

Notes of the Waioeka-Otara Rivers Scheme Advisory Group meeting held in Council Chambers, Ōpōtiki District Council, 108 St John Street, Opotiki, on Friday, 17 November 2017 commencing at 1:00 pm

Chair: Cr Norm Bruning

Scribe: Cleo Hanlon

BOPRC Staff: Mark Townsend (Engineering Manager), Kirsty Brown (Asset Management Specialist), Tony Dunlop (Flood Restoration Project Engineer), Paula Chapman (Flood Restoration Project Manager), Bruce Crabbe (Rivers and Drainage Operations Manager), Chris Ingle (General Manager Integrated Catchments), Andy Dixon (Management Accountant Team Leader), Roger Waugh (Rivers and Drainage Assets Manager)

BOPRC Councillors: Cr Bill Clarke

Advisory Group: Dave Wilson, Robbie Petersen, Ken Young, Jess Wiseman

Apologies: Chairman Doug Leeder, Chris Hopman, Tania Te Whenua (for lateness)

1 **Welcome and Introduction**

Cr Bruning opened the meeting, and a round table of introductions was made.

The passing of Willy Maxwell, a previous liaison group member, was acknowledged.

2 **Apologies**

Apologies were received from Chairman Leeder and Chris Hopman.

3 **Scheme and advisory group overview**

Roger Waugh presented an overview of the Waioeka-Otara Rivers Scheme and the advisory group. Key points covered were:

- Advisory groups have evolved from the previous liaison groups. Two meetings are to be held each year, in March and September (with the exception of this current meeting). Meetings are chaired by an elected regional councillor.
- The advisory group membership and areas of representation. Highlighted that the purpose of the groups is enhance communication between Council and the ratepayer community.
- Scheme funding (via the targeted rate) is based on a whole-of-catchment, land area, differential, rating system which was implemented in 2002.
- Targeted rates pay 80% of the scheme's funding, and the regional contribution makes up the remaining 20%.

- Key scheme asset facts.

4 **Previous meeting notes 22 March 2017 – for tabling**

The notes of the 22 March 2017 meeting were tabled.

5 **Engineering report**

Mark Townsend gave a presentation of the significant rainfall the region had experienced and the effect on the catchments from ex-Tropical Cyclones Debbie and Cook in April 2017.

Mark advised that rainfall in Waioeka @ Cableway showed the intensity of the rainfall during the event with peaks reached 1,100 m³/s, which was equivalent to a 10-year event. Rainfall in Otara @ Browns Bridge showed a similar effect.

Photos of the river mouth after the event showed some of the debris and the movement which is currently being monitored.

6 **April 2017 flood recovery**

Paula Chapman presented an overview of the April 2017 Flood Recovery Project for the scheme. Key points included:

- Since April a lot of work has been done by staff to identify damaged sites, using inspections and drone photography. Council staff have put together estimates and as we return to sites, some sites have popped up or have been exacerbated.
- Across the four major schemes, there are over 500 damaged sites at an estimated \$45 million to repair. In the Whakatāne and Tauranga catchments there are approximately 60 sites needing repair at an estimated cost of \$5.4 million.
- Re-structure within the Rivers and Drainage Team to increase resources and improve response to large projects and events in the future.
- Insurance will cover 40% of emergency repairs costs with a Government contribution of 60% for 'like for like' assets. Betterment and new assets will be funded by the scheme.
- It is expected the repair work will take two and a half to three years.

Tony Dunlop continued the discussion and advised that repair works have been hindered by continued wet weather and the sourcing of rock.

It was suggested that Council look at opening a quarry closer to repair sites, to help alleviate the rock resourcing issue. Council staff explained that conversations with landowners and quarry owners are ongoing. The process of opening a quarry takes time.

7 **Works report**

Referring the group to the Maintenance Work Report, Tony provided a brief summary of the maintenance programme and advised that works have been continuing as normal.

8 Finance report

Andy Dixon gave an overview of the scheme's revenue and expenditure for the year ending 30 June 2017 and up to 30 September 2017.

Key items discussed from the 30 June 2017 report include:

- Operating target was on budget until the April 2017 floods occurred.
- Flood Reserve currently at \$1.4 million which will be used for repair works.
- Interest rates are at a record low.

Key items discussed from the 30 September 2017 report include:

- Operating variances due to April 2017 Flood including additional materials, contract work and electricity.
- Finance cost – the scheme is still maintaining a low interest rate.
- Reserve balances:
 - Flood damage reserve \$1,448,731.
 - Works reserve \$429,686.
 - Outstanding loans \$3,575,529.
- Rates positions are being worked through now under the Long Term Plan process.

It was also noted that gravel extraction income is not included when setting budgets due to the uncertainty of amounts that will be removed each year.

9 Rivers and Drainage Asset Management Plan, Infrastructure Strategy and Long Term Plan progress report

Kirsty Brown provided an update on the three yearly reviews of the Rivers and Drainage Asset Management Plan, the Infrastructure Strategy and the Long Term Plan 2018-2028. The following key points were covered in the presentation:

- Council's Community Outcomes and how these are linked to the three documents.
- Rivers and Drainage AMP is the most extensive AMP held by BOPRC. The asset portfolio has a replacement value of \$246 million and planned asset maintenance and renewals covering a 50-year timeframe.
- Assets of the Waioeka-Otara Rivers Scheme has an estimated total replacement cost of \$35 million with most of the value in the stopbanks.
- During Year 1 of the LTP there is a forecast operating expenditure (Opex) of \$830,000 and capital expenditure (Capex) of \$2.7 million (includes flood damage repairs).
- The proposed Capex over the next 10 years is \$9 million with approximately \$5 million for the repairs resulting from the April floods.
- The forecast loan profile for the next 50 years starts at \$3.8 million in 2018 and peaks at \$11.5 million 2023.
- The forecast funding requirements showed potential rates increases and decreases. The worst-case scenario forecasts a rate increase of 17.8% in 2020.

The group were advised that the figures were the initial 'raw' numbers and does not include the revenue from flood damage repair claims from MCDEM or insurance.

- Councils are required to prepare Infrastructure Strategies as part of their LTP planning for any significant infrastructure assets. For BOPRC this is the flood protection and control works assets managed by Rivers and Drainage Section. The purpose of the strategy is to identify any significant infrastructure issues for BOPRC's flood protection and control works assets and the options for managing these issues and any associated implications.
- Council's LTP covers a ten-year period. This is Council's main planning document, and identifies the service levels to be delivered.
- LTP consultant period will run from 16 February to 16 March 2018. Final adopted is scheduled for 30 June 2018.

Brief discussion continued on the geotechnical condition of stopbanks and concrete floodwalls plus sea level rise being a big issue for Ōpōtiki.

10 Other business

10.1 Rangitāiki River Scheme Report (Cullen Review)

Chris Ingle and Mark Townsend gave an overview on the Rangitāiki River Scheme Review report (otherwise known as the Cullen Review). The following key points were raised:

- The review investigated the cause of the breach and the operation of the Rangitāiki River Scheme assets including design, engineering, maintenance and management.
- It was highlighted that as a result of the high rainfall in the catchment from March onwards, the ground was saturated prior to ex-tropical cyclone Debbie.
- The independent review was commissioned by the Regional Council a day after the breach at College Road, Edgecumbe. The review panel was chaired by Sir Michael Cullen, and supported by two technical experts - Charlie Price, a geotechnical engineer and Kyle Christensen, a water resources engineer. The panel spoke to various groups and individuals, and received submissions.
- There is no certainty as to why the wall breached, as much of the evidence was washed away in the flood.
- It was a 200 year event upstream of Matahina Dam, and was managed down to a 100 year event downstream of the dam.
- The unfinished Reid's Floodway is scheduled to be completed in 2019/2020. The report questioned whether this had a significant contribution to the breach. Bringing the completion date forward is not possible, after taking consultation and actual physical works into account.
- Evacuation planning was a key highlight of the Cullen Report.

Discussion continued on the following topics:

- College Road stopbank repairs are expected to take 3-4 months to repair with works starting in January 2018.
- Geotechnical investigation of the Ōpōtiki stopbanks is programmed for next year with any remedial works to follow.

- Discussion continued on the 17% proposed rate rise. It was highlighted that the figures presented does not account for insurance or Government contribution to the flood repairs. Staff are working to bring the figure down.
- The full report is available on the website, and hardcopies were made available at the meeting. The Advisory Group members were encouraged to read the report.

Meeting ended: 3:00 pm