

Agreement Between:

Hutt City Council (HCC)
and Wellington Regional Council (WRC)

Dated.

1. Background

About October 1999 HCC commissioned its new Rahui reservoir and WRC closed its Buick Street pumping station in Petone. Currently WRC normally supplies water to the new Rahui reservoir from its Waterloo Water Treatment Plant (WTP). This water is fluoridated.

The Buick Street pumping station previously supplied unfluoridated water to the Petone area. Hutt City Council has requested WRC to modify the wholesale water supply system so that the new Rahui reservoir is supplied with unfluoridated water.

Wellington Regional Council has carried out investigations as to the cost of the work required to modify the water supply system to meet HCC's request, such cost as at May 2000, including a 15 percent contingency sum are estimated to be up to a maximum of \$410,000 (excluding GST).

Wellington Regional Council has agreed to modify the water supply system provided WRC's proportion does not exceed \$207,000 (excluding GST).

This agreement sets out the conditions which will allow for this change in supply.

2. Proposal

Wellington Regional Council will carry out the work (“the Works”) to allow changes in the wholesale water supply system so the new Rahui reservoir receives unfluoridated water.

3. Cost Apportionment

The cost of the Works is to be shared equally between the HCC and WRC.

4. Cost Estimate

Wellington Regional Council will provide HCC with a revised estimate once design work is completed and before construction starts. Such revised estimate is to be provided not later than 31 July 2000.

5. Undertaking the Works

Upon signing the agreement the WRC shall arrange for construction of the Works so as to achieve their completion at the earliest practical date and no later than 31 March 2001.

Wellington Regional Council will decide in its sole discretion how the Works are to be constructed taking into account cost effectiveness, timeliness, risk and continuous operation of the wholesale water supply system.

Whilst WRC will use all reasonable endeavours to ensure the Works are substantially completed by 31 March 2001 HCC shall have no claim for late completion. Substantially completed in this context means the date there is a regular supply of unfluoridated water to the new Rahui reservoir.

6. Payments

Wellington Regional Council will invoice the HCC three monthly for HCC's share of the cost. Accompanying the invoice will be a schedule showing the individual items cost for the month and the total costs to date.

7. Ownership

Wellington Regional Council will own the Works as part of its wholesale water supply system.

Payment by HCC for a share of the Works will in no way transfer any ownership rights to HCC or give HCC any other claim in respect of the Works.

8. Maintenance

Wellington Regional Council will be solely responsible for carrying out and paying for the cost of maintenance for the Works.

9. Replacement Equipment

Wellington Regional Council will be solely responsible for replacing equipment when it is at the end of its economic life and paying for the cost of replacement equipment.

10. Continuity of Supply

Wellington Regional Council will use all reasonable endeavours to ensure that any water supplied to the new Rahui reservoir is unfluoridated.

Hutt City Council acknowledges that on rare occasions maintenance work, or emergency situations, may require the new Rahui reservoir to be supplied with fluoridated water, which may also be chlorinated. Wellington Regional Council agrees to, where possible, provide HCC with prior notice of a change in water supply.

Hutt City Council also acknowledges that refurbishment of the Orongorongo to Karori main in the Petone area will require the new Rahui reservoir to be supplied

with water, which is fluoridated and chlorinated. This work is expected to take about four weeks and is scheduled for the 2001/02 financial year.

Wellington Regional Council will continue to supply unfluoridated water to the new Rahui reservoir for a period of not less than 15 years from the date of completion of the Works and shall not discontinue such supply without first consulting with HCC.

11. Circumstances Rendering Works Redundant

The parties have entered into this agreement having regard to circumstances prevailing as at May 2000. In the event of any significant change of circumstances, neither party will have any claim against the other for any moneys paid in fulfilment of the obligations under this agreement. For the avoidance of doubt, a significant change of circumstances shall include, though not be limited to, legislative change or operational requirements rendering the Works redundant.

If the Works become redundant, then the WRC may dispose of the Works in any way it sees fit. Wellington Regional Council will meet the costs of disposal and retain revenue received from the sale of equipment (if any).

12. Force Majeure

Under a force majeure event HCC acknowledges that WRC's first obligation is to restore the water supply system. Supply of unfluoridated water will be of a lower priority than supplying potable water. The cost of reinstating an unfluoridated water supply after a force majeure event will be met by the WRC, provided it is practical to do so.

13. Variation

This agreement shall not be varied except in writing and under the seal of both HCC and WRC.

The Common Seal of Lower Hutt City Council was affirmed in the presence of

Name:

Date:

The Common Seal of the Wellington Regional Council was affirmed in the presence of

Name:

Date: