



Waimea Community Dam TDC Meetings

23 March 2023

Waimea Water

Overview

WWL efficiently delivering a safe, reliable, resilient and fit for purpose Waimea Community Dam

- ✓ Construction: Embankment and spillway completed. River diversion underway. ~85% complete, slowing
- ✓ Commissioning: All Crown and consent requirements met, other than building code requirements (88b)
- ✓ No serious harm injuries and full compliance with resource consent requirements.
- ❖ Mitigating part of project delay for **Oct / Nov 2023** completion
- ❖ Further \$3M cost increase to **\$198.2M** driven by delay and M&E / diversion works, dispute costs
- ❖ Operating budget increase driven by insurance increase. To be worked



Overview: 85% complete

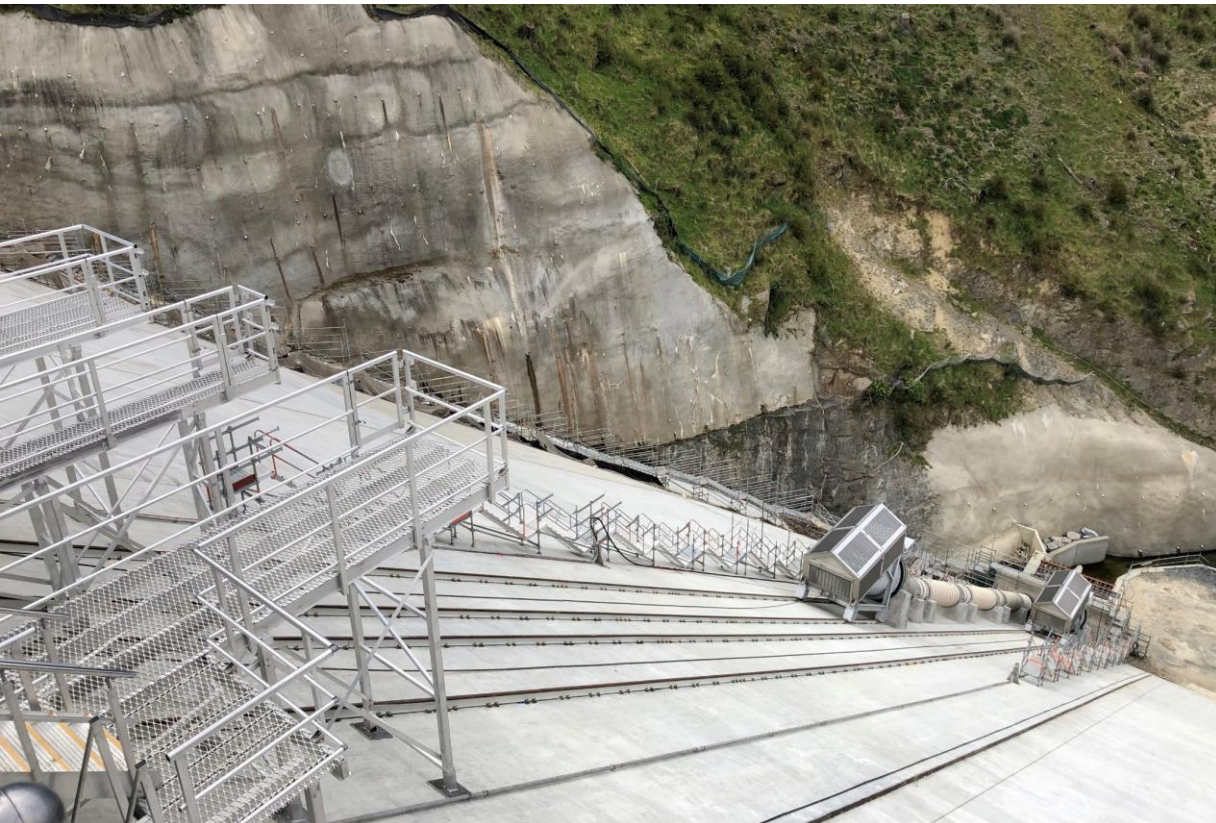


Overview: 85% complete



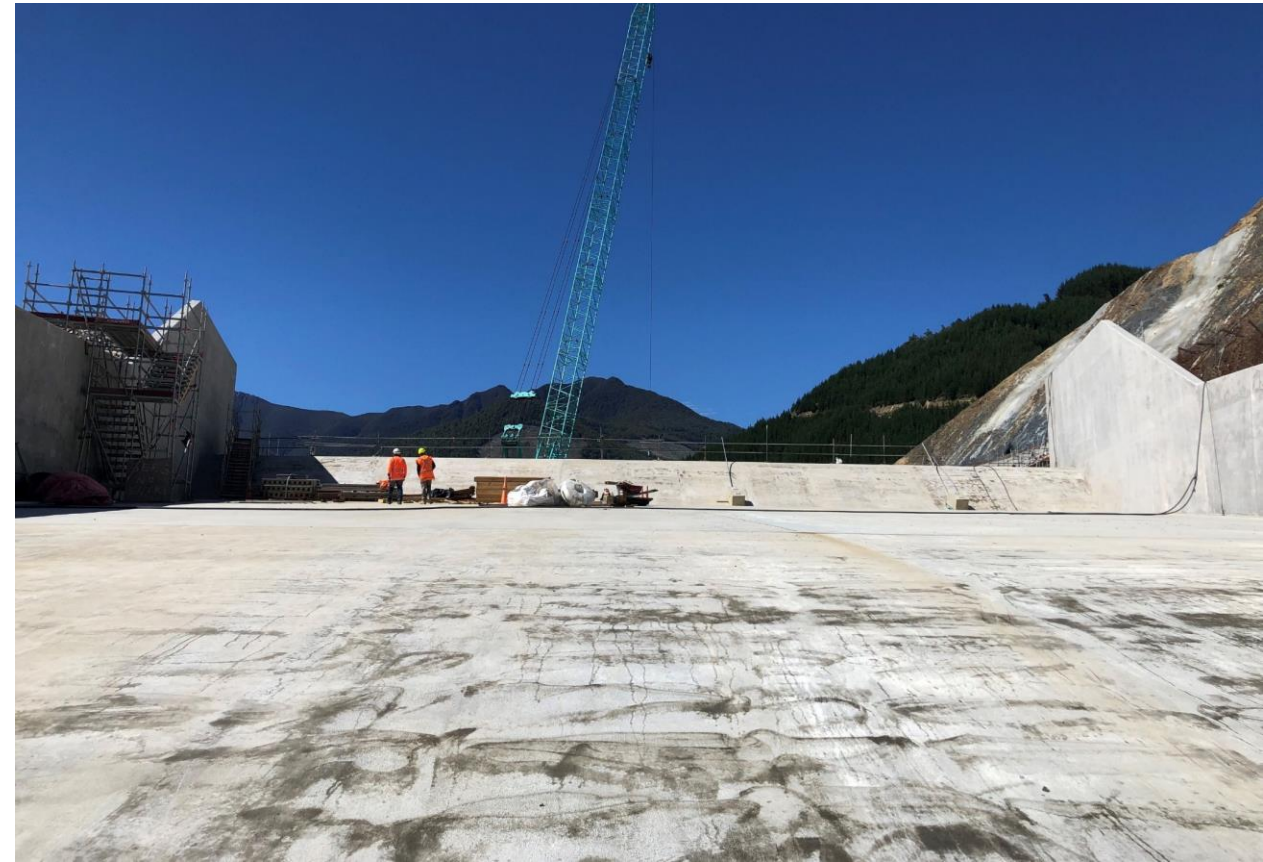
Progress Update: Embankment complete

- ✓ Completed embankment in Dec 2021
- ✓ Completed concrete face in May 2022 and parapet wall in August 2022
- ✓ Completed dam face pipes, rails and screens in September 2022.
- ✓ Commissioned winches and screens in October 2022



Progress Update: Spillway completed

- ✓ Spillway chute completed August 2022
- ✓ Ogee-weir completed October 2022
- ✓ Grouting concluding March 2023



Progress Update: Spillway

- ✓ Cut-off wall beneath spillway completed March 2023
- ❖ Apron to spillway approach channel delayed until May 2023 but won't impact project



Below spillway: Cut-off wall protects spillway from erosion



Above spillway: Grout and apron protects spillway seepage

Milestone: Closed LHS culvert and commenced diversion

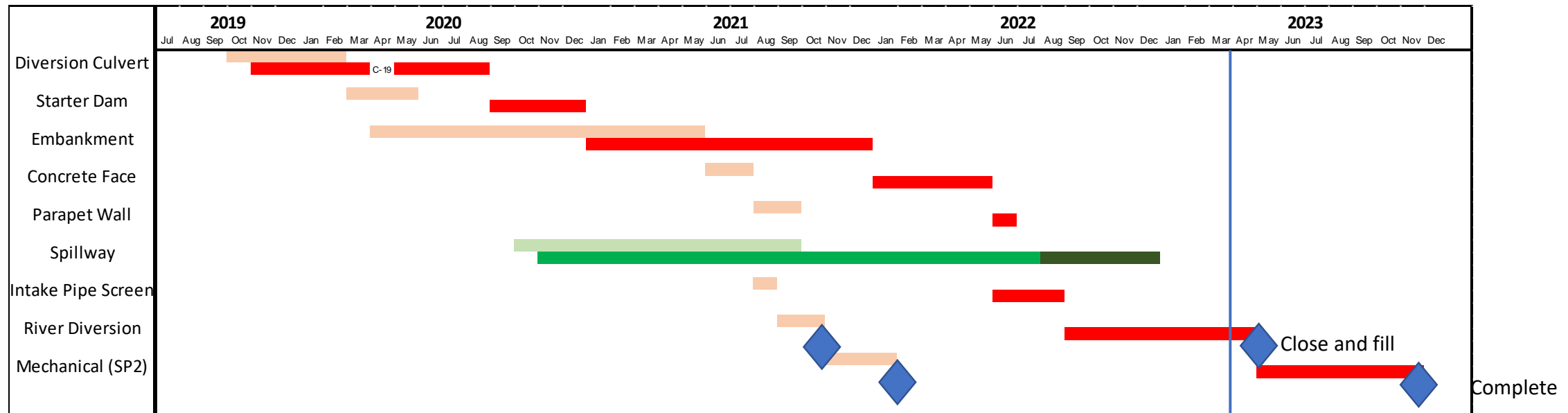
- ✓ Closed left hand culvert with stoplog: 18 October 2022
- ✓ Stainless steel lobster-back pipework bend installed and concrete plug: 8 December 2022
- ✓ Installed temporary river diversion pipe (steel and HDPE) in LHS culvert: 10 March 2023
- ❖ Delay to completing diversion and closure, to complete Contractor QA: ~ 1 May 2023



Programme Delay

- ❖ Closure and filling delayed until ~ 1 May 2023 to complete Contractor QA documentation & TDC Code of Compliance
- Increasing weather risk to closure as move into Autumn / winter.
- ❖ Practical Completion delayed until late 2023 with large and concerning prolongation of mechanical works (X4) (*addressing*)
- ✓ Expect reservoir to be full and providing service for 2023 / 2024 summer season

	Plan at funding	Plan
Complete dam & close (SP1)	28 October 2021	February 2023 May 2023
Commission dam (SP2)	23 January 2022	September 2023 November 2023



Cost forecast: \$198M

\$3M increase from June 2022 (final SOI)

M&E Costs

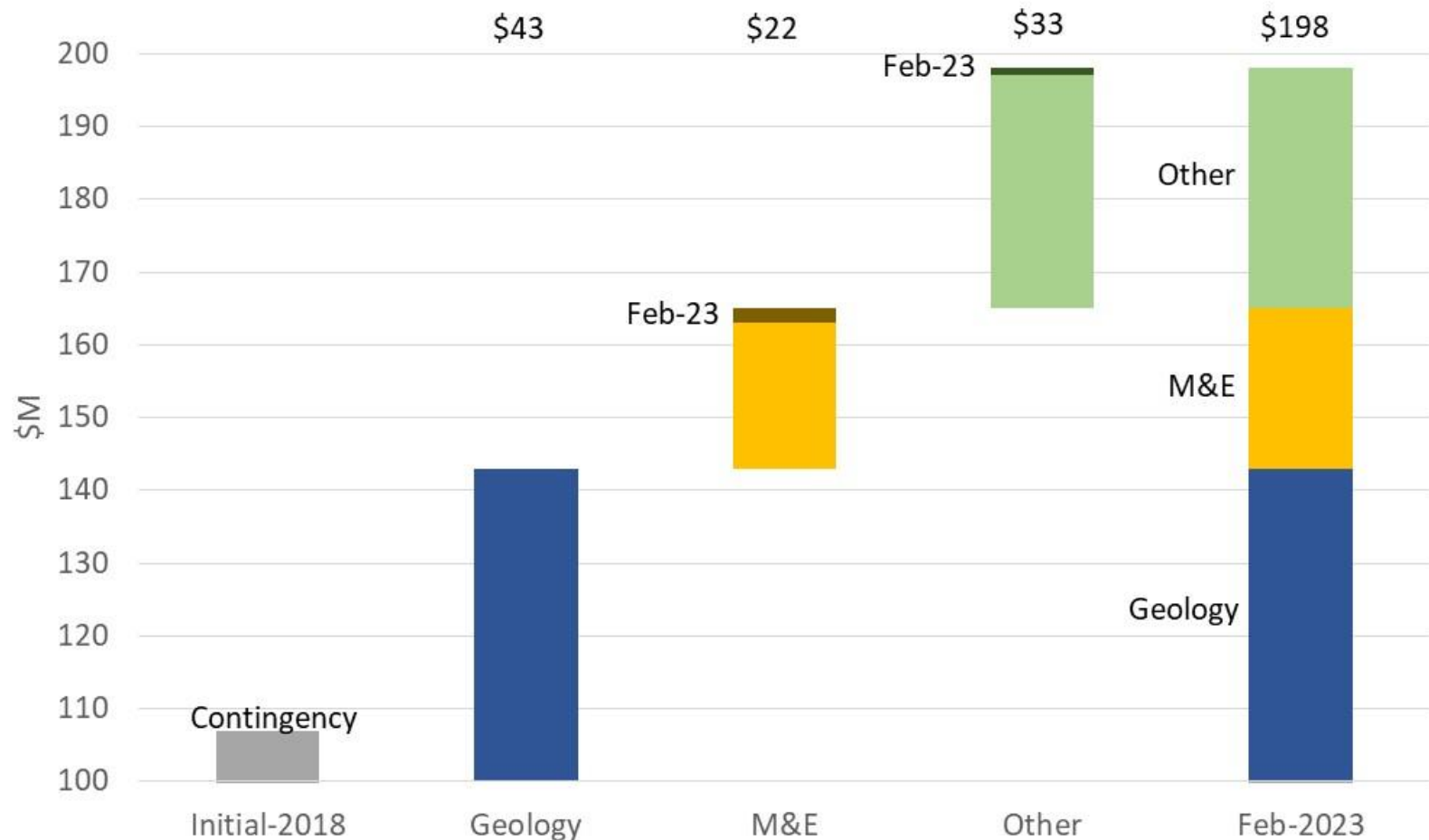
- Cost escalation
- Temporary River diversion works

Other

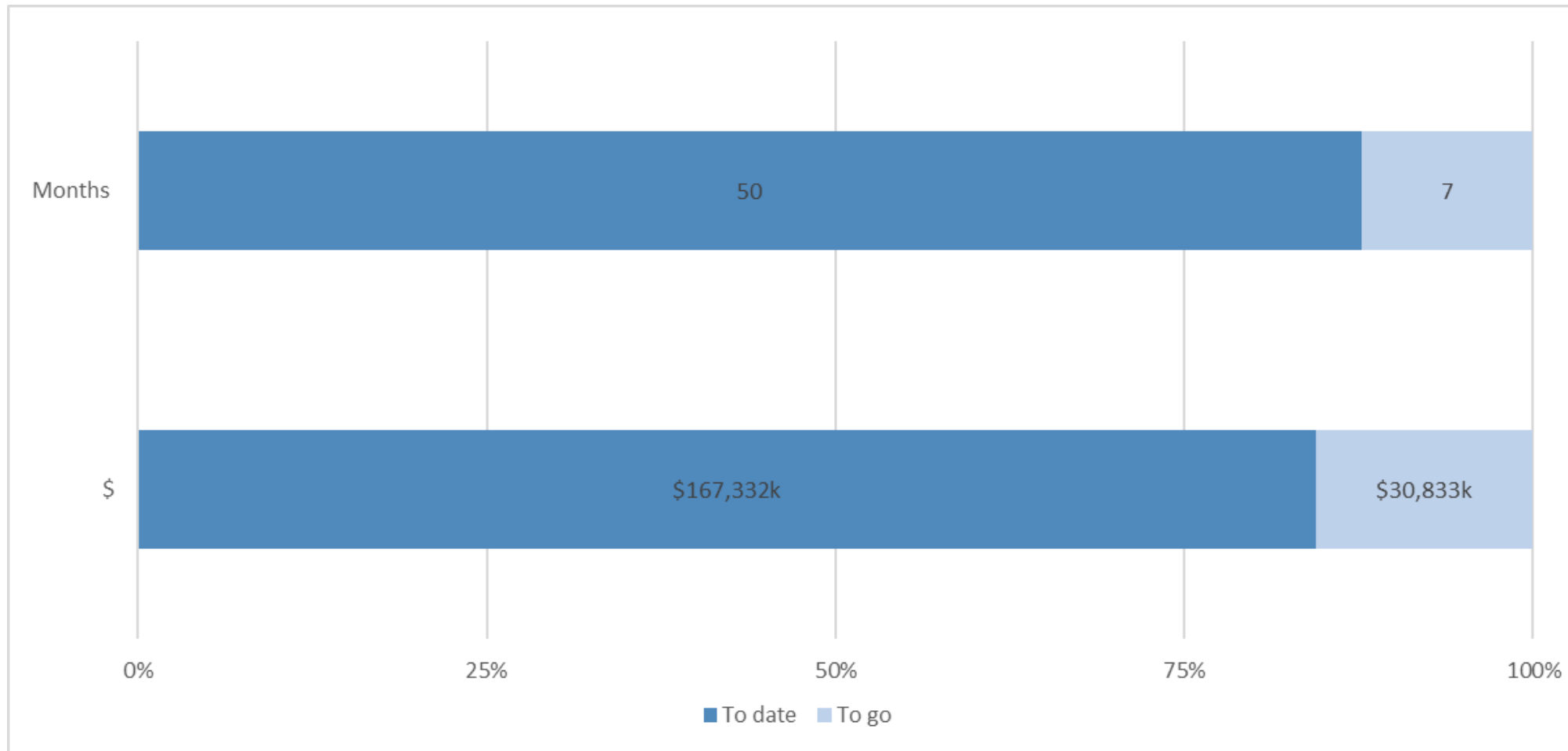
- Dispute costs
- Delay due to Contractor forecast
- Engineering

❖ ***Excludes unquantifiable risks
(excessive weather; disputes)***

Expect \$198M excluding un-quantifiable risks

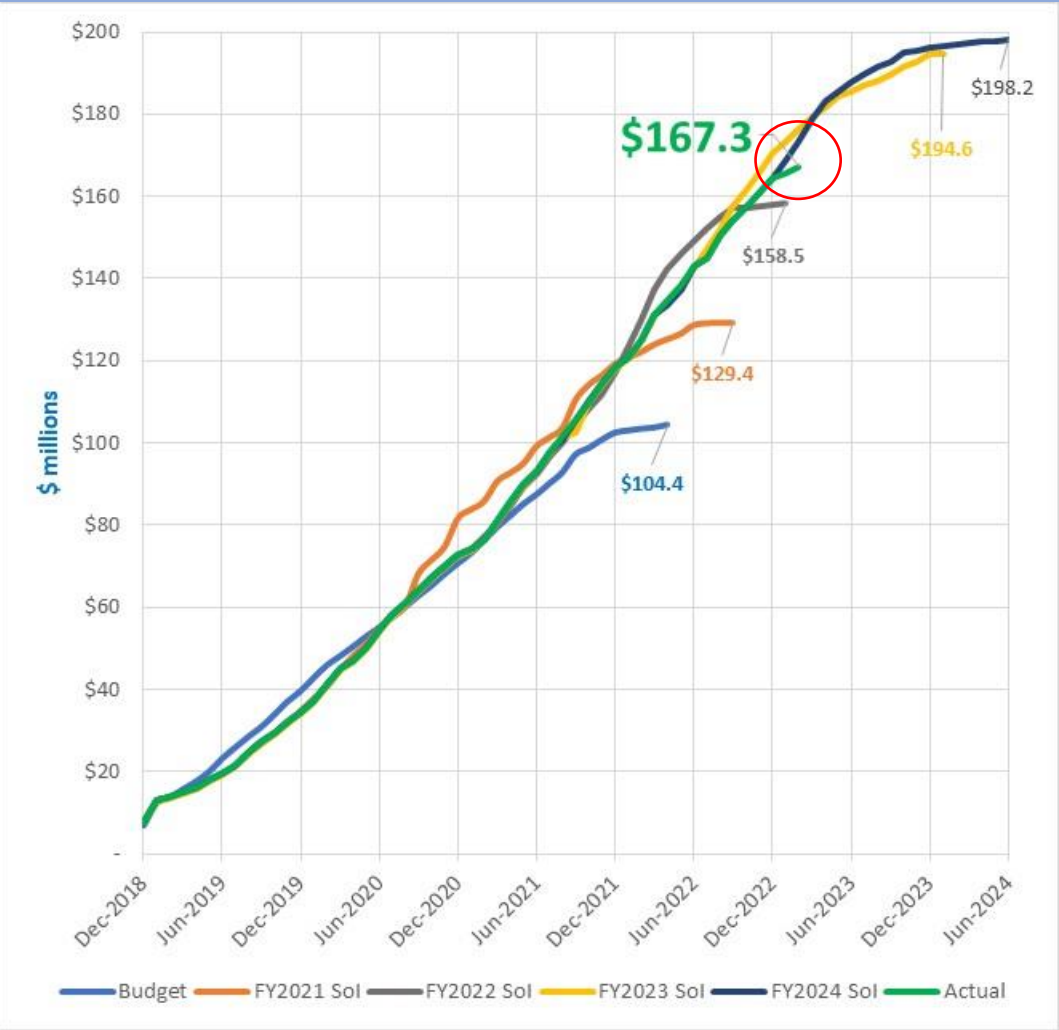


85% complete: 7 months and \$31M remaining

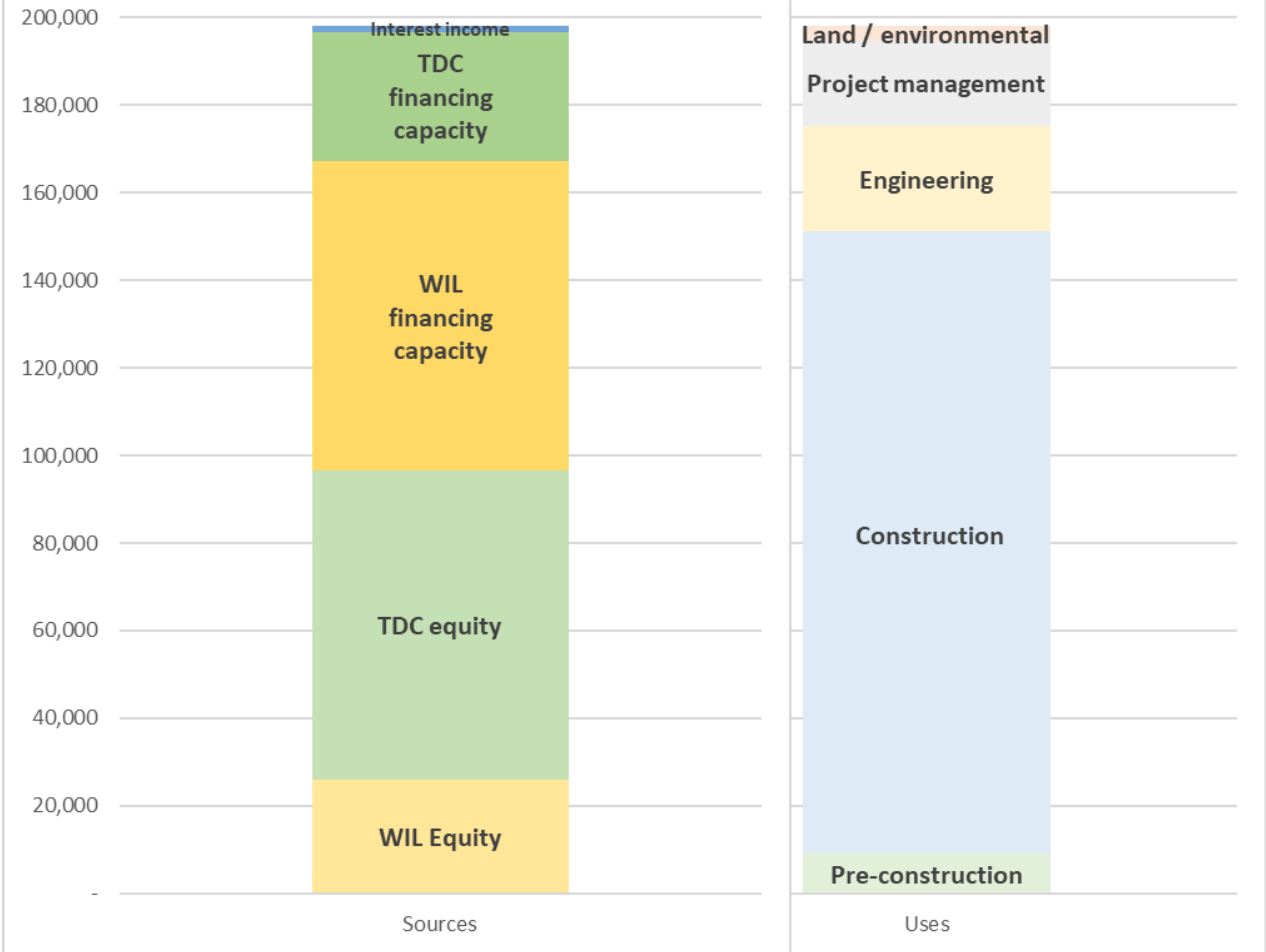


Cost forecast

S-Curve: \$167.3M / \$198.2M spent



Funding source and use



Operating cost forecast

Operating cost forecast + \$0.8M

- 110% increase in insurance (\$1.4M)
To consider risk balance
- Rates increase (\$0.4M)
- Inflation

Finance costs + \$0.8M

- TDC Debt (to self)
- Increase project costs / new funding arrangement
- Higher interest rates

\$2023 real	Current 2024/2025	Previous 2024/2025
Operating Cost	\$3.6M	\$2.8M
Finance Cost	\$2.6M	\$1.8M

Water Charge – TDC	\$2.6M	\$1.4M
Water Charge – WIL	\$3.4M	\$3.2M

Residual Risks

- ❖ Project cost based on currently known costs and risks
 - Reasonable estimate of known risks and trends
- ❖ Cost forecast excludes un-quantifiable risks / unallocated contingency
 - Now mainly excessive weather
- ❖ Contractor claims and dispute costs
 - Contractor disputing Independent Engineer decisions
 - Contractor **unsuccessful** with claim through Adjudication under Construction Contract Act 2002
 - Contractor now proceeding to arbitration
 - WWL planning for 2+ years of dispute. Preparing.



Thank You. Q&A



Mid-Year Report: 1 July – 31 December 2022

Waimea Water Limited Mid-Year Report: 31 December 2022

Issued: 28 February 2023



Page 1



Statement of Intent 1 July 2023- 30 June 2024

STATEMENT OF INTENT

1 July 2023 – 30 June 2024

VERSION: DRAFT 1 March 2023



Page 1 of 42



- ❖ Mid-year report published 28 Feb 2023
- ❖ Draft SOI
- ❖ Richmond Mall shopfront