

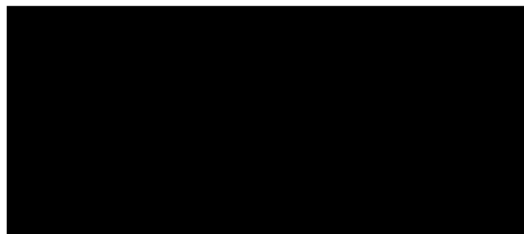


Ref: [REDACTED]

Civic House, 110 Trafalgar Street
PO Box 645, Nelson 7040, New Zealand

24 March 2022

P (03) 546 0200
E LGOIMA@ncc.govt.nz
nelson.govt.nz



Dear [REDACTED]

OFFICIAL INFORMATION REQUEST REGARDING WATER SUPPLY

I refer to your official information request dated 1 March 2022 for information regarding water supply.

- Can I please have the month-by-month tabulation of volume of water purchased by NCC from TDC for supply to Nelson South for the months from 1 July 2021 and up to 28 February 2022. Can I have a copy of the agreement between TDC and NCC for supply of water to Nelson South*

Please refer to the table below and attached.

Date	Volume of Water Supplied by TDC to Champion Rd bulk meters (m ³)
July 2021	5,860
August 2021	5,899
September 2021	6,230
October 2021	5,901
November 2021	7,260
December 2021	5,639 (Three weeks)
January 2022	12,036
February 2022	6,534

Internal Document ID: [REDACTED]

2. *Can the supply contract between TDC and NCC be terminated on notice or is it for a fixed duration? If it is for a fixed duration, how long is it for?*

The supply contract expires 30 June 2075. The agreement can be terminated with minimum three years notice.

3. *What did it cost NCC to have the water supply line build by Summerset (and vested in NCC) increased in size? I.E. what was the NCC contribution to the cost of this line?*

\$70,000. ex GST for upsizing the Suffolk Rd section from 200mmID to 250mmID.

4. *At what date does NCC anticipate supplying Nelson South residents with its own water?*

No date has been set by Council.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact me by email, alec.louverdis@ncc.govt.nz.

Yours sincerely



Alec Louverdis
Group Manager Infrastructure

Encl: ESA Agreement A2518793

Execution Version

Engineering Services Agreement

BETWEEN

TASMAN DISTRICT COUNCIL

AND

NELSON CITY COUNCIL

Engineering Services Agreement

Between TASMAN DISTRICT COUNCIL (TDC)

And NELSON CITY COUNCIL (NCC)

BACKGROUND

- A. On or about 19 September 2005 TDC and NCC entered into an engineering services agreement.
- B. The 2005 agreement set out the rights and obligations of the parties in relation to:
 - (i) the supply of water by TDC to certain properties in Nelson, situated on the north side of Champion Road, and Hill Street North, and in the Wakatu Industrial Estate;
 - (ii) the supply of water by NCC to TDC from the Roding Headworks;
 - (iii) the provision of sewerage services from TDC to certain properties in Nelson, situated on the north side of Champion Road; and
 - (iv) upgrades to Champion Road, Richmond as a result of development in Nelson.
- C. The 2005 agreement, as varied by exchange of letters between the parties, expired on 30 June 2015 and the parties entered into a new agreement on 15 April 2015.
- D. As a result of Part B: WATER SUPPLY TO NELSON INDUSTRIAL WATER SUPPLY AREA of the agreement expiring on 30 June 2020 and changes to the wider water supply environment the parties wish to enter into a new agreement.
- E. The parties have agreed that:
 - (i) TDC will continue to supply water to some of the properties in Nelson;
 - (ii) TDC will continue to supply water to NCC for the purposes of NCC supplying water to some of the properties in Nelson;

- (iii) NCC will continue to supply TDC with water from the Roding Headworks on the terms set out in this agreement until the commencement of operation of the Waimea Community Dam;
- (iv) TDC will continue to supply sewerage services to certain properties in Nelson on the terms set out in this agreement.

IT IS AGREED

TDC and NCC covenant as follows:

1. Interpretation

1.1 In this Agreement, unless the context otherwise requires:

Agreement	means this Agreement, and includes any Schedules annexed to this Agreement and any variations to this Agreement agreed to by the parties in writing
2015 Agreement	means the Engineering Services Agreement between the parties entered into on 15 April 2015, and includes any Schedules annexed to that Agreement and any variations to that Agreement agreed to by the parties in writing
GST	means all that tax from time to time payable under the Goods and Services Tax Act 1985 as amended from time to time, and any legislation enacted in substitution for that Act
NCC	means Nelson City Council, and includes its successors
Nelson Industrial Water Supply Area	means all the land shaded blue on the plan attached to this Agreement as Schedule 4
Nelson Residential Water Supply Area	means all the land shaded blue on the plan attached to this Agreement as Schedule 1

Nelson Sewerage Services Area	means all the land shaded red on the plan attached to this Agreement as Schedule 6
Parties	means the parties to this Agreement
Person	includes an individual, the Crown, a corporation sole and any body of persons (whether corporate or unincorporated)
Schedule	means a schedule to this Agreement
TDC	means Tasman District Council, and includes its successors
Working Day	means any day of the week other than: <ul style="list-style-type: none"> (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, Labour Day, the Sovereign's Birthday, Waitangi Day and Nelson Anniversary Day; and (b) a day in the period commencing with the 25th day of December in any year and ending with the 5th day of January in the following year.

1.2 In this Agreement, unless the context otherwise requires:

- (a) Words importing the singular shall include the plural and vice versa;
- (b) Any Schedule to this Agreement shall have the same effect as if set out in the body of this Agreement;
- (c) Clause headings are inserted for reference only and shall not affect the interpretation of this Agreement;
- (d) Words or expressions that are defined are indicated by capital letters for convenience. The absence of a capital letter shall not alone imply that the word or expression is used with a different meaning from that given by its definition;
- (e) References to statutes, regulations and rules, includes that

legislation as amended from time to time and any legislation in substitution therefore.

- 1.3 The parties acknowledge that this Agreement is a joint local government arrangement, as defined in section 137 Local Government Act 2002.

PART A: WATER SUPPLY TO NELSON RESIDENTIAL WATER SUPPLY AREA

2. Conditions and Term of Part A

- 2.1 The rights and obligations of the parties under Part A of this Agreement shall commence on 1 July 2021 (**Part A Commencement Date**) and shall expire on 30 June 2075 subject to earlier termination in accordance with Part A or Part E of this Agreement (**the Part A Term**).

3. Supply

- 3.1 During the Part A Term NCC shall be responsible for supplying water by network reticulation to all land within the Nelson Residential Water Supply Area. NCC will also be responsible for reading customer meters and invoicing of customer usage.
- 3.2 Subject to clauses 3.3, 5.1, 5.2, and 22.1, during the Part A Term TDC shall supply to NCC, and NCC shall purchase from TDC, the majority of the water that NCC uses to supply the Nelson Residential Water Supply Area on the terms set out in this Agreement.
- 3.3 At any time during the Part A Term NCC may stop purchasing water from TDC to supply all or part of the land within the Nelson Residential Water Supply Area if NCC has given TDC at least three years prior notice in writing. Upon expiry of any notice period to cease purchase of all water from TDC the rights and obligations of the parties under Part A of this Agreement shall terminate. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.

4. Price

- 4.1 NCC shall pay TDC for water supplied by TDC pursuant to clause 3.2. In each and every rating year during the Part A Term, commencing on the Part A commencement date, the amount payable by NCC to TDC for each cubic metre of water supplied by TDC to NCC shall be calculated in accordance with the following formula (subject to review in accordance with clause 4.3):

water rate x 0.7 x 365 = \$X

water supply services charge = \$Y

$$\text{\$X} + \text{\$Y} + \text{\$U (if any)} = \text{\$Z}$$

\\$Z plus GST = amount payable for each cubic metre of water supplied by TDC
(0.7 x 365)

4.2 In clause 4.1:

- (a) **water rate** is the water rate per cubic metre (excluding GST) of water supplied, that is levied or charged by TDC from time to time on the majority of rating units with a metered connection in Richmond; and
- (b) **water supply services charge** is the fixed annual amount for supply of water (excluding GST) that is levied or charged by TDC from time to time on the majority of rating units with a metered connection in Richmond; and
- (c) **'U'** is the total annual amount (if any) of the targeted rate, or fees and charges (excluding GST), levied or charged by TDC from time to time on the majority of rating units with a metered connection in Richmond for the purpose of funding the capital and/or operating and/or environmental cost of a Waimea Community Dam, or other significant project to meet the demand for water in Richmond.

4.3 The formula set out in clause 4.1 of this Agreement is based on water consumption of 700 litres per day by each of the 475 lots in the Nelson Residential Water Supply Area, which is the reason for the reference to '0.7' **(the daily consumption figure)** whenever it occurs in the said formula. On or about 1 November 2021, and every two years thereafter during the Part A Term, TDC may review the average daily water consumption by each of the 475 lots, and increase or decrease the daily consumption figure by notice in writing to NCC by the end of December to reflect any changes. This will allow sufficient time for both Councils to have the changes included in their respective Annual Plans or Long Term Plans. The new daily consumption figure shall be used to calculate:

- (a) the annual water rate payable by NCC to TDC in the rating year commencing on 1 July following the date of the notice; and
- (b) the maximum daily allowance under clause 5.1 of this Agreement applicable from 1 July following the date of the notice. The maximum daily allowance shall be calculated by multiplying 475 by the new daily consumption figure.

4.4 TDC shall notify NCC by the end of December in each year during the Part A Term if TDC proposes to levy or charge the rates, fees or charges described as **'U'** in clause 4.2 in the following financial year. This will allow sufficient time for NCC to include the proposed charges in its Annual Plan or Long Term Plan.

4.5 If at any time NCC proposes to pay TDC a monetary contribution towards the

capital cost of a Waimea Community Dam, or other significant project to meet the demand for water in Richmond, then prior to NCC making a decision on such proposal NCC and TDC shall meet to consider whether the amount 'U' in the formula set out in clause 4.1 will be varied, and the period of any such variation, if NCC pays the proposed monetary contribution.

- 4.6 The quantity of water supplied to NCC shall be measured at the water meters described in clause 7.1 of this Agreement.
- 4.7 TDC will submit a tax invoice to NCC at the beginning of each month for water supplied by TDC pursuant to this Agreement. NCC will pay TDC on the 20th day of the month following the date of the invoice.
- 4.8 If NCC shall fail to pay an invoice submitted by TDC under clause 4.7 by the due date for payment, NCC shall pay TDC interest on the outstanding amount from the due date for payment until the date of repayment at an annual rate that is 5% above the Reserve Bank of New Zealand 90 Day Bank Bill Rate on the due date for payment (or the next Working Day if no rate is published on the due date).
- 4.9 Annually on 1 July of each year during the Part A Term NCC shall notify TDC of the number of rating units within the Nelson Residential Water Supply Area that are connected to the NCC water supply network reticulation and supplied with water from TDC.

5. Quantity and Pressure

- 5.1 Subject to clause 5.4, TDC is not required to sell to NCC, and NCC is not required to purchase, more than 330 cubic metres of water per day (**maximum daily allowance**) (subject to review in accordance with clause 4.3). It is intended that water supplied for the purpose of firefighting within the Nelson Residential Water Supply Area is not included in the maximum daily allowance.
- 5.2 At any time during the Part A Term TDC may reduce the maximum daily allowance under clause 5.1 if TDC has given NCC at least three years prior written notice.
- 5.3 Subject to clause 22.1, TDC shall supply water to NCC under this Agreement at the following pressure range at the water meters described in clause 7.2: 300-900kPa.
- 5.4 Subject to clause 22.1, TDC shall supply NCC with sufficient quantity of water for the purpose of firefighting within the Nelson Residential Water Supply Area to comply with the minimum water volume for firefighting in urban districts recommended in the New Zealand Fire Service Firefighting Water Supplies Code of Practice 2008 and all Codes of Practice issued by the New Zealand Fire Service in amendment of, or substitution for, the same.
- 5.5 If at any time during the Part A Term TDC imposes a restriction on the use of water in Richmond:



- (a) by public notice in accordance with the Tasman District Council Public Water Supply Bylaw 2016 (amended 2019), as amended from time to time, or any bylaw in substitution; or
- (b) in order to comply with the Tasman Resource Management Plan (as amended from time to time, or anything in substitution thereof), or a water shortage direction imposed under the Resource Management Act 1991 (as amended from time to time, or anything in substitution thereof); or
- (c) in order to comply with the conditions of any water permit applicable to the supply of water to the Nelson Residential Water Supply Area;

then NCC shall immediately use its best endeavours to impose equivalent restrictions on all properties within the Nelson Residential Water Supply Area for the duration of the restriction imposed by TDC.

6. Quality

- 6.1 The water supplied by TDC to NCC pursuant to Part A of this Agreement shall comply with the water quality standards for drinking water set out in the New Zealand Drinking Water Standards for New Zealand 2005 (Revised 2018) or any subsequent revision.

7. Supply points and meters

- 7.1 TDC shall supply water to NCC pursuant to Part A of this Agreement at the water supply points marked on the plan attached as Schedule 2, and such other water supply points as are agreed to in writing by NCC and TDC.
- 7.2 TDC will ensure that there is a water meter and back flow prevention located at each of the water supply points.
- 7.3 TDC shall be responsible for calibration and maintenance of the water meters and back flow prevention described in clause 7.2. Both parties are entitled to check the water meters for accuracy.
- 7.4 TDC shall read the water meters each month to determine the quantity of water used by NCC. If any of the water meters in clause 7.2 shall cease to register correctly, the quantity of water passing through it shall be estimated, based on readings from the same period in the previous year. If such readings are not available then the estimate will be based on readings from the month immediately preceding the malfunction.
- 7.5 Water supplied by TDC to NCC under Part A of this Agreement shall be at NCC's risk once the water has passed through the water meter and backflow



assembly described in clause 7.2.

- 7.6 Charges made for any water lost as a result of a leak, or failure of the water meter or backflow assembly described in clause 7.2 will be adjusted by TDC to reflect the volume of water estimated to have been lost.

8. Consumer Guarantees Act

- 8.1 The parties agree that NCC is acquiring water, under this Agreement for the purposes of a business (as defined in the Consumer Guarantees Act 1993) and that the provisions of the Consumer Guarantees Act 1991 do not apply to the sale and purchase of water, pursuant to this Agreement.

PART B: WATER SUPPLY TO NELSON INDUSTRIAL WATER SUPPLY AREA

9. Conditions and Term of Part B

- 9.1 The rights and obligations of the parties under Part B of this Agreement shall commence on 1 July 2021 (**Part B Commencement Date**) and shall expire on 30 June 2075 subject to earlier termination in accordance with Part B or Part E of this Agreement (**the Part B Term**).

10. Supply

- 10.1 During the Part B Term TDC shall continue to be responsible for supplying water by network reticulation to all land within the Nelson Industrial Water Supply Area that TDC supplies with water by network reticulation as at the date of this agreement, on such terms and conditions as TDC applies from time to time to the majority of rating units with a metered connection in Richmond. TDC will also be responsible for reading customer meters and invoicing of customer usage.
- 10.2 During the Part B term NCC shall notify TDC of any change of ownership of properties in the Nelson Industrial Water Supply Area that are supplied by TDC.
- 10.3 At any time during the Part B Term TDC may stop supplying water from TDC to all or part of the land within the Nelson Industrial Water Supply Area if TDC has given NCC at least three years prior notice in writing. Upon expiry of any notice period to cease supply of all water from TDC the rights and obligations of the parties under Part B of this Agreement shall terminate. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.
- 10.4 TDC will retain ownership of and maintenance responsibility for the Waterworks (Nelson Industrial Water Supply Area) network listed in Schedule 3 as long as TDC use the network to supply water to the Nelson Industrial Water Supply Area.



- 10.5 NCC shall allow TDC, its employees, contractors and agents to enter onto land owned by NCC at any time to carry out maintenance of the TDC Waterworks (Nelson Industrial Water Supply Area) network located within the Nelson City Council Territorial Area referred to in clause 10.4.

PART C: WATER SUPPLY FROM NCC TO TDC

11. Term of Part C

- 11.1 The rights and obligations of the parties under Part C of this Agreement shall commence on 1 July 2021 and shall expire on 30 June 2075, subject to earlier termination in accordance with Part C or Part E of this Agreement (**The Part C Term**).
- 11.2 Either Party may terminate Part C of this Agreement by notice in writing to the other party if NCC's resource consent to take water from the Roding Headworks as at the date of this Agreement expires, and is not renewed. Upon termination the rights and obligations of the parties under Part C of this Agreement shall cease, without prejudice to the rights and remedies of either party against the other for any prior breach of Part C of this Agreement. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.
- 11.3 TDC may terminate Part C of this Agreement at any time by 6 months' notice in writing to NCC if TDC decides that it no longer wishes to take water from the Roding Headworks. Upon expiry of the notice period the rights and obligations of the parties under part C of this Agreement shall cease, without prejudice to the rights and remedies of either party against the other for any prior breach of Part C of this Agreement. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.
- 11.4 Notwithstanding clauses 11.1, 11.2 and 11.3, Part C of this agreement shall terminate upon the commencement of operation of the Waimea Community Dam. Upon termination the rights and obligations of the parties under Part C of this Agreement shall cease, without prejudice to the rights and remedies of either party against the other for any prior breach of Part C of this Agreement. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.

12. Supply

- 12.1 Subject to clauses 12.2, 16.1 and 22.1, during the Part C Term NCC shall supply water to TDC from the Roding Headworks, and TDC shall purchase such water, on the terms set out in this Agreement.
- 12.2 TDC shall use water supplied by NCC from the Roding Headworks with sufficient frequency and volume to ensure the water in the pipeline meets the requirements of the water quality standards for drinking water set out in the New Zealand Drinking Water Standards for New Zealand 2005 (Revised 2018), but otherwise there is no obligation on TDC to use such water.

- 12.3 TDC shall allow NCC, its employees, contractors and agents to enter onto land owned by TDC at any time to carry out maintenance of the NCC trunkmain located within the Tasman District Council Territorial Area referred to in clauses 12.1 and 16.1.

13. Price

- 13.1 The price payable by TDC to NCC for water supplied under clause 12.1 shall be calculated in accordance with the formula set out in Schedule 5 of this Agreement.

- 13.2 On or about 1 November in each year during the Part C Term NCC may, after consultation with TDC, review the operations and maintenance costs, and depreciation costs, described in Schedule 5 of this Agreement that are used to calculate the Fixed and Variable Charges in accordance with the formula set out in that Schedule. Following review, NCC shall give written notice to TDC specifying the new Fixed and Variable Charges by the end of December to allow sufficient time for both Councils to have the changes included in their respective Annual Plans and Long Term Plans. The new Fixed and Variable Charges shall come into effect on the 1st day of July following the date of NCC's notice.

- 13.3 If, as a result of any review under clause 13.2, NCC increases either the Fixed or the Variable Charge by an amount that is greater than 4% of the charge payable in the preceding year then TDC may cancel Part C of this Agreement by three months' notice in writing to NCC. Upon expiry of the notice period the rights and obligations of the parties under part C of this Agreement shall cease, without prejudice to the rights and remedies of either party against the other for any prior breach of Part C of this Agreement. All other parts of this Agreement, which have not previously been cancelled in accordance with this Agreement, shall continue in full force and effect.

- 13.4 The price payable by TDC to NCC for water pursuant to Part C of this Agreement includes TDC's contribution to the operation and maintenance costs of the Roding Headworks and the Roding Trunk Main System.

- 13.5 The quantity of water used by TDC shall be measured at the water meter described in clause 16.2 of this Agreement.

- 13.6 NCC will submit a tax invoice to TDC each month for water supplied by NCC pursuant to this Agreement. TDC will pay NCC on the 20th day of the month following the date of the invoice.

- 13.7 If TDC shall fail to pay an invoice submitted by NCC under clause 13.6 by the due date for payment, TDC shall pay NCC interest on the outstanding amount at an annual rate that is 5% above the Reserve Bank of New Zealand 90 Day Bank Bill Rate on the due date for payment (or the next Working Day if no rate is published on the due date).

14. Quantity and pressure

- 14.1 NCC shall supply water to TDC from the Roding Headworks at the rate of 909

cubic metres per day or 1/15th of the authorised daily abstraction from the Roding Headworks, whichever is the lesser (**daily entitlement limit**).

- 14.2 Any water supply to TDC above the daily entitlement limit is completely at the discretion of NCC. Any additional water that NCC chooses to supply to TDC will be charged for at the same rate that NCC charges from time to time for water that NCC supplies to the majority of rating units with a metered connection in Nelson.
- 14.3 In the event of a low river flow causing a reduced abstraction from the Roding Headworks, NCC will advise TDC of TDC's share of the authorised daily abstraction and check the flow meter at least weekly. In turn, TDC will ensure that this daily allowable take is not exceeded, without NCC's express consent, by controlling the relevant equipment.
- 14.4 Subject to clause 22.1 NCC shall supply water to TDC under this Agreement at the following pressure: minimum 300kPa.

15. Quality

- 15.1 The water supplied by NCC to TDC pursuant to this Agreement shall comply with the water quality standards for drinking water set out in the New Zealand Drinking Water Standards for New Zealand 2005 (Revised 2018).

16. Supply points and meters

- 16.1 NCC will supply water to TDC pursuant to this Agreement at the intersection of Champion Road and Salisbury Road, Richmond.
- 16.2 NCC will ensure that a water meter, and backflow prevention, is located at the water supply point described in clause 16.1.
- 16.3 NCC shall be responsible for calibrating and maintaining the water meter and backflow prevention described in clause 16.2. Both parties are entitled to test the meter for accuracy.
- 16.4 NCC shall read the water meters each month to determine the quantity of water used by TDC. If the water meter in clause 16.2 shall cease to register correctly, the quantity of water passing through it shall be estimated, based on readings from the same period in the previous year. If such readings are not available then the estimate will be based on readings from the month immediately preceding the malfunction.
- 16.5 Water supplied by NCC to TDC under this Agreement shall be at TDC's risk once the water has passed through the water meter and backflow assembly described in clause 16.2.
- 16.6 Charges made for any water lost as a result of a leak, or failure of the water meter or backflow assembly will be adjusted by NCC to reflect the volume of water estimated to have been lost or incorrectly charged for.

17. Consumer Guarantees Act

- 17.1 The parties agree that TDC is acquiring water under this Agreement for the purposes of a business (as defined in the Consumer Guarantees Act 1993) and that the provisions of the Consumer Guarantees Act 1991 do not apply to the sale and purchase of water pursuant to this Agreement.

PART D: SEWERAGE SERVICES

18. Term of Part D

- 18.1 The rights and obligations of the parties under Part D of this Agreement shall commence on 1 July 2021 and shall expire on 30 June 2075, subject to earlier termination in accordance with Part E of this Agreement (**The Part D Term**).

19. Sewerage services

- 19.1 During the Part D Term TDC shall provide sewerage reticulation to all land within the Nelson Sewerage Services Area that TDC provides sewerage services to as at the date of this Agreement, on such terms and conditions as TDC applies to the Richmond residential area.
- 19.2 TDC shall directly invoice users of the sewerage services supplied pursuant to clause 19.1.
- 19.3 TDC shall be responsible for maintenance of that part of the sewerage reticulation described in clause 19.1 that is under the control of TDC within property and roadways as identified by the current version of Top of the South Maps.
- 19.4 NCC shall be responsible for maintenance of that part of the sewerage reticulation serving NCC users that is under the control of NCC but that lies within the roadways owned by TDC, as identified by the current version of Top of the South Maps.
- 19.5 TDC shall allow NCC, its employees, contractors and agents to enter onto land owned by TDC at any time to carry out maintenance of the NCC network reticulation referred to in clause 19.4.
- 19.6 NCC shall allow TDC, its employees, contractors and agents to enter onto land owned by NCC at any time to carry out maintenance of the TDC network reticulation referred to in clause 19.3.

PART E: MISCELLANEOUS RIGHTS AND OBLIGATIONS

20. Term of Part E

- 20.1 Part E of this Agreement shall commence on 1 July 2021 and shall expire on 30 June 2075, subject to earlier termination in accordance with this Agreement.

21. Assignment and subcontracting

- 21.1 Neither Party shall assign its rights or obligations under this Agreement to any Person.
- 21.2 Subject to clause 21.3 neither Party shall subcontract all or part of its obligations under this Agreement to any Person without the prior written consent of the other Party.
- 21.3 Either Party may subcontract their maintenance obligations under this agreement to any Person, but the subcontracting of such obligations shall not relieve that Party from any liability or obligation under this agreement.

22. Shut downs

- 22.1 Either Party may reduce the volume or pressure of water supplied to the other Party pursuant to this Agreement for the purposes of carrying out maintenance of waterworks, and for such period as the maintenance works are carried out, provided the Party wishing to reduce the supply of water has given 1 week prior notice in writing to the other Party

23. Termination

- 23.1 Either Party may terminate this Agreement by written notice to the other Party if:
- (a) The other party fails to comply with a term of this Agreement and, where such breach is capable of being remedied, the other Party fails to remedy the breach within 28 days after receiving a written notice from the terminating Party specifying the breach and requiring it to be remedied; or
 - (b) The other party fails to comply with a term of this Agreement and such breach is not capable of being remedied.
- 23.2 Subject to clause 23.3, TDC or NCC may terminate this Agreement, or Part A, B, C or D of this Agreement, at any time by three year's notice in writing to the other party. TDC or NCC may terminate the Agreement or a Part of this Agreement pursuant to this clause for any reason. If TDC or NCC only terminate a Part of this Agreement under this clause then other parts of this Agreement which have not previously been cancelled, shall continue in full force and effect.
- 23.3 NCC shall not terminate Part C of this Agreement except in accordance with clause 11.2 of this Agreement.

- 23.4 Termination of this Agreement by either Party for any reason shall be without prejudice to the rights and remedies of that Party against the other Party.

24. Development Contributions

- 24.1 If NCC terminates all or part of this Agreement then TDC is not liable to pay NCC the amount of any development contributions (as defined in section 197 Local Government Act 2002) or water connection charges that have been paid to TDC as a result of any development, building, or service connection within the Nelson Residential Water Supply Area.
- 24.2 If TDC terminates all or part of this Agreement and ceases to supply water to the Nelson Residential Water Supply Area then TDC shall promptly refund to NCC a portion of the development contributions (as defined in section 197 Local Government Act 2002) and water connection charges that have been paid to TDC as a result of any development, building, or service connection within the Nelson Residential Water Supply Area-using a straight line depreciation from the date the charges were paid to TDC until 30 June 2075. The amount payable to NCC is the remaining value of the development contributions and water connection charges shown by this straight line depreciation, as at the date of termination.

25. Force majeure

- 25.1 Notwithstanding any provision to the contrary in this Agreement, whether expressed or implied, a Party shall not be liable for failure to perform any of its obligations under this Agreement where such failure is caused by an event beyond that Party's reasonable control including, but not limited to, power stoppages, acts of God, war, lightning, fire, earthquake, storm, flood, explosion, or act of terrorism (**force majeure event**).
- 25.2 If any Party is affected by a force majeure event it shall immediately notify the other Party of the occurrence of the event and the expected duration of the event.
- 25.3 Either Party may terminate this Agreement by giving the other party one month's written notice if a failure by the other Party to perform its obligations in the circumstances referred to in clause 25.1 continues for a period of more than three months.

26. Non-waiver

- 26.1 Any delay, failure or forbearance by a Party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Agreement shall not operate as a waiver of such right, power or remedy. A waiver of any breach of any of the provisions of this Agreement shall not be effective unless that waiver is in writing and is signed by the Party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any subsequent breach.

27. Partial invalidity

- 27.1 In the event of the invalidity of any provision of this Agreement, such invalidity shall not affect the enforceability of any other provision of this Agreement.

28. Emergency Supply

- 28.1 As the trunk main/s between NCC and TDC reach their end of service life, both Council's will work collaboratively on a replacement/funding strategy to ensure a link between NCC/TDC remains in place that will allow transfer of potable water to each council in case of an emergency.

29. Maintenance of Utilities

- 29.1 TDC and NCC shall allow each other's employees, contractors and agents to enter onto land owned by the respective Council at any time to carry out maintenance of any utility not specifically covered in any other clause of this agreement.
- 29.2 It will be the responsibility of the Council undertaking the maintenance to put in place all necessary approvals and community notices. All works and reinstatement must be carried out in accordance with the Nelson Tasman Land Development Manual 2019 or successor document.

30. Three Waters Reform

- 30.1 In the event of any law or regulation being proposed, passed or amended in connection with the Three Waters Reform and such law or regulation adversely affects or is reasonably likely to adversely affect TDC's or NCC's rights under this Agreement, TDC and NCC will engage with each other and will use reasonable endeavours to work collaboratively together to ensure that neither's rights under this Agreement are adversely affected.

31. Notices


- 31.1 Any notice or any document required to be given in writing under this Agreement shall be given:
- (a) to TDC, by post or by delivery to the Council's principal place of business at 189 Queen Street, Richmond or such other address as may be provided in writing to NCC from time to time. All notices to TDC shall be marked for the attention of the Council's Chief Executive; and
 - (b) to NCC, by post or by delivery to the Council's principal place of business at 110 Trafalgar Street, Nelson or such other address as may be provided in writing to TDC from time to time. All notices to NCC shall be marked for the attention of the Council's Chief Executive

31.2 Any notice that is posted shall be deemed to have been received by the other Party five Working Days after the date of posting.

31.3 Any notice given by a Party may be signed on behalf of that Party by the Party's Chief Executive, any authorised officer of the Party, or by that Party's solicitor.

Dated 15 June.....2021

Signed for and on behalf of TASMAN DISTRICT COUNCIL



Authorised Signatory

Signed for and on behalf of NELSON CITY COUNCIL



Authorised Signatory

SCHEDULE 1:

Plan of Nelson Residential Water Supply Area

SCHEDULE 2:

Plan of Water Supply Points

SCHEDULE 3:

List of Nelson Industrial Water Supply Area Assets

SCHEDULE 4:

Plan of Nelson Industrial Water Supply Area.

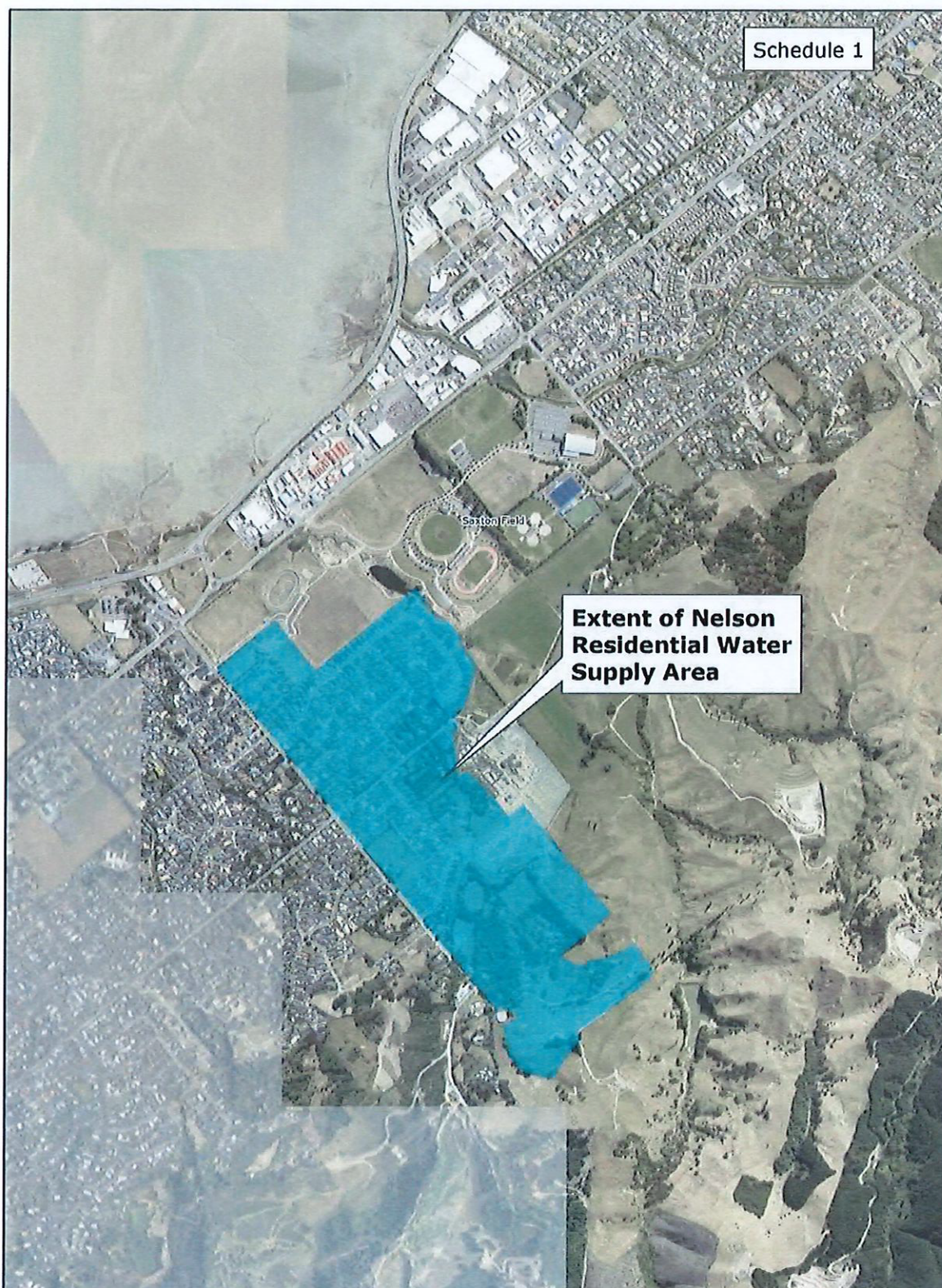
SCHEDULE 5:

Formula for calculating water price payable by TDC to NCC

SCHEDULE 6:

Plan of Nelson Sewerage Services Area





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Nelson Residential Water Supply Area

Schedule 1



Scale 1:17,556

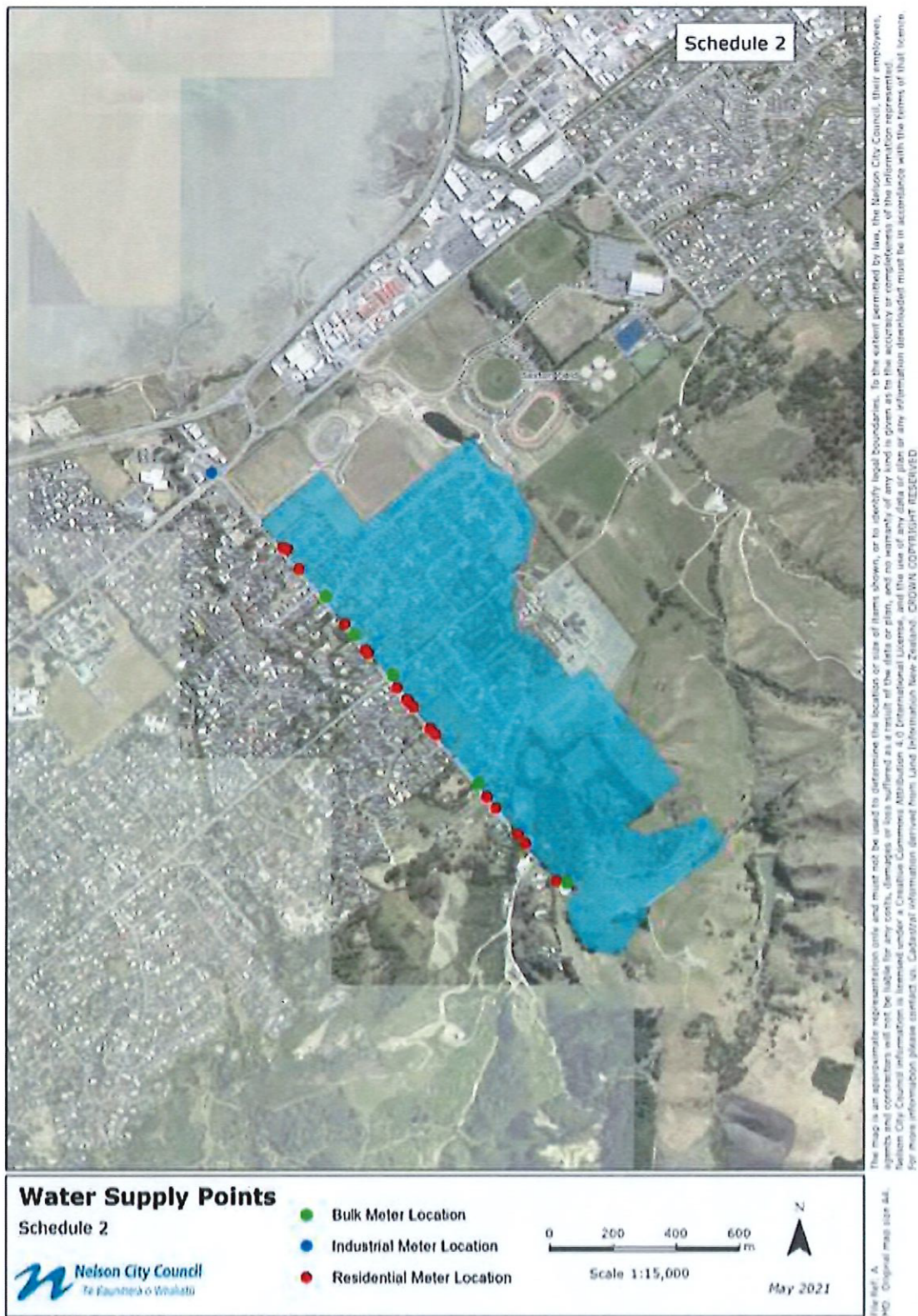


April 2021

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MQ. Original map size A4.

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11 June 2021 (A2518793)



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Schedule 3 Nelson Industrial Water Supply Assets
updated 27, 28 & 30 Apr 2021.

Water reticulation	m
20 mm dia	30
25 mm dia	21
50 mm dia	336
100 mm dia	446
150 mm dia	578
200 mm dia	1051
Valves	No
20 mm dia	24
25 mm dia	10
40 mm dia	4
50 mm dia	8
80 mm dia	3
100 mm dia	5
150 mm dia	8
200 mm dia	18
Fire hydrants	21
Backflow preventers	No
20 mm dia	19
25 mm dia	10
32 mm dia	2
40 mm dia	2
50 mm dia	1
80 mm dia	1
Water Meters	No
20 mm dia	26
25 mm dia	16
32 mm dia	2
40 mm dia	3
50 mm dia	12
80 mm dia	1
100 mm dia	2
Perimeter Trunkmain	m
150 mm dia	194
200 mm dia	60
300 mm dia	632
375 mm dia	839
450 mm dia	368

500 mm dia	312
Valves	No
75 mm dia	2
150 mm dia	2
300 mm dia	2
375 mm dia	5
Fire hydrants	7





Nelson Industrial Water Supply Area

Schedule 4



- Industrial Water Supply Area
- Tasman District Council Trunk main

0 200 400 600 m
Scale 1:17,556



April 2021

File Ref: A2518793
WC Original map 2021 A2

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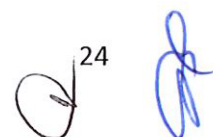
Attachment**Schedule 5****Roding Water Supply Water Costs Allocation****Current Agreement**

Water Charging Cost Breakdown

TDC Share

Components Used

Roding Headworks	5.68%
Roding tunnel and pipeline	5.68%
Marsden PS	10.98%
Foothills Raw Water Pipeline	5.68%
WTP	2.75%
WTP Brook Street	2.55%
Brook St (Hillside Lane - Bronte)	2.76%
Bronte St (Tasman - Rutherford)	2.91%
Rutherford St (Bronte - Van Diemen)	2.91%
Van Diemen (Rutherford - Waimea)	2.91%
Waimea (Van Diemen - Boundary)	5.31%
Boundary (Waimea - TT)	5.31%
TT – Annesbrook	5.93%
Annesbrook – Marsden	10.41%
Main Rd Pipeline (Marsden to Saxton)	22.67%
Main Rd Pipeline (Saxton to Orphanage Creek)	85.00%
Main Rd Pipeline (Orphanage Ck to Champion Rd)	100.00%
Overhead Allocation	6.64%
Share of Rate Requirement	2.43%
Example: Rate Requirement 2010/11	\$10,568,383
2.43% X \$10,568,383 = \$256,811	



TDC Cost per m3 excluding GST (based on 909 m3 per day) 2010/11 \$0.77

TDC Cost based on network operation and maintenance costs + water extraction and treatment costs = \$256,811 total.

Water Costs Allocation (Proposed)

Example: 2011/12 financial year:

Recovery by Fixed Charge	O&M	Depr	TDC Share	
Roding headworks	\$28,633	\$43,100	5.68%	\$4,074
Roding tunnel and pipeline	\$6,496	\$71,560	5.68%	\$4,343
Marsden Valley pipeline	\$2,225	\$11,234	19.09%	\$2,569
Marsden Rd pipeline	\$740	\$3,705	100.00%	\$4,445
Main Rd pipeline (Marsden to Saxton)	\$3,029	\$8,959	22.67%	\$2,718
Main Rd pipeline (Saxton to Orphanage Creek)	\$223	\$627	85.00%	\$723
Main Rd pipeline (Orphanage CK to Champion Road)	\$1,680	\$4,133	100.00%	\$5813
Recovery by Variable Charge				
Pump Stations	\$216,357	\$96,140	10.98%	\$34,312
Foothills pipelines		\$60,973	5.68%	\$3,463
WTP	\$1,501,493	\$1,130,507	2.75%	\$72,380

Overheads	\$	2,476,448	6.64%	\$164,436
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Renewal of Resource Consent	TBA			
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Fixed Charge	\$24,777
Variable Charge \$/m3	\$0.83



Nelson Sewerage Services Area

Schedule 6



Scale 1:13,167

April 2021

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