

Quarterly Report

1 July 2024 – 30 September 2024



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Figure 2: 136m³/s of water landing in the plunge pool on 3 October 2024.

1. Introduction

This Quarterly Report is presented by the Directors of Waimea Water Limited (WWL), in accordance with Section 66 of the Local Government Act 2002. Established in December 2018, WWL is a Council Controlled Organisation under Section 6 of the Local Government Act 2002.

The purpose of this document is to provide shareholders with a brief unaudited report containing information and commentary on results for the three-month period ending 30 September 2024. It includes updates on;

1. The first set of core objectives for the Jul 2024 – Jun 2025 period of the current Statement of Intent (SoI) relating to post-construction activities.
2. The second set of core objectives, relating to the ongoing development and implementation of operations functions.

2. Glossary

This section summarises abbreviations / terms used in this document.

Abbreviation	Definition
BCP	Business Continuity Plan
CMP	Crisis Management Plan
CRMS	Corporate Risk Management System
DSAP	Dam Safety Assurance Programme
DSMS	Dam Safety Management System
EAP	Emergency Action Plan
HSWMS	Health, Safety and Wellbeing Management System
KPI	Key Performance Indicator
NZSOLD	New Society of Large Dams
OMM	Operations and Maintenance Manual
SOI	Statement of Intent
Council	Tasman District Council
TRMP	Tasman Resource Management Plan
WWL	Waimea Water Ltd

3. Closing out the construction project

This section provides updates on Sol objectives to close out the construction project.

3.1. Complete construction and as-built reporting

After Practical Completion, the construction contract must be “complete”, and all internal documentation updated to an appropriate standard for handover to operations staff.

Objective

Complete the Contract and all documentation.

Update

During the period, WWL continued to work with the Contractor on final claims to ‘close out the contract’ and to finalise all as-builts, construction reports and QA processes.

3.2. Achieve TRMP ‘with dam’ status

Under the TRMP, Council must certify that water is stored and capable of release such that WWL can modify flows to the Wairoa River to trigger TRMP operational status and the TRMP transitional framework switching to the “with dam” framework.

Objective

Transition to TRMP ‘with dam’ framework.

Update

The ‘with dam’ framework came into effect on 3 September 2024.



Figure 3: Waimea Community Dam was deemed fully operational during the period.

3.3. Complete the defects period

Some teething issues are likely to be identified during full operations and the Contractor has some responsibilities to complete necessary repairs. The period to identify and implement fixes is referred to as 'the defects period'.

Objective

Work through the first year of the defects period.

Update

All construction defects have been appropriately identified and the Contractor has begun to address those.



Figure 4: Inspection of the spillway chute.

3.4. Complete ancillary works

Some activities within the \$198.2m project cost will be undertaken after Practical Completion.

Objective

Complete ancillary works.

Update

3.4.1. We currently expect to commission micro-hydro systems in 2024 calendar Q4.

3.4.2. At quarter end, access platforms in the culvert and at the outlet works building were complete. Work had commenced on other permanent solutions also expected to be complete in 2024 calendar Q4, including spillway stairs and various fencing. The timing to complete a remaining bridge over Anslow's Creek, and fish trap and transfer infrastructure, remains uncertain.

3.4.3. The site office is in place and able to be used under diesel generator power. The timing to complete a permanent power solution via micro-hydro remains uncertain.



Figure 5: Access inside the valve chamber is completed, August 2024.

3.5. Manage dispute proceedings

WWL and the Fulton Hogan Taylor Joint Venture Contractor are in dispute.

Objective

Resolve the dispute.

Update

WWL continues to prepare for and manage dispute proceedings

3.6. Demobilise as required

WWL has operated since its inception with a small team essentially comprising engineering / project management staff plus support staff. As the objectives in sections 3.1 to 3.5 above are completed the expertise required across the engineering / project management team can progressively reduce.

Objective

Retain expertise to see through; completion of construction and as-built reporting, working through the defects period, completing ancillary works, and managing the dispute process.

Update

WWL continues to demobilise project / engineering staff as required.



Figure 6: 136m³/s of water on 3 October 2024 provided the largest load to the spillway to date.

4. Managing operations

This section provides updates on Sol objectives of development and implementation operations functions.

4.1. Dam safety compliance

WWL must operate and maintain the dam in accordance with dam safety regulations (2022) and New Zealand Society of Large Dams (NZSOLD) guidelines.

Objective

Safely operate the dam in compliance with regulations and guidelines.

Update

- 4.1.1. WWL received its Potential Impact Classification (PIC) from the regulator in Aug 2024 and has submitted its DSAP. The first annual audit and certification by a Recognised Engineer is scheduled, as is submission of an annual dam safety certificate to Council as the regulator.
- 4.1.2. WWL continues to comply with its own Dam Safety Management System (DSMS).

4.2. Dam operations plans

Beyond dam safety, WWL must have systems in place to operate and maintain the dam in general, and to respond to unusual events, including in accordance with NZSOLD guidelines. WWL must operate and maintain the dam in accordance with the resource consent.

Objective

WWL will have systems in place to operate and maintain the dam to appropriate standards, and to respond to unusual events.

Update

- 4.2.1. WWL continues to operate its own Health, Safety and Wellbeing Management System (HSWMS), that meets requirements of health and safety legislation.
- 4.2.2. The HSWMS requires ongoing verification of compliance, with sections of the system regularly reviewed in accordance with the system calendar. All reviews due to be complete to date have been completed.
- 4.2.3. A robust Business Continuity Plan (BCP) has been developed and 'desktop reviews' will be completed during the year.
- 4.2.4. A robust Crisis Management Plan (CMP) has been developed for ongoing review.
- 4.2.5. All plans and procedures described in the Operations and Maintenance Manual (OMM) continue to be followed, and the OMM reviewed for fitness-for-purpose accordingly.
- 4.2.6. WWL remains in full compliance with resource consents.

4.3. Water management

WWL is committed to working with shareholders on water augmentation, minimising its impact on the environment, taking steps to improve river water quality, and complying with resource consents.

Objective

Augment water supplies as appropriate and manage water quality in accordance with the resource consent.

Update

WWL continues to monitor reservoir and river water quality in compliance with consents. WWL plans to manage all water releases from the reservoir in accordance with the Reservoir Release Water Management Plan.

4.4. Corporate activities

Objective

Continue to maintain a tight focus on financial management and minimising cost, and to operate all 'corporate' functions to best practice proportionate to organisation scale, without compromising safety, reliability, sustainability, and efficiency.

Update

- 4.4.1. All costs and funding continue to be managed in accordance with the Company Constitution, best practice, and Generally Accepted Accounting Principles.
- 4.4.2. All regularly reports to shareholders and to financier Crown Irrigation Investments Ltd have been completed in full on time.
- 4.4.3. WWL continues to expect to receive an unqualified audit opinion from Audit NZ on behalf of the Auditor General on June 2025 results in 2025 calendar Q3.
- 4.4.4. WWL continues to follow its Corporate Risk Management System (CRMS).

5. Performance targets

This section summarises progress against Sol targets.

Objective / outcomes	KPI to 30 June 2025	Update for the quarter
Complete construction and as-built reporting		
Construction Contract	Closed out	On track
Construction reports and as-builts	Completed	On track to complete
Achieve compliance for TRMP 'with dam' framework		
TRMP 'with dam' framework in place	Complete	Complete Sep 2024
Complete the defects period		
Asset surveillance plan (defects)	100% implemented	On track to complete
Defects identified and addressed (register)	Progress tracked	On track to complete
Complete ancillary works		
Micro-hydro systems commissioned	Commissioned	On track to complete
Access solutions	Implemented	Timing remains uncertain
Manage dispute proceedings		
Contract dispute	submissions completed	Dispute continues
Demobilise as required		
Staff demobilised in line with post-construction activities	On track	On track to complete
Dam safety compliance		
DSMS	100% compliance	100% compliance
Intermediate (annual) Dam Safety Review	Completed	On track to complete
Annual Dam Compliance Certificate	Submitted	On track to complete
Annual test and review of EAP	Completed	On track to complete
Dam operations plans		
HSWMS review and verification	Complete	All reviews
Annual BCP and CMP tests	Complete	On track to complete
OMM	100% compliance	On track to complete
Biodiversity Management Plan	100% compliance	On track to complete
Water management plans		
Reservoir release plans	100% compliance	On track to complete
Reservoir and River WQPs	100% compliance	On track to complete
Corporate activities		
Water charges invoicing	100% accurate and on time	100% accurate and on time
Funding agreements	100% compliance	100% compliance
Shareholder reporting	100% on time	100% on time
Audit	Unqualified opinion	On track to complete
CRMS	100% compliance	100% compliance