceeded in accordance with the Construction Environmental Management Plan.

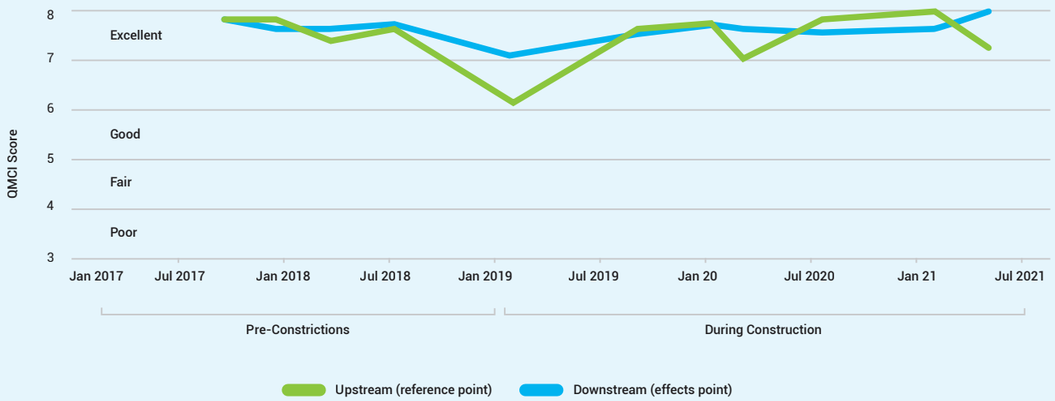
Fortnightly water quality monitoring has been within specification throughout the period, including after the flood event in February.

Resource Consent Compliance	100%
Significant environmental incidents	0
Approved Construction Environment Plans	6/6
Approved Supplementary Construction Environment Plans	9/9

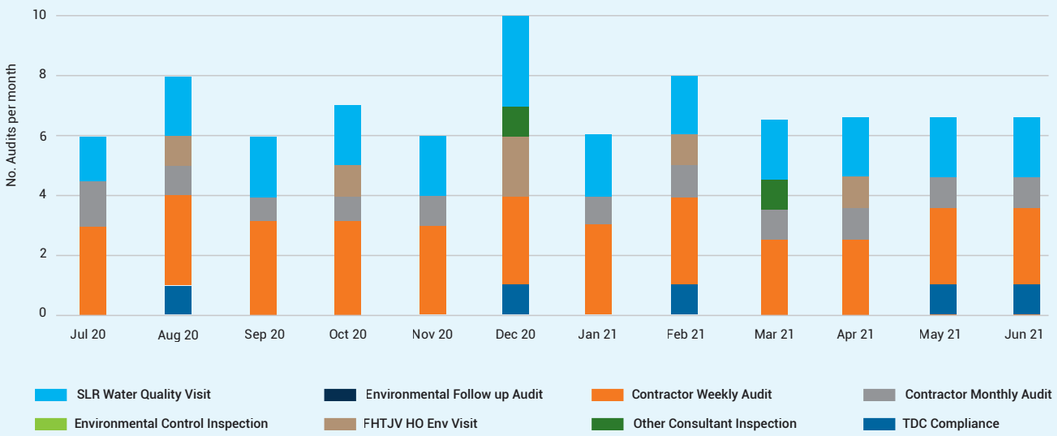
LEE RIVER DEPOSITED FINE SEDIMENT



LEE RIVER QMCI SCORE



ENVIRONMENTAL & COMPLIANCE INSPECTIONS HISTORY



2021 Eel transfer

Clear water flows through the culvert

The Contractor and RMA Ecology completed a fish salvage following diversion, when flood waters receded from the dam site following heavy rain. 289 longfin eel (figure 11), 138 redfin bullies, six trout and one koura were salvaged.

The project provides for fish passage in the Lee River catchment during the construction of the dam.

Access roads requiring modifications to culverts, or new culverts installed, were completed under the guidance of a consulting ecologist to ensure modern fish passage standards are met. The diversion culvert is the largest construction impediment to fish passage because the water velocity is thought to be too high for fish to pass through. To mitigate this, RMA Ecology's trap and transfer programme sees fish transported and released above the dam in the Lee River and the Waterfall Creek tributary.

The design of the Fish Pass for the operational phase of the dam has been investigated and reviewed. Following advice from NIWA and support from DOC and TDC, WWL deleted the proposed concrete fish passage from the design and will instead implement a long-term trap and transfer programme to enable target species to move up and down stream past the dam.

In preparation for filling the reservoir and dam operations, the Reservoir Release Water Management Plan was progressed, as were the River and Reservoir Water Quality Monitoring Programmes, which are key pieces of work to be completed prior to reservoir filling in 2022.

Risk planning

Monitoring compliance with resource consents and environmental legislation through peer reviewed Environmental Management Plans is key to mitigating WWL's environmental risk. As well as monitoring compliance, WWL deals with change and ensures construction partners continue to work in a manner that protects our natural environment. A range of water quality and river health metrics are in place.

Next steps

WWL will maintain the monitoring and compliance of all other completed plans during construction. With construction environmental management well embedded, WWL will focus on finalising the Environmental Management Plans required to allow filling and post construction operation of the dam.

Health, Safety and Wellbeing

WWL has a statutory (Health and Safety at Work Act 2015) and moral duty of care for people we influence or direct while delivering the Waimea Community Dam project. WWL's Health and Safety obligations are discharged across three responsibility areas:

1. Operating a Health and Safety Management System for the safety and wellbeing of **WWL's employees.**
2. Ongoing **due diligence of the Main Contractor,** Fulton Hogan Taylor's Health and Safety management systems for the main dam site.
3. Activity-specific **due diligence for Minor Contractors**, to check the appropriateness of and adhere to their own Health and Safety Management Systems.

Objective

Health, safety and wellbeing is of paramount importance to WWL. WWL is proactive in its management of a robust health, safety and wellbeing system, to protect our people, contractors and the public, and ensure compliance with the Health and Safety at Work Act 2015.

Progress

WWL's Health, Safety and Wellbeing System

The WWL Board re-affirmed its commitment to health, safety and wellbeing by endorsing a Board Charter and Health and Safety Policy.

WWL employees are focused on delivering the Waimea Community Dam safely, and in a way that lets it be operated safely. This year, workplace health and safety consultancy IMPAC carried out an independent review of WWL's Health and Safety Management System on a rolling basis and found it to be fit-for-purpose and functioning. Employees receive construction and driving-specific training appropriate to the project and contribute to a culture of continuous improvement and proactive intervention.

Contractor's Health and Safety System

The Contractor has a strong and robust Construction Health and Safety Management Plan for the main dam site. This is a comprehensive plan that covers all the site's operations, including sub-contractor management. This plan underwent its annual review and was updated to reflect the changing nature of work on site and install site-based learnings and improvements.

WWL staff undertake daily observations of site activity, and an independent consultant undertakes monthly reviews of safety performance. Both WWL and the independent consultant believe that safety on the construction site is being very well managed with a strong and open culture of staff engagement, improvement and focus on the critical risks on site. The Contractor uses a specialist geologist to regularly and independently assess geological risks on site.

The Contractor's focus and prioritisation on safety has been impressive and led to no lost time injuries over the financial year and no significant harm injuries. There have been no further high potential incidents since a rockfall event in 2019.

Other sites

As part of this system, WWL ensures site-specific safety plans for sites away from the Contractor's main site, such as the planting at Rough Island. There have been no injuries or incidents outside of the main site during the financial year.

Risk planning

Both WWL and the Contractor remain vigilant to health and safety risks, monitoring and auditing performance and incidents, and updating risk controls in an evolving construction environment. For example, the slip-forming systems used for the spillway is novel in New Zealand, uses specialist equipment and requires introducing nightshifts to the project. This activity underwent a specific planning and risk assessment process, led by the Contractor, that involved WWL, the dam's design engineers, management and workers.

Vehicle and plant movements, slope stability, working at height, water/floods and lifting continue to receive extensive review as Critical Risks.

A Trigger Assessment Response Plan and a COVID-19 Return to Work Plan are implemented on site as necessary for each alert level.

Construction Emergency Action Plan

With the construction of the main embankment commencing, and the impounding of water occurring during flood events, the Contractor undertook a major piece of safety work this year, with the development and implementation of a Construction Emergency Action Plan (CEAP).

The Waimea Community Dam has been designed to be highly resilient, and part of being a responsible dam owner is to develop and test emergency plans. Good ongoing procedures and processes allow issues to be identified and resolved before any unlikely emergency.

The Waimea Community Dam CEAP ensures people are trained in what to do, and outlines how actions are co-ordinated. The CEAP addresses a range of potential scenarios and provides pre-planned actions to keep people safe in the highly unlikely event that a breach of the dam causes a flood.

The Waimea Community Dam CEAP was prepared in accordance with the New Zealand Dam Safety Guidelines 2015, with input from our contractors and consultants, Civil Defence, New Zealand Police, TDC, and the other emergency services.

In this reporting period, the CEAP was activated at its lowest (precautionary) level according to plan and used successfully to monitor flood events that caused water to build up behind the dam. The plan has been implemented as follows:

- Consultation with emergency services and local authorities to develop the plan.
- A training session to site staff.
- A desktop emergency response drill.
- A communications exercise with external parties (i.e. Police, TDC, National Emergency Management Agency).
- Quarterly update memos to key parties involved in a response.
- Community information delivery, where every household in the Lee Valley was delivered an emergency response information pack in person, or in the mail.

Next steps

WWL and the Contractor will continue to implement their Health and Safety Management Systems to mitigate the risk of serious injuries to staff, contractors and the public during the construction and operation of the dam.

Once the dam is complete, the CEAP will be transitioned to a permanent operational Emergency Action Plan (EAP) that meets the requirements of the New Zealand Dam Safety Guidelines 2015, TDC and local emergency services. This plan will be reviewed every five years.

Lost time injuries:	0
Minor injuries:	6
Total recordable injuries:	6.3/1M workhours
High potential incidents:	0
Low to medium incidents and opportunities:	199
Initiatives to proactively prevent harm	273

Back to work health & safety meeting January 2021

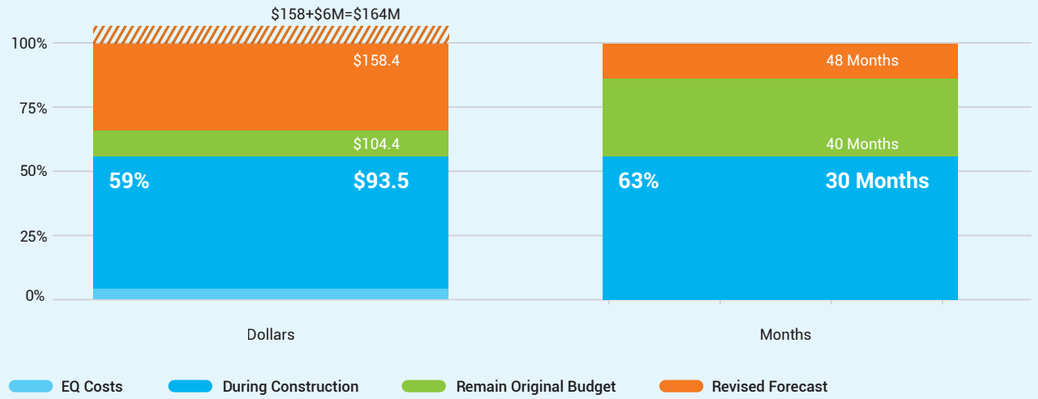
PERFORMANCE

Operating and Financial Overview

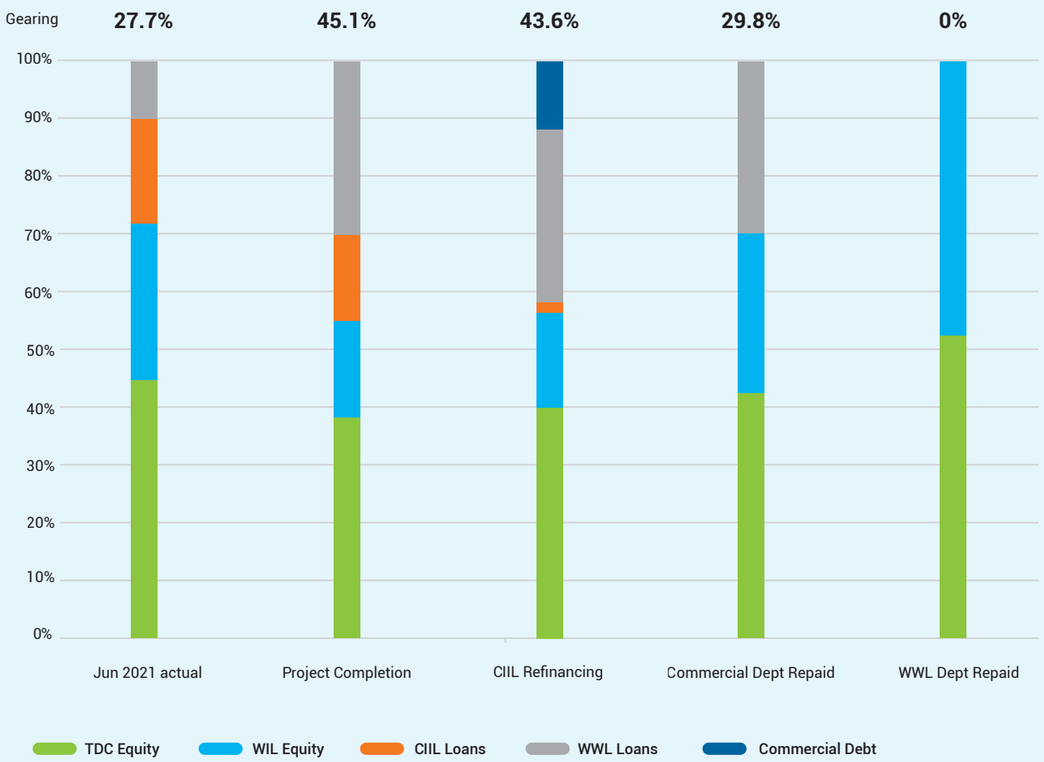
How the dam is funded

Waimea Water Ltd (WWL) is fully funded by its shareholders, TDC and WIL, to the expected project cost of $164M. WIL funding is sourced from WIL equity contributions, a loan from Crown Irrigation Investments Ltd (CIIL) and, recently, loans from TDC that all convert to WIL equity as the loans are repaid with water usage. The TDC funding is sourced from TDC, CIIL and grants from the Ministry for the Environment and Nelson City Council. TDC has also advanced a Council Controlled Organisation loan to the project. Interest has been earned by WWL from term deposits.

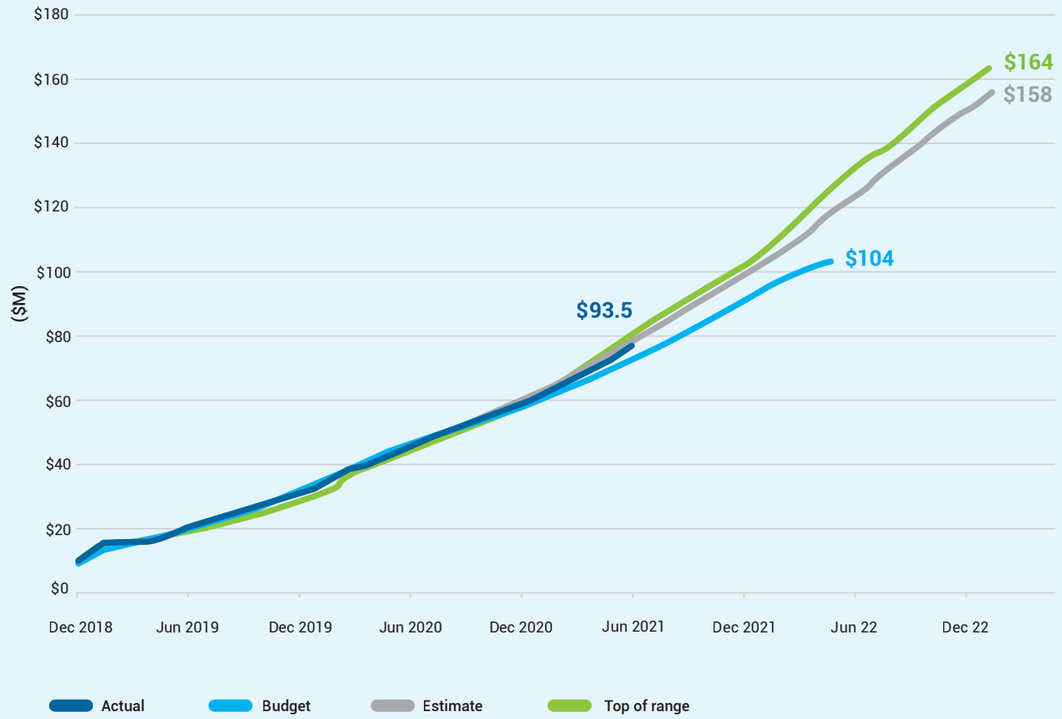
FORECAST COST & SCHEDULE TO COMPLETE



CAPITAL STRUCTURE TRANSITION ILLUSTRATION



FORECAST COST & SCHEDULE TO COMPLETE



Risk planning

WWL operates a risk management system based on NZTA's Z/44 system and guidelines. The risk register is continuously updated as risks are identified, reviewed and updated, or closed.

Mitigation plans are developed and monitored for high and very high risks. Rawlinsons is appointed as WWL's Quantity Surveyors, with any major variation or change independently peer reviewed.

Risk Realisation

In this reporting period, further risks were realised that will stress the project budget. The expected cost to complete construction of the Waimea Community Dam is $164M, above the $158M forecast in the mid-year report of February 2021 and in line with the upper risk range of $164M estimated in the Statement of Intent of June 2021. The estimates in February 2021 were based on the information known to WWL at the time.

Three significant factors have contributed to the project costing $60M more than the 2018 budget of $104.4M set at funding:

1. **Encountered Geological Conditions: +$32M**

   These conditions are described in more detail in pages 18 to 21. The issues and costs encountered in early 2020 pertaining to mining and using the indigenous rock were described in the 2020 Annual Report and earlier reports. Similarly, the increase in overburden and embankment size, grouting, spillway, flip bucket, plunge pool, voids and right-hand side stabilisation were described in the December 2020 mid-year report and 2021 Statement of Intent. These costs were budgeted in the cost forecast of February 2021.

   Since the February 2021 cost forecast and in early to mid-2021, with removal of overburden, WWL has encountered further geological issues on the left-hand side abutment and upper spillway. The foundation has been found to be highly fractured and with three shear zones bisecting the upper spillway. The fractured and defective nature of this left-hand side is much greater than anticipated, and the extent of the shear zones was not expected, and requires remediation to meet dam safety requirements, including:

   a. Increased flow-preventing material to protect the foundation defects.
   b. Stabilisation of the batters above and below the spillway to protect the spillway.
   c. An apron and treatment upstream of the spillway to prevent water flow through and erosion of the shear-zones beneath the spillway.

   Risks associated with the geology will persist through 2021, until the spillway foundation and embankment are completed.

2. **Mechanical and Electrical Costs: +$14M**

   The design of the mechanical and electrical (M & E) works were not completed or priced at funding and contract award, and the original budget included a provisional sum offset by a potential savings opportunity. Design was subsequently completed during 2019 and 2020, and the works are being priced during 2021.

   The February 2021 cost forecast estimated an increase of $11M based on the completed design and indicative competitive pricing. The savings assumed in the original budget could not be realised, despite some savings achieved by moving to a single pipe to reduce steel and welding by 30%, pipe-supports by 50% and downstream valves by 25%. WWL also reduced costs through replacing the planned high voltage cable with self-generation of power onsite and replacing the planned fibre optic communication cable with radio communication.

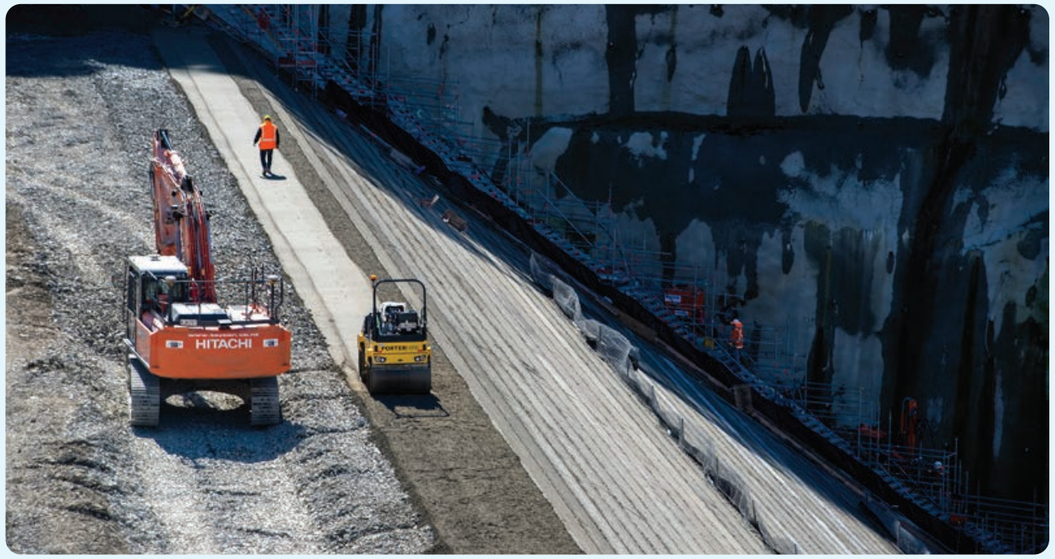
   Since February 2021, prices have further increased with dramatic construction and logistics inflation. Since the start of 2021, finished steel prices have increased by 40% to 60%, as Iron Ore has increased by up to 80% over 2020 prices, and international freight costs have increased 200% to 300%.

   There is continued risk of further cost increase as prices and freight continue to surge, and until procurement is completed by the end of 2021. There is, furthermore, a particularly concerning risk of delays and associated costs resulting from ballooning delivery times for equipment from North America, Asia and Europe in heavily constrained international supply and freight chains.

3. **Under or non-budgeted items: +$16M**

   A number of costs were either not budgeted, such as COVID-19 costs and delays, or under-budgeted in the initial budget. Under budgeted items include specialised engineering support, exacerbated by the encountered geology, office costs, land and associated legal support and environmental compliance costs. Unbudgeted items include costs associated with contract management, quantity surveying, programme analysis and legal support.

Residual risks and uncertainties in the project remain that predominantly pertain to the ongoing impacts from COVID-19 and the associated global economy, weather, further unforeseen geological conditions, and costs associated with extending construction.



Embankment rockfill and concrete face kerbing in progress, September 2021

Top of the embankment. Concrete face to the left, reinforced rockfill to the right, September 2021.

Performance against Statement of Intent (SoI)

Health, safety and wellbeing
No task is too important or so urgent as to preclude health and safety.

- Meet requirements of health and safety in the workplace legislation.
  - ✓ *WWL's system peer reviewed by industry qualified expert IMPAC.*
- Review and verify main contractor's H, S & W systems.
  - ✓ *Fulton Hogan Taylor's system peer reviewed by industry qualified expert IMPAC.*
- No fatalities or serious injuries.
  - ✓ *There have been no fatalities or serious injuries.*
- Total recordable injury rate <5 per m.
  - ❖ *TRIFR 6.3 (minor injuries only).*

Environmental management
WWL is committed to efficiently minimising impacts on the environment during the build and operation of the dam.

- Meet resource consent conditions.
  - ✓ *All conditions due to be met have been met.*
- Approve and validate SCEMPs.
  - ✓ *100% of SCEMPs approved and validated during the year.*
- Implement Biodiversity Management Plan.
  - ✓ *BMP implemented; highlights including rare plants salvaged, Rough Island planting underway.*

Design
Dam design will reflect the highest requirements of the NZSOLD guidelines and be in accordance with New Zealand building regulations.

- Optimise design for all encountered conditions to meet NZSOLD guidelines.
  - ✓ *Updated design statements submitted to regulator.*
- Complete mechanical and electrical design.
  - ✓ *Design complete and peer reviewed.*
  - ✓ *Drawings issued for pricing.*
- Revise dam break analysis and prepare Emergency Action Plan.
  - ✓ *Dam break analysis revised and peer reviewed.*
  - ❖ *Progressing operating EAP (will supercede Construction EAP).*
- Complete surveillance strategy and Dam Safety Management Plan.
  - ✓ *Surveillance work defined. Equipment and installation procured.*
  - ❖ *Commenced DSMP.*
- Implement design enhancements identified pre-financial close by CIIL's Independent Technical Expert (ITE).
  - ✓ *Completed, and CIIL advised.*
- Implement opportunities to improve design and reduce cost and programme.
  - ✓ *$1.9m+ saved from removal of bridge plus dam crest ramp, HV cable and fibre comms.*

Construction
WWL will build the dam in a safe, reliable and efficient way.

- Construct dam in accordance with specification.
  - ✓ *Confirmation statement received.*
- Deliver project to schedule, as adjusted for encountered conditions.
  - ❖ *Adjusted schedule shows ~6 months delay*
- Report COVID-19 impacts.
  - ✓ *38 calendar days granted to the Contractor for COVID-19 impacts.*
- Utilise appropriate risk-based management system.
  - ✓ *The Risk Register process follows NZTA Z44 guidelines.*

Sustainability and community relationships
WWL's vision is to build and operate the dam to the highest affordable sustainability standards.

- Transparent engagement with stakeholders and community.
  - ✓ *Quarterly updates provided to shareholders.*
  - ✓ *Public newsletters, displays in Richmond Mall, Library and A&P Show throughout the year.*
- Consultation with Ngāti Koata.
  - ✓ *Met with Kaumatua Council to present report May 2021.*
  - ✓ *Dam site visit June 2021.*
- Recognise key cultural milestones.
  - ✓ *Culvert diversion blessing Aug 2020.*
- Develop Sustainability Plan.
  - ❖ *Sustainability Plan in development.*

Financial management
WWL has a tight focus on financial management and is doing all it can to reduce costs without compromising safety, reliability and sustainability.

- Deliver project to budget, as adjusted for encountered conditions and risks.
  - ✓ *Actual costs incurred to June 2021 6% lower than SoI budget[1].*
  - ❖ *Latest adjusted budget up to $164M[2]*
- Agreed quarterly reporting deadlines met.
  - ✓ *100% compliance with deadlines.*
  - Compliance with financer expectations.
  - ✓ *100% compliance with expectations.*
- Report COVID-19 impacts.
  - ✓ *$1.1M costs paid to Contractor for COVID-19 lockdown suspensions.*
  - ✓ *Advised shareholders additional costs expected from all delays and price impacts.*
  - An unqualified audit opinion on annual financial statements.
  - ✓ *Achieved.*

Operational readiness
Once constructed, WWL will operate and maintain the dam in accordance with NZSOLD guidelines, the resource consent, and business plans and budgets.

- Prepare Reservoir Management Plan.
  - ✓ *Superseded by plans below.*
- Prepare Operational Management Plan.
  - ✓ *Complete.*
- Prepare Reservoir Management Release Plan. (RMRP)
  - ❖ *Drafting RMRP, key concepts discussed with Regulator.*
- Prepare River Quality Monitoring Programme (QMP) and Reservoir Quality Monitoring Programme (RQMP).
  - ✓ *River QMP and RQMP submitted for Regulator review.*
- Prepare operating model and budgets for shareholders consideration.
  - ✓ *Model and budgets presented to shareholder, and final plan submitted June 2021.*

[1]The expected project cost reported in the 2020/21 SoI was $129.4M.
[2]As reported in 2021/22 SoI.

GOVERNANCE

Corporate Governance

The WWL Board is committed to a high standard of corporate governance and regulatory compliance in guiding and monitoring WWL's activities.

The Board carries out its accounting, reporting, risk management and decision-making responsibilities in accordance with legislation and the Directors comply with their obligations under the Companies Act 1993, the Local Government Act 2002 and other relevant legislation. Board performance is evaluated on an annual basis. Directors are appointed for a period of four years.

The Board is made up of seven highly experienced Directors appointed by shareholders and iwi, as follows:

TDC - 4, WIL - 2 and Ngāti Koata - 1.

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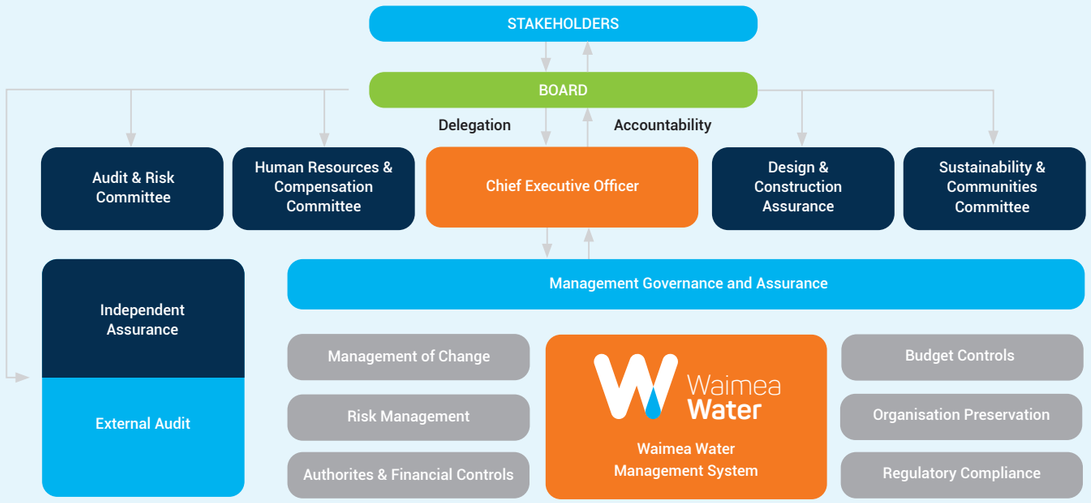
Corporate Structure

The WWL Board is supported by four committees that consist of subgroups of directors and staff. The committees provide governance and assurance across audit and risk; human resources; design and construction; and sustainability and communities. The management of WWL works to a management system approved by the Board that provides systems for management of change; risk management; authorities and financial controls; budget controls; organisation preservation and regulatory compliance. An external audit is completed annually for the Board by Audit NZ.



Board of Directors

David Wright

Chair (Feb 2020 to present)

TDC

David is a Company Chair, Management Consultant and former Chief Executive. His current directorships include Chair of Central Air Ambulance Rescue Limited, Search and Rescue Services Limited and Hāpi Brewing Success. He is a Director of the Waikato District Council's Waters Governance Board, providing drinking water, storm water and waste water services.

Bruno Simpson

Deputy Chair

WIL and Chair Audit and Risk Committee

Bruno is the Director - Sales, Finance and Administration at Waimea Group and Chairman of the International New Varieties Network. He has been actively involved in Waimea Irrigators Ltd (WIL) and is also a director of Century Water Ltd, the other major funder of WIL.

Ken Smales

Director

TDC

Ken has nearly 50 years of engineering experience in all aspects of dam building, including design, consents, construction, operation, safety, hydro power generation and irrigation. He was involved in the Central Plains Irrigation Project in Canterbury worth $450 million for five years and for 10 years was the Deputy Chairman of DamWatch, and a Director of Southern Generation Australia, a subsidiary of Meridian Energy New Zealand.

Andrew Spittal

Director

Ngāti Koata

Andrew is a Director and Shareholder in a national company and several local companies. He has a vast range of commercial experience in the civil construction industry with more than 25 years in the field, including transforming a residential drainage business into one of Nelson's largest drainage and water reticulation specialists. Andrew represents the interests of Ngāti Koata as their nominated Board Director.

Julian Raine

Director

WIL and Chair Sustainability and Communities Committee

Julian's career background is in agriculture and horticulture and he is actively involved in a wide range of export focused businesses. He is a former Director on the Cawthron Institute Board, Director and Deputy Chair on Manaaki Whenua Landcare Research and Chairman of Sirtrack. Julian is a director of Wai-West Horticulture and a shareholder of Waimea Irrigators Ltd.

Doug Hattersley

Director

TDC and Chair Design and Construction Committee

Doug has over 45 years engineering and project management experience on large international infrastructure projects. He is a Graduate Member of the Australian Institute of Company Directors, a Chartered Professional Engineer and has a Bachelor of Engineering (Hons) (Civil) degree from the University of Canterbury. Doug is currently a consultant for renewable energy and infrastructure companies.

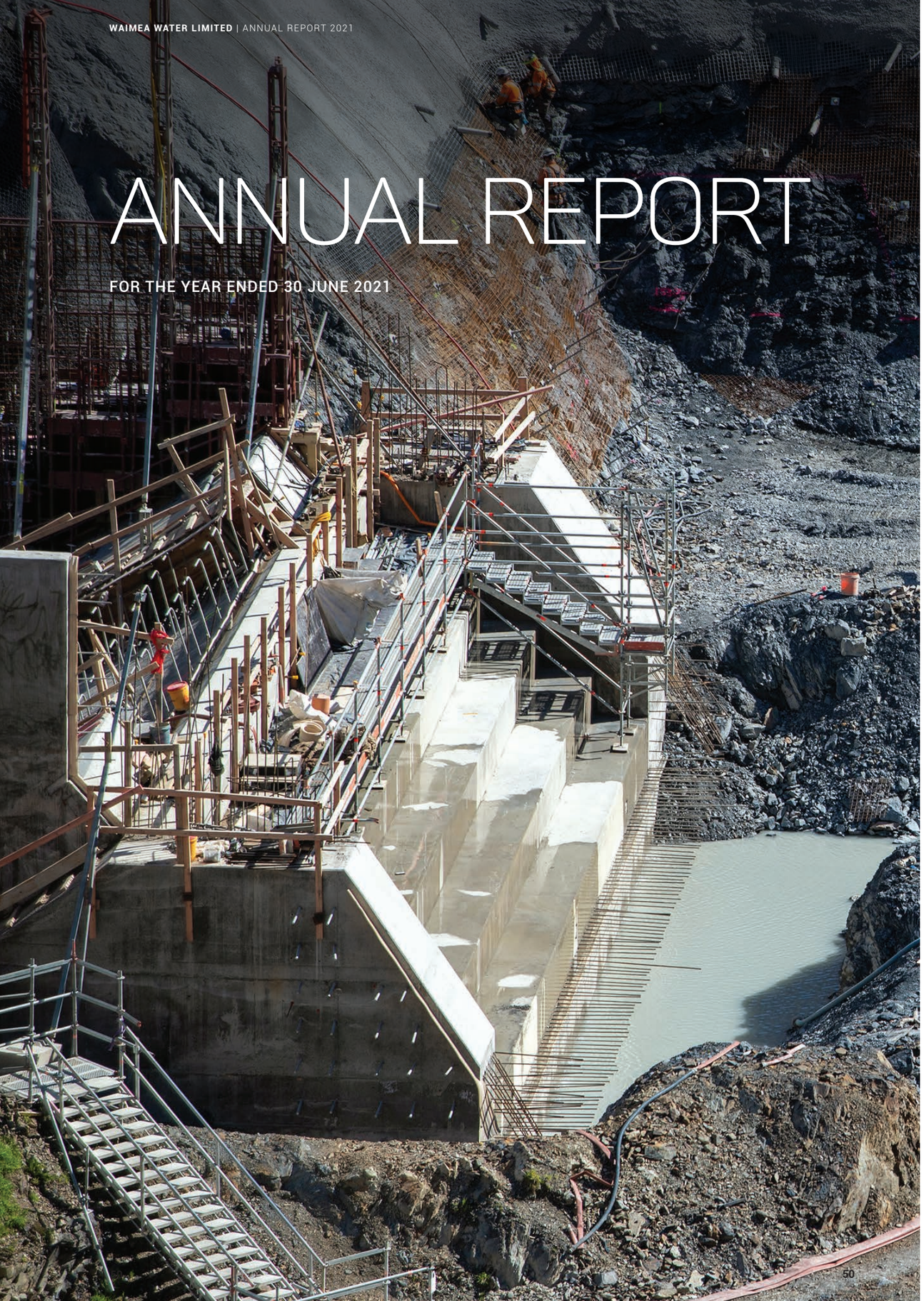
Margaret Devlin

Director (Appointed to Board July 2020)

TDC and Chair Human Resources and Compensation Committee.

Margaret is a professional director working primarily in the infrastructure sector. She has served as a director for a range of entities with a particular focus on audit and risk. She is currently chair of Watercare Services Limited, Lyttelton Port Company Limited, Infrastructure New Zealand, the Women in Infrastructure Network, and Hospice Waikato.

She is a director of Waikato Regional Airport Group Ltd, IT Partners Group, Aurora Energy. She is also the Independent Chair, Waikato District Council Audit and Risk Committee (retired 30 June 2021), Councillor at Waikato University, Deputy Chair of WINTEC and a Member of the Institute of Directors Waikato Branch Committee.



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Independent Auditor's Report

To the readers of Waimea Water Limited's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Waimea Water Limited (the Company). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 57 to 72, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the Performance against Statement of Intent of the Company on page 46.

In our opinion:

- the financial statements of the Company on pages 57 to 72:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the Performance against Statement of Intent of the Company on page 46 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2021.

Our audit was completed on 21 October 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 4 to 45, 47 to 49, and 73, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.

John Mackey
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand

Annual Report

FOR YEAR ENDED 30 JUNE 2021

The Directors have pleasure in presenting to the shareholders this Annual Report and audited financial statements of WWL for the year ended 30 June 2021.

Nature of Business

Manage construction, operation and maintenance of the Waimea Community Dam.

Our Commitment

Waimea Water Limited is committed to building and operating a safe, reliable and efficient dam for the benefit of the region.

Board attendance

Board Attendance levels during the year were as follows;

Director	Position	Tenure during year	Meetings Attended	Of a possible	Directors Fees	FY2020***
D Wright	Chair	Full year	13	13	$63.0k	$47.3k
B Simpson	Deputy Chair	Full year	12	13	$31.5k	$31.5k
D Hattersley	Director	Full year	13	13	$31.5k	$31.5k
J Raine	Director	Full year	12	13	$31.5k	$31.5k
K Smales	Director	Full year	13	13	$31.5k	$31.5k
A Spittal	Director	Full year	11	13	$31.5k	$31.5k
M Devlin*	Director	Full year	12	13	$31.5k	-
K Jordan**	Previous Chair	n/a	-	-	-	$31.5k
					$252.0k	**$236.3k**

** Appointed Jul 2020.*

*** Resigned Jan 2020.*

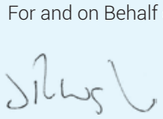
Amount paid to the Auditor

Audit New Zealand is expected to be paid $36,962 for the current period audit. $49,966 was paid in total for the prior year audit.

Donations

The value of donations for the year ended 30 June 2021 was $0 (2020 $0).

For and on Behalf of the Board



D Wright
Chair

B Simpson
Deputy Chair

Directors' Register of Interests during the financial year:

David Wright
David Wright Limited (Director)
Tervuren Trust (Trustee)
Waikato District Council Waters Governance Board (Director)
Central Air Ambulance Rescue Limited (Chair)
Search and Rescue Services Limited (Chair)
Solomon Islands Airport Corporation Limited (Interim Chair)
Internet New Zealand (Member, Audit and Risk Committee)
Red Meat Profit Partnership (Chief Executive)
MFAT Energy Services Panel (Panel Member)
Tokelau Renewables Energy Steering Committee (Chair)
Central Economic Development Agency (Interim CEO)

Ken Smales
K S Project Management Ltd (Principal)
Smales Family Trust (Trustee)

Doug Hattersley
Colonel Noel Percy Adams Trust (Melrose) Society (Member)
Dalem Hills Limited (Director and Shareholder)
NZ Red Cross Incorporated (Vice President and Committee Member – Motueka)
Stanley Douglas Hattersley (Consultant)
Hattersley Family Trust (Trustee)

Julian Raine
Raine Group Ltd (Managing Director)
Raine Farms Ltd (Director)
Raine Estate "Oaklands" Ltd (Director)
NZ Boysenberry Council Ltd (Director)
Boysenberry New Zealand Ltd (Executive Chairman)
RACO NZ Ltd (Director)
Wai West Horticulture Ltd (including subsidiary companies Wai West Investment Ltd and Wai West Farms Ltd (Director)
Saxton Fruit Ltd (Director)
Jarar Holdings Ltd (Director)
New Zealand Dairy Desserts Company Ltd (Chairman)
Waimea Community Dam Ltd (Director)
Aunt Jeans Ltd (Director)
Motupiko Dairy Farm Ltd (Director)
Cold Storage Nelson Ltd (Director)
Waimea Irrigators Ltd (Director and Shareholder)
Massey Lincoln Agricultural Industry Trust (Trustee)
Heatham Trust (Trustee)
Wairua Hop Garden GP Limited (Director)
Oaklands Milk Marlborough Limited (Director and Shareholder)
Food Factory Trust (Trustee)

Bruno Simpson
Waimea Group Ltd (Executive Director)
Waimea Group Properties Ltd (Executive Director)
Waimea Nurseries Ltd (Executive Director)
Waimea Nurseries Consulting Limited (Director and Shareholder)
Waimea Variety Management Ltd (Executive Director)
WNW Ltd (Executive Director)
Century Water Ltd (Director)
International New Varieties Network LLC (Chairman)
Canis Lupus Ltd (Director and Shareholder)
Harley Trustee Company No.33 Ltd (Director and Shareholder)
B S Family Trust (Trustee)
Fresh Fruit Company of Nelson Limited (Director)
Waimea Plant Laboratories (Executive Director)
Waimea Nurseries Consulting Ltd (Director and Shareholder)

Andrew Spittal
Ching Contracting Ltd (Director and Shareholder)
Trench Shoring NZ Ltd (Director and Shareholder)
Spittal Properties Ltd (Director and Shareholder)
Spittal Holdings Limited (Director and Shareholder)
Spittal Family Trust (Trustee)
Andrew and Deborah Spittal Family Trust (Trustee)
H L Solutions Ltd (Director)
Richmond West Development Company Ltd (Director)
Artillery 5 Ltd (Director)
Squally Cove Forestry No. 14 Ltd (Director and Shareholder)
Glass House Block Ltd (Director)
Exeter Street Ltd (Director)
Tuff Buoys Ltd (Director)
Project Tasman Ltd (Director)
Spittal Developments Limited (Director and Shareholder)
TMBC Limited (Director and Shareholder)
Coman Developments Ltd (Director)
CCLP Limited (Director)
Maitai Development Co General Partner Limited (Chair)
CCLP Limited (Director)
SBAS Properties Ltd (Director and Shareholder)
Bag Development Company Ltd (Director and Shareholder)

Margaret Devlin
Watercare (Chair)
Waikato Regional Airport Group (Director)
Lyttelton Port (Chair)
Aurora Energy (Director)
IT Partners (London Green Limited) (Director)
Waikato University (Council Member)
Wintec (Deputy Chair)
Hospice Waikato (Chair)
Infrastructure NZ (Chair)
Women in Infrastructure (Chair)

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2021

	Note	FY2021 $000	FY2020 $000
Project costs	1	-	-
Employee costs		625	628
Depreciation and impairment	2	1,352	110
Other administrative expenses	3	341	317
Operating expenses		2,318	1,055
Finance income	4	462	646
Finance costs	4	(1)	(1)
Surplus/(Deficit) for the year		**(1,857)**	**(410)**

Statement of Changes in Net Assets

FOR THE YEAR ENDED 30 JUNE 2021

	Note	FY2021 $000	FY2020 $000
Opening retained earnings		(728)	(318)
Total surplus (deficit) for the year		(1,857)	(410)
Retained earnings as at year end		(2,585)	(728)
Opening share capital		55,147	35,096
Movement for the year		15,370	20,051
Share capital at year end		70,517	55,147
Closing equity at year end	**5**	**67,932**	**54,419**

Statement of Financial Position

AS AT 30 JUNE 2021

	Note	FY2021 $000	FY2020 $000
Assets			
Current			
Cash And Cash Equivalents	6	9,357	4,268
Receivables From Exchange Transactions	7	286	-
Receivables From Non-Exchange Transactions	8	546	1,584
Other Current Financial Assets	9	-	16,345
Total Current Assets		10,189	22,197
Non-Current			
Property, Plant And Equipment	10	89,395	51,436
Deferred Tax Asset	11	-	-
Other Non-Current Financial Assets	9	-	-
Total Non-Current Assets		89,395	51,436
Total Assets		**99,584**	**73,633**
Liabilities			
Current			
Payables Under Exchange Transactions	12	4,553	4,531
Employee Entitlements	13	86	86
Total Current Liabilities		4,639	4,617
Non-Current			
Loans And Borrowings	14	27,013	14,597
Total Non-Current Liabilities		27,013	14,597
Total Liabilities		**31,652**	**19,214**
Net Assets		**67,932**	**54,419**
Equity			
Equity Contributions	5	70,517	55,147
Accumulated Funds		(2,585)	(728)
Other Equity Reserves		-	-
Total Equity		**67,932**	**54,419**

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	FY2021 $000	FY2020 $000
Cash flow from operating activities			
Payments to suppliers		(577)	(445)
Payments to employees		(567)	(577)
Net cash from/(used in) operating activities		(1,144)	(1,022)
Cash flow from investing activities			
Purchase of property, plant and equipment		(38,187)	(31,332)
Purchase of financial assets		(13,590)	(919)
Net cash from/(used in) investing activities		(51,777)	(32,251)
Cash flow from financing activities			
Proceeds from equity		15,369	20,052
Proceeds from sale of financial assets		30,000	-
Proceeds from borrowings		12,243	12,266
Interest received		398	501
Interest paid on borrowings		-	-
Net cash from/(used in) financing activities		58,010	32,819
Net increase/(decrease) in cash and cash equivalents		5,089	(454)
Cash and cash equivalents, beginning of the year		4,268	4,722
Cash and cash equivalents at end of the year	**6**	**9,357**	**4,268**

Notes to the financial statements

A Reporting entity

Waimea Water Limited ("WWL") is a Council Controlled Organisation under Section 6 of the Local Government Act 2002. WWL is registered under the Companies Act 1993. WWL has been established to manage the construction, operation and maintenance of the Waimea Community Dam.

The financial statements were authorised for issue by the Board of Directors on 21 October 2021.

B Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which include the requirement to comply with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993. WWL has a balance date of 30th June.

The financial statements have been prepared in recognition of WWL being a public benefit entity, in accordance and to comply with PBE Standards RDR. Disclosure concessions have been applied. WWL is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and it is not large.

(b) Basis of measurement

The financial statements are prepared on the basis of historical cost, and on the going concern basis.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ("000s"). The functional currency of WWL is New Zealand dollars (NZ$).

(d) Comparatives

The comparative financial period is the prior financial year. Comparatives may have been reclassified from that reported in the 30 June 2020 financial statements where appropriate to ensure consistency with the expanded presentation of the current year's position and performance.

(e) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Any impact of new and amended standards and interpretations applied in the year is limited to additional note disclosures.

C Summary of significant accounting policies

The preparation of financial statements requires WWL to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. Areas of judgement in preparing financial statements are set out below. These are assessed by Management as part of the reporting process and included within the accounts. The principal area of judgement in financial statements for the year ended 31 March 2021 are described in sections (i) and (k) below.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Notes to the financial statements

(g) Trade and Other Receivables

Trade and other receivables are initially stated at fair value and subsequently stated at their amortised cost using the effective interest method less impairment losses. A provision for impairment of receivables is established when there is objective evidence that WWL will not be able to collect all the amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the expected future cash flows discounted using the effective interest method.

(h) Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(i) Property, plant and equipment

Property, Plant & Equipment (PPE) is recognised in accordance with PBE IPSAS 17, at historical cost less accumulated depreciation and any accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 'Directly attributable' includes; all costs directly associated with the dam build including professional fees, all staff costs where a majority of the person's time is directly associated with the dam build, and a reasonable allocation of other costs incurred for staff identified above. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Uncompleted capital works are not depreciated until ready for service.

Subsequent expenditure is capitalised and added to the carrying amount of an item of Property, Plant and Equipment when the cost is incurred if it is probable that the future economic benefits embodied in the specific asset will flow to WWL and the cost of the item can be measured reliably. The costs of day-to-day servicing of Property, Plant and Equipment are recognised in the surplus or deficit as incurred.

The cost of an item of Property, Plant and Equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WWL and the cost of the item can be measured reliably. Individual or groups of assets are capitalised if their cost is greater than $500. Where an asset is acquired at no cost, or for a nominal cost it is recognised at fair value as at the date of acquisition. The majority of capital expenditure will remain as work in progress for the duration of the project and is not depreciated until ready for service.

Disposals

Gains and losses are determined by comparing the proceeds with the carrying amount and are recognised in the surplus or deficit. Net gains and losses are only recognised when the significant risks and rewards or ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing involvement.

Depreciation

The depreciable amount of an asset is determined based on its useful life. Rates and methods of depreciation reflect the pattern in which the assets' future economic benefits are expected to be consumed by WWL.

Buildings	not applicable
Leasehold improvements	10%
Furniture and equipment	16% - 50%
Vehicles	20% - 30%
Dam (Capital WiP)	not applicable

Notes to the financial statements

After completion, depreciation of dam project components (including costs directly attributable to bringing them to the location and condition necessary to be capable of operating in the manner intended by management) will be provided on a straight line basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Land	not depreciated
Buildings (including fit out)	2-100 years
Bridges	100 years
Culverts, structures and fill (concrete, rock)	80-120 years
Earthworks and river stop banks	not depreciated
Rock and slope protection	80-120 years
Water pipes/valves/meters (manual)	15-80 years
Water pipes/valves/meters (automatic)	15-80 years

(j) Intangible assets

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

(k) Impairment of non-current assets

The carrying amounts of WWL's assets are reviewed at each annual balance date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated. If the estimated recoverable value amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount, and an impairment loss is recognised in the surplus or deficit.

The recoverable amount of an asset is the higher of the fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and discounting these to their present value using a pre-tax discount rate that reflects the current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised to the extent that an impairment loss for that asset was previously recognised in the surplus or deficit immediately.

(l) Other Financial Assets

Term investments over 90 days are classified as “other financial assets”. They are initially measured at fair value, net of transaction costs. After initial recognition, financial assets in this category are measured at amortised cost using the effective investment method, less impairment. Gains and losses when the asset is impaired are recognised in the profit or loss.

(m) Share Capital

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue. At balance date some shares may have been issued but not called up.

(n) Interest Bearing Borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset which is determined to be an asset that takes a period of greater than one year to get ready for its intended use are capitalised as part of the cost of the asset.

Notes to the financial statements

(o) Employee Entitlements

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is calculated on an actual entitlements basis at current rates of pay. These include salaries and wages accrued up to balance date, alternate days earned but not yet taken, and annual leave earned but not yet taken up to balance date.

(p) Revenue

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of WWL's activities, net of discounts, rebates and taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to WWL and the revenue can be reliably measured.

Interest income is recognised on an accrual basis using the effective interest method.

(q) Expenses

Financing Costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. They exclude qualifying costs that are capitalised.

Dividends

WWL operates on a cost recovery basis. Therefore no dividends are payable.

(r) Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to the income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity and other comprehensive revenue and expenses.

(s) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified within operating cash flow in the Statement of Cash Flows.

1 Project construction costs

$000	FY2021 $000	FY2020 $000
The following amounts attributable to the build were passed through operational accounts:		
Pre-incorporation costs*	(208)	(76)
Dam construction costs	29,902	25,767
Project services	6,137	4,896
Borrowing costs capitalised	173	170
WWL operations	2,026	1,790
Transfer costs attributable to build to Capital WiP	(38,030)	(32,547)
Total	**-**	**-**

**Some pre-incorporation costs reimbursed to TDC have since been considered impaired. Refer Note 2.*

2 Depreciation, amortisation and impairment expenses

	Note	FY2021 $000	FY2020 $000
Depreciation of property, plant and equipment	10	19	24
Impairment**		1,333	86
Total		**1,352**	**110**

***Some pre-incorporation costs reimbursed to TDC in FY19 were impaired in FY20 and some in FY21. Costs associated with the Covid-19 Level 4 lockdown in March/April 2020, determined in April 2021, are also considered impaired,. Refer Note 17.*

3 Other overhead and administrative expenses

	FY2021 $000	FY2020 $000
Office costs	94	81
Legal fees	63	5
Insurance	61	58
PR and other professional fees	51	123
Auditor remuneration	51	33
Accounting fees	21	17
Total	**341**	**317**

4 Finance income and costs

	FY2021 $000	FY2020 $000
Interest income on bank deposits	462	646
Bank fees	(1)	(1)
Net	**461**	**645**

5 Share Capital

	FY2021	FY2020
9,999 shares were authorised and issued on 21 Dec 2018.		
Ordinary shares - TDC	5,110	5,110
Ordinary shares - WIL	2,978	2,978
Non-voting shares - TDC	-	-
Non-voting shares - WIL	1,911	1,911
Shares at the end of the year	**9,999**	**9,999**
Ordinary shares have rights to vote, receive dividends, and participate in distribution on liquidation. Non-voting shares have no equivalent rights.		
TDC ordinary shares have a par value of $8,718.20.		
*TDC ordinary shares contribution**	$44,550k	$33,356k
TDC contribution per ordinary share	$8,718.20	$6,527.59
TDC ordinary shares issued and fully paid	5,110	-
TDC ordinary shares issued and not fully paid	-	5,110
WIL ordinary shares have a par value of $8,719.51		
*WIL ordinary shares contribution**	$25,967k	$21,791k
WIL contribution per ordinary share	$8,718.20	$7,317.33
WIL ordinary shares issued and fully paid	2,978	-
WIL ordinary shares issued and not fully paid	-	2,978
WIL non-voting shares have a par value of $0.01		
Total shares contribution	**$70,517k**	**$55,147k**

**Share Capital contributions are also shown in Note 20, and represent the total dollar value of shares paid up. TDC contributions were primarily made to provide working capital to WWL. WIL contributions were made on agreed instalments.*

TDC has committed to fund additional project costs. Shareholders have agreed part of the additional funding will be way of subscription for further shares. At Balance Date WWL has authorised the issue of up to 2,009 additional ordinary shares with a par value of $8,719.91. At Balance Date these shares have not been issued and no contributions received for them. WWL will not authorise or issue further ordinary shares if it results in WIL holding less than 25% of total ordinary shares. Any additional project costs not funded by capital will be funded by loan, refer Note 14.

At balance date WWL has authorised the issue of 172 additional non-voting shares to TDC with a par value of $8,719.91. At Balance Date these shares have not been issued and no contributions received for them.

6 Cash and cash equivalents

	FY2021	FY2020
	$000	$000
Cash at bank and in hand	9,357	4,268
Total	**9,357**	**4,268**

7 Receivables from exchange transactions

		FY2021	FY2020
	Note	$000	$000
Related party receivables	20	286	-
Total		**286**	**-**

8 Receivables from non-exchange transactions

		FY2021	FY2020
	Note	$000	$000
GST receivable		546	583
Other prepayments / receivables	18	-	1,001
Total		**546**	**1,584**

9 Other financial assets

		FY2021	FY2020
	Note	$000	$000
Held-to-maturity investments			
Term deposits - current		-	16,345
Term deposits - non-current		-	-
Total	16	**-**	**16,345**

10 Property, plant and equipment

	Note	Capital WiP	Leasehold Improvements	Furniture & office equip	Vehicles & site equip	Total
		$000	$000	$000	$000	$000
Movements for each class of property, plant and equipment are as follows:						
FY2021						
Gross carrying amount						
Opening		51,138	28	76	278	51,520
Additions		39,363	-	-	-	39,363
Impairment		(1,333)	-	-	-	(1,333)
Disposals				-	-	-
Gross Carrying amount		**89,168**	**28**	**76**	**278**	**89,550**
Accumulated depreciation and impairment						
Opening		-	(3)	(27)	(54)	(84)
Depreciation - assets attributable to the build		-	-	-	(52)	(52)
Depreciation - administration assets	2	-	(3)	(16)	-	(19)
Disposals				-	-	-
Accumulated depreciation and impairment		**-**	**(6)**	**(43)**	**(106)**	**(155)**
Carrying amount 30 June 2021		**89,168**	**22**	**33**	**172**	**89,395**
FY2020						
Gross carrying amount						
Opening		18,591	20	58	145	18,814
Additions		32,633	8	18	154	32,813
Impairment		(86)				(86)
Disposals		-	-	-	(21)	(21)
Gross Carrying amount		**51,138**	**28**	**76**	**278**	**51,520**
Accumulated depreciation and impairment						
Opening		-	-	(6)	(12)	(18)
Depreciation - assets attributable to the build					(35)	(35)
Depreciation - administration assets	2	-	(3)	(21)	-	(24)
Disposals		-	-	-	(7)	(7)
Carrying amount 30 June 2020		**51,138**	**25**	**49**	**224**	**51,436**

11 Deferred tax

	FY2021	FY2020
	$000	**$000**
Deferred tax assets are only recognised when management consider it probable that future tax profits will be available against which these assets will be utilised.		
Recognised deferred tax assets:	**-**	**-**
Unrecognised deferred tax assets are based on:		
Statement of Comprehensive Revenue and Expense	(1,857)	(410)
Temporary differences *	(645)	102
Permanent differences **	456	(456)
Taxable income (deficit)	**(2,046)**	**(764)**
Unrecognised deferred tax assets consist of:		
Opening balance	303	89
Tax on taxable position above, at 28%	573	214
Total unrecognised deferred tax asset	**876**	**303**

** Related to deductibility of expenses.*

*** FY2021 is a reclassification of FY2020 differences since identified as temporary.*

12 Payables under exchange transactions

	Note	FY2021	FY2020
		$000	**$000**
Trade creditors		4,467	4,446
Related party payables	20	38	71
Non trade payables and accrued expenses		48	14
Total		**4,553**	**4,531**

13 Employee entitlements

	FY2021	FY2020
	$000	**$000**
Annual leave entitlements	86	86
Total	**86**	**86**

Employee remuneration

7 employees or former employees received remuneration and other benefits of $100,000 or more for the year ended 30 June 2021. (FY2020, 6 employees)

Remuneration	Number of employees	
$100,001 - $110,000	1	-
$130,001 - $140,000	1	-
$150,001 - $160,000	-	2
$160,001 - $170,000	1	-
$190,001 - $200,000	1	2
$200,001 - $210,000	1	-
$240,001 - $250,000	-	1
$250,001 - $260,000	1	-
$310,001 - $320,000	-	1
$320,001 - $330,000	1	-

14 Loans and borrowings

	FY2021	FY2020
	$000	**$000**
Non-current - Secured loans - CIIL	18,239	14,597
Non-current - Secured loans - TDC	8,774	-
Total	**27,013**	**14,597**

WWL has financing arrangements with Crown Irrigation Investments Limited up to $25,000,000. Facilities can be drawn down monthly to fund project costs, and are secured by a general security over present and future assets. Facilities are provided subject to credit support from TDC plus guarantees from WIL, and are repayable by 2034.

TDC has committed to fund additional project costs. WWL has financing arrangements with TDC up to $47,817,000 secured by a second ranking general security over present and future assets. WWL finance costs will be recovered from both shareholders. A facility for $8,750,000 has been drawn. It will be repaid in installments after project completion, with final maturity no later than 2058.

Facilities for $39,067, 000 have not been drawn at Balance Date. Funds can be drawn down quarterly to fund project costs. Facilities are repayable by 2058 or may be converted to equity.

15 Commitments

	FY2021	FY2020
Expenditure contracted for at the end of the reporting period but ot yet incurred comprises unpaid contract values and unpaid determined variations for the Contractor and Damwatch.	**$000**	**$000**
Property, plant and equipment	31,981	50,414
Total	**31,981**	**50,414**

16 Financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Held-to-maturity investments $000	Loans and receivables $000	Financial liabilities at amortised cost $000	Total $000
FY2021				
Financial assets				
Cash and cash equivalents	-	9,357	-	9,357
Trade debtors and other receivables	-	286	-	286
Other financial assets*	-	-	-	-
Total Financial assets	**-**	**9,643**	**-**	**9,643**
Financial liabilities				
Trade creditors and other payables	-	-	4,464	4,464
Loans and borrowings**	-	-	27,013	27,013
Total Financial liabilities	**-**	**-**	**31,477**	**31,477**
FY2020				
Financial assets				
Cash and cash equivalents	-	4,268	-	4,268
Trade debtors and other receivables	-	1,001	-	1,001
Other financial assets*	16,345	-	-	16,345
Total Financial assets	**16,345**	**5,269**	**-**	**21,614**
Financial liabilities				
Trade creditors and other payables	-	-	4,476	4,476
Loans and borrowings**	-	-	14,597	14,597
Total Financial liabilities	**-**	**-**	**19,073**	**19,073**

** Other financial assets*

ANZ term desposit maturing Aug 2020 at 2.58%	-	*511*
ANZ term deposit maturing Dec 2020 at 3.55%	-	*5,277*
ANZ term deposit maturing Apr 2021 at 3.55%	-	*5,277*
ANZ term deposit maturing Jun 2021 at 3.58%	-	*5,280*
Total term deposits	**-**	***16,345***

	FY2021	FY2020
*** Loans and borrowings*	18,239	14,597
Crown Irrigation Investments Limited	8,774	-
TDC	**27,013**	**14,597**

17 Contingent assets and contingent liabilities

This year the entity has no contingent assets or contingent liabilities.

Last year the Engineer To Contract ("ETC") confirmed a 33 day suspension of works for the Government mandated Covid-19 Level 4 lockdown. The obligation was not recognised because the final amount cannot be reliably measured. The process to value the suspension was completed in April 2021, refer Note 18.

18 Covid-19

Impacts

On 26 March 2020 (last financial year) the country entered a Government mandated Covid-19 lockdown. WWL staff operations were not significantly impacted. Site works were suspended until 28 April 2020 when they resumed under Level 3. During Levels 3 and 2, appropriate restrictions and precautions impeded productivity. At 30 June 2020 normal works had resumed. The lockdown will extend the programme past the scheduled completion date in FY22. Also refer to Note 19.

Financial performance

The ETC issued a Notice To Contractor confirming a 33 day suspension for lockdown Level 4, valued in April 2021 at $917,947. The ETC issued a Notice To Contractor confirming a 5 day suspension for lockdown Level 3, valued in May 2021 at $100,148. Level 4 lockdown costs of $917,947 are included in Impairment expenses in note 2.

Last year the Contractor was advanced $1,000,000 against those costs, without prejudice, to support employee re-tention during Level 4 and facilitate re-mobilisation at Level 3. At that time the advance since repaid was treated as a prepayment, refer Note 8.

Non-financial performance

The schedule was delayed for impacts from lockdown Levels 4, 3 and 2. The lockdown did not affect the ability to report against performance indicators.

Future assumptions

The final schedule will be affected and future costs will be higher than earlier contemplated, refer to Statement of Performance against Statement of Intent.

19 Events after the reporting period

There were no significant events after the balance date that would require amounts recognised in these financial statements to be adjusted.

On Wed 18 August 2021 the country entered a government mandated Covid-19 Level 4 lockdown and site works were suspended for 3 working days. Works recommenced Mon 23 August under lockdown protocols. Contract suspension costs will be incurred, to be valued by the ETC in due course. There is no impact on these financial statements.

20 Related party transactions

WWL is jointly owned by TDC (51% of issued shares) and Waimea Irrigators Limited (49%). TDC and WIL are Joint Operators. The entity also has a related party relationship with its Directors and other key management personnel. Key management personnel include the Board of Directors and members of the Executive / Senior Management.

	Note	FY2021	FY2020
		$000	$000
Purchase / reimbursement of services			
Directors*		16	-
Pre-incorporation costs		-	3
Shareholder services**		26	123
Total		**42**	**126**

** Directors with engineering qualifications may perform independent peer review services in normal supplier relationship on terms and conditions no more or less favourable than it is reasonable to expect the entity would have adopted in dealing with the party at arm's length in the same circumstances.*

*** TDC provided multiple services to WWL in the normal course of operating activities (e.g. resource consent fees.)*

Sale / reimbursement of services			
Shareholder services***		249	-
Total		**249**	**20,051**
Share Capital Contributions from Joint Operators			
TDC Share Capital		11,194	10,877
WIL Share Capital		4,176	9,174
Total Share Capital	5	**15,370**	**20,051**
Loans and borrowings			
TDC has commited to fund additional project costs			
Non-current - Secured loans - TDC	14	8,774	-
Borrowing costs capitalised		24	-
Year end receivable/ payable with related parties			
Payable to (Receivable from) related parties			
Directors	12	34	32
Shareholders	12	4	39
Shareholders***	7	(286)	-
Total		**(248)**	**71**

**** In FY2021 WWL recovered from TDC, in the normal course of operating activities, costs for investigating options for possible provision of future hydro capability.*

Key management compensation			
Key management personnel compensation includes the following expenses:			
Salaries and other short-term employee benefits		948	945
Directors fees		252	236
Total		**1,200**	**1,181**
Persons recognised as key management personnel		11	11

Company Directory

Directors

David Wright (Chair)

Bruno Simpson (Deputy Chair)

Doug Hattersley

Julian Raine

Ken Smales

Andrew Spittal

Margaret Devlin

Registered Office

20 Oxford Street

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Telephone: 027 544 0030

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Chief Executive

Mike Scott

Management

Chief Financial Officer:	Dave Ashcroft
Commercial Manager and Company Secretary:	Richard Timpany
Engineering and Design Manager:	Iain Lonie
Environmental and Sustainability General Manager:	Alasdair Mawdsley
Construction Manager:	Daniel Murtagh

Auditor

Audit New Zealand on behalf of the Auditor-General

Accountant

Findex Ltd

Banker

ANZ Corporation

Lawyer

Anderson Lloyd

The WWL Board and CEO, Tasman District Mayor Tim King, Nelson MP Hon Dr Nick Smith and main contractor representatives after the blessing of the diversion culvert.

The inside of the culvert, before the river is diverted through it

View to spillway and flip bucket, September 2021


Waimea
Water
SECURING OUR REGION'S FUTURE