

Notes of the Rangitāiki-Tarawera Rivers Scheme Advisory Group meeting held at EastBay REAP, Whakatāne, on Tuesday, 13 February 2018, commencing at 10am

Chair: Councillor Norm Bruning

Advisory Group: Alan Law, Graham Smeaton, Jim Finlay, Linda Virbickas, Peter Askey, Shona Pedersen, Whakatāne District Councillor Alison Silcock

BOPRC Councillors: Councillor Bill Clark, Councillor Tiipene Marr

BOPRC Staff: Roger Waugh (Rivers and Drainage Asset Manager), Kirsty Brown (Asset Management Specialist), Jo Heath (Asset Management Coordinator), Bruce Crabbe (Rivers and Drainage Operations Manager), Kerry Smith (Area Engineer), Tony Dunlop (Flood Restoration Project Engineer), Paula Chapman (Project Manager Flood Recovery Project), Andy Dixon (Management Accountant Team Leader), Mark Townsend (Engineering Manager), Sam Rossiter-Stead (Communications Manager).

Guests: Brian Power (Whakatāne-Tauranga Advisory Group), Allan Muggeridge (Fonterra), Colin Holmes (Galatea resident)

Apologies: Chairman Leeder, Chris Ingle, Maurice Warbrick, Shona Pederson (lateness) and Alison Silcock (lateness).

1 Welcome

Councillor Bruning welcomed everyone to the meeting. Bruce Crabbe introduced Kerry Smith the new Rivers and Drainage Operations Area Engineer to the group and Councillor Bruning introduced Jo Heath the new Rivers and Drainage Asset Management Coordinator.

2 Apologies

Apologies received from Chairman Leeder, Chris Ingle and Maurice Warbrick. Apologies for lateness were received from Shona Pederson and Alison Silcock.

3 Notes of previous meeting held 8 November 2017

Resolved

That the Rangitāiki-Tarawera Advisory Group:

- 1 Confirm the notes of the meeting held 8 November 2017 as a true and correct record.

Clark/Bruning
CARRIED

4 Matters arising from previous meeting

There were no matters arising.

5 **Asset Management Plan and Infrastructure Strategy update**

Kirsty Brown delivered a PowerPoint presentation providing an update on the three yearly review of the Rivers and Drainage Asset Management Plan and the Infrastructure Strategy (presentation attached).

Asset Management Plan (AMP)

- Rivers and Drainage AMP is the most extensive AMP held by Bay of Plenty Regional Council. The asset portfolio has a replacement value of \$246 million and planned asset maintenance and renewals covering a 50-year timeframe. The AMP is reviewed by Council every three years, in parallel with the Long Term Plan.
- Updated forecast operating expenditure (opex) has increased from \$2.7 million to \$3.0 million due to increased costs associated with additional staff and overheads. There has been a \$140,000 reduction in flood damage repairs and a reduction of \$70,000 in loan repayments.
- Projected operating expenditure over ten years starts at \$3.0 million in Year 1 and peaks at \$5.2 million in Year 5.
- Capital expenditure (capex) forecast at \$23.7 million over 10 years. This includes flood damage repairs as a result of the April 2017 flood event of \$14.2 million (split evenly between Years 1 and 2) of the long term plan. Costs associated with the Rangitāiki Floodway and Spillway are also included.

Infrastructure Strategy

- Infrastructure strategy is under review as part of the Long Term Plan planning process. The strategy has a 30 year timeframe and identifies issues and implications for Council's flood protection and control works assets.
- Land use change has been added to the significant issues list.
- Estimated capital and operating expenditure across all the rivers schemes is shown as a bar graph that includes an upper confidence level. This takes into account that the confidence in estimates decreases over the 30 year period. The difference between estimates and confidence level in the first two years reflects uncertainties around final insurance payments.

Discussion around climate change, the predicted increase in significant annual flood events, and how asset repairs will be funded followed. Roger Waugh explained that flood damage reserves go some way towards the costs but do not cover everything. The budget also factors in a moderate flood event every five years.

6 **Flood Recovery Project report**

Attendance

Shona Pedersen and Alison Silcock entered at 10:19am

Paula Chapman spoke to the report provided in the agenda package advising that:

- Main focus since the last advisory group meeting has been on setting up processes, communication and stakeholder engagement, and assigning priorities to repair jobs.
- Reduced water levels over recent months have allowed further inspections to be completed and additional repair sites identified. There are over 520 damaged sites across the four main schemes with an estimated repair cost of \$45 million.
- 223 repair sites in the Rangitāiki and Tarawera catchments. Forty-seven sites have either been completed or are in progress.
- Estimated total programme cost for Rangitāiki-Tarawera is \$28.7 million, with Council share of forecast costs estimated at \$20.1 million.
- Estimated betterment value is \$16.3 million – for either a new asset, an extension to an asset or providing a higher level of service. Betterment is not covered by insurance and is not funded by central government through Ministry of Civil Defence and Emergency Management (MCDEM).

- First claim to MCDEM has been accepted and has met the funding criteria threshold. Future claimable repair works will be eligible for the full 60% contribution from central government.
- Intend to apply for financial assistance for flood repairs in the Rangitāiki-Tarawera Rivers Scheme by way of 'special policies' - policies which are required to establish new programmes to meet the specific needs for emergency recovery in an affected region, or are required to achieve the funding over and above that available from existing government funding criteria. A lot of attention is required to consider what to apply for and how to build a compelling case.

Discussion

Lack of communication around the intent and plans for the Rangitāiki Floodway and actions from the Cullen Report was discussed. Feedback from the community is that the floodway is taking too long to be completed and they want to see some action. Mark Townsend acknowledged there had been a lack of communication. An internal workshop on 23 February will finalise a consultation plan and then there will be communications with landowners within the floodway, neighbouring landowners and the general community.

Tony Dunlop delivered a PowerPoint presentation providing a summary of flood repair works completed to date, work in progress, and work planned to commence in the next 2-3 months (presentation attached). The main challenge at present is sourcing the required volumes of suitable rock.

7 Long Term Plan 2018-2028

Kirsty Brown delivered a PowerPoint presentation providing an update on the Long Term Plan 2018-2028 (presentation attached).

- The Long Term Plan sets out what Council plans to do over the next ten years, how much it will cost and the outcomes to be delivered to communities.
- Consultation period opens 19 February and ends 19 March, providing an opportunity for the public to 'have their say'.
- Consultation document available on website (www.boprc.govt.nz/ltp) from Monday 19 February. Submissions can be made online, by email, in person or by post.
- Consultation question for the rivers and drainage schemes is should April 2017 flood repair costs be passed on to the ratepayers as they arise through large increases over the first two years of the Long Term Plan (Option 1) or should money be borrowed to spread the rate rises out over a longer period of time (Option 2).
- Information was provided on effects of the two options on forecast loans, funding and estimated targeted rates for the scheme.

Feedback and direction sought from the group around the preferred option for the rivers and drainage flood recovery project consultation topic and any other items for a submission. Group members encouraged to make individual submissions.

Discussion

- Option 2 funded by borrowing from the Local Government Funding Agency. Can borrow for ten years at a guaranteed rate that is well below bank lending rates.
- Currently in a low interest rate environment, a good situation to be borrowing in.
- Affordability is an issue. Farming businesses have had a few years of losses, as well as increased compliance costs. Would be good to be able to push some costs out if possible.
- Some members liked the transparency of Option 1 – showing where the costs lie and paying upfront.
- It is not this group's role to make a submission. Council's decision making should be based on individual submissions.
- Discussed why no consultation event planned for Edgecumbe. Needs to be robust consultation with the community most affected by the April 2017 flood and by the

proposed rates increases. Pop-up sessions not the best way to communicate with people as a community, Council needs to front up to a public forum.

ACTION:

Make a recommendation to Council that Long Term Plan consultation be undertaken with the Edgecumbe community in the form of a public meeting in Edgecumbe.

- Members asked why the Long Term Plan consultation document stipulates a preferred option. They felt this sends a message that the decision has already been made.

Resolved

That the Rangitāiki-Tarawera Advisory Group:

- 1 Recommend to Council that the wording ‘preferred option’ be removed from the rivers and drainage flood recovery project consultation question in the Long Term Plan consultation document.**

**Virbickas/Askey
CARRIED**

Group decided to take time to think about the options, speak with their communities and then to possibly meet informally to put together a submission.

8 Works report

Bruce spoke to the maintenance works report provided in the agenda pack highlighting the following:

- Issues with weed blockages at flood gates and pump stations.
- Maintenance works are being carried out in conjunction with flood repairs to avoid getting behind on maintenance tasks and then having to defer maintenance works.
- Fly tipping is on the increase and clearing it up is becoming an issue for the scheme. Looking at including money in future budgets to contribute toward the cost of removing dumped rubbish from scheme waterways. Current approach is to work with Whakatāne District Council to identify perpetrators and prosecute where possible.
- River scheme does not fund or undertake gravel extraction. If there is excess gravel and a contractor wants gravel then Council arranges for an allocation for extraction for commercial purposes.

9 Finance report

Andy Dixon spoke to the finance report provided in the agenda pack and gave an overview of the scheme’s revenue and expenditure for the year ending 31 December 2107. The following points were noted:

- Currently forecasting a \$286,000 net surplus at year end.
- Two areas of operational expenditure (opex) forecasting a notable underspend. Operational underspend of \$1.2 million in contract work because some flood repair work has been reclassified as capital expenditure. Finance costs are also underspent - budgeted at an interest rate of 3.4% and actual rate is currently 2.45% due to the official cash rate maintaining a low level.
- Reserve balances as at 31 December 2017 were as follows:
 - Flood Damage Reserve \$645,234 (this is contingency cash held for flood damage works and is currently held on term deposit)
 - Works Reserve \$33,681 (available to fund operating expenditure)
 - General Reserve \$8,420
- Outstanding Loans \$23,620,578
- Rangitāiki-Tarawera Asset Valuation 1 July 2017 \$86,718,980

10 General business

10.1 Assessment of flooding and drainage issues at Kopuriki

Peter Askey delivered a PowerPoint presentation on the *Assessment of flooding and drainage issues at Kopuriki* report which had been circulated to members. Peter advised he was presenting as Principal Environmental Engineer with Opus and author of the report. Study jointly funded by Bay of Plenty Regional Council and Whakatāne District Council and the scope included a review of work done to date, the extent of effects on adjoining landowners, the cause of the problems and possible solutions. The two main aspects of the investigation were day-to-day drainage issues and the passage of flood waters during flood events.

Discussion on the next steps followed:

- The report will be presented to the affected landowners.
- Know what the solutions are, the question is how they will be funded as this is not a scheme responsibility.
- Waiting on a response to the report from Southern Generation, owners of the Aniwhenua Hydro Power Station. A lot will depend on what they are prepared to do without being required to under the resource consent.
- Resource consent expires in 2026 at which time consent conditions can be reviewed.
- Not up to the scheme to fund a legal opinion about whether there are mechanisms to review the consent prior to expiry.
- A response to the report will be made on behalf of the scheme after speaking with consents and compliance staff.

ACTION:

Provide an update on the legal opinion of the current resource consent at the next advisory group meeting.

10.2 Horomanga gravel

Issue raised during field trip held 15 December 2017. Roger Waugh explained the river scheme is authorised to undertake gravel extractions for river management purposes without the need for resource consent. Gravel extraction for any other purpose requires resource consent. Anyone can apply for consent however the process is becoming difficult with a lot more time and consultation required, specifically around ecological, cultural and other potential effects.

Proposal currently being investigated which could lead to an application for resource consent for gravel extraction in the Horomanga River. Council will be supportive if it goes ahead.

10.3 Pump operations and management

Issue raised during field trip held 15 December 2017. Bruce Crabbe is happy to meet with group members with an interest in the communal pumping schemes. Bruce explained there are 34 communal pump schemes managed by Bay of Plenty Regional Council on behalf of the property owners within the pump scheme area. He highlighted several issues going forward:

- Some pumping stations were built in the 60s and 70s and are getting towards the end of their useful life.
- Focus has been on keeping pumps going and the buildings have not had any attention.
- Appropriate funding to manage the stations is a challenge with no depreciation funds available for capital rebuilds.

- Older style pumps are not eel friendly and there are ecological concerns around eels getting killed.

10.4 Plan change 3 update

Roger Waugh provided an update on Plan Change 3 mediation. Council initiated a plan change to the Regional Policy Statement to take into account aspirations of the River Document (*Te Ara Whanui o Rangitāiki - Pathways of the Rangitāiki February 2015*). Rangitāiki-Tarawera Rivers Scheme Liaison Group made a submission to include provision for controls on flow variability to improve environmental and cultural aspects of the river. Provisions were included around flow variability. The decision was subsequently appealed by both Trustpower and Federated Farmers. As an interested party to the appeals, the Rangitāiki-Tarawera Rivers Scheme is now involved in a court assisted mediation process with the first hearing scheduled for Friday 23 February.

10.5 Other

Councillor Clark asked for an update on the Cardno study into the effects of daily ramping of river levels on river bank stability. Mark Townsend advised that Cardno had requested modelling information from Council and the Engineering team is yet to work on and provide that information.

Alan Law had circulated a list of questions, mostly with regard to the Cullen Report, to which Mark Townsend had provided responses. Request made to share that email correspondence with the group.

ACTION:

Circulate Alan Law's email, with Mark Townsend's answers, to advisory group members.

Sam Rossiter-Stead (Communications Manager) responded to concerns about lack of communication around the Cullen Report, the floodway project and flood repair work. Sam provided reassurance that the communications team is developing a communication plan and adequate resourcing will be forthcoming. Sam encouraged group members to get in touch with him if they had any concerns.

ACTION:

Circulate Sam Rossiter-Stead's email address to advisory group members.

Questioned why notes from the last meeting had not been posted on the website. Notes normally get posted once they have been approved at the following meeting. Decision made that this was too long and draft notes should be posted on the website with a watermark stating they are subject to approval.

ACTION:

Meeting notes clearly marked as subject to approval, to be posted on web page as soon as possible after each meeting.

Group members questioned whether the twice yearly scheduled meetings would be enough considering the complex matters being considered for the scheme. The group can communicate between themselves, and meet informally, if they wish, between scheduled meetings especially if there is anything requiring further input or discussion e.g. submission to the Long Term Plan. Also suggested the Rangitāiki-Tarawera and Whakatāne-Tauranga groups could meet together if common issues are needed to be addressed.

Meeting ended: 1:17pm

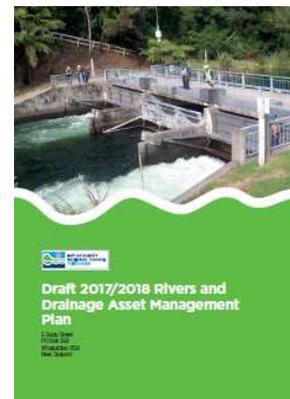


Rivers & Drainage Asset Management Plan and the Infrastructure Strategy

Rangitaiki-Tarawera Rivers Scheme

Rivers & Drainage Asset Management Plan (AMP)

- Asset portfolio of \$246 million
- Long term strategy for management of rivers and drainage assets and services.
- 50 year timeframe
- Review every three years along side the LTP



Costs associated with management of the assets: Year 1 LTP 2018/2019 (version 6)

- **Operating expenditure - \$3,097,000 (increase from \$2,728,620)**
 - Maintenance, overheads and management activities - \$2,804,000
 - Depreciation - \$212,381
 - Infrastructure and other insurance - \$81,000
- **Capital expenditure - \$13,000,000**
 - Rangitāiki Floodway - \$4,300,000
 - Rangitāiki Tarawera Capital Renewals - \$1,173,000
 - Flood Damage Repairs - \$7,127,000 (decrease from \$7,270,526)
- **Flood Reserve Contributions - \$211,000**
- **Loan Repayments - \$1,310,000 (decrease from \$1,381,195)**

Projected Operating Expenditure

2017/18		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
(\$'000)		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2,862	Maintenance and operating costs	1,149	1,149	1,149	1,149	1,150	1,150	1,151	1,151	1,152	1,152
0	Flood event	0	0	0	0	1,398	0	0	0	0	699
112	Disaster Insurance	81	88	95	102	110	119	129	139	150	162
850	Internal interest	1,253	1,723	1,847	1,974	1,924	1,864	1,939	1,823	1,701	1,575
186	Depreciation	212	230	238	238	240	244	244	244	244	244
529	Overheads	403	403	413	408	403	418	414	412	414	404
4,539	Total	3,097	3,592	3,741	3,872	5,226	3,795	3,877	3,769	3,661	4,235

Capital Expenditure \$23.7 million over 10 years

Rangitāiki-Tarawera Rivers Scheme			
Year	Capital works	Type	How much
Year 1 (2018/2019)	Rangitāiki River (modelling)	Replacement	\$150,000
	Rangitāiki River (stopbank upgrade)	Replacement	\$1,000,000
	Rangitāiki Floodway	Replacement	\$4,300,000
	Rangitāiki River (overlays)	Improvement	\$500,000
	April 2017 flood damage repairs	New	\$7,127,000
Year 2 (2019/2020)	Rangitāiki River (stopbank upgrade downstream Edgecumbe)	Replacement	\$1,150,000
	Rangitāiki River (overlays)	Improvement	\$400,000
	Rangitāiki Spillway Structure	Improvement	\$1,200,000
	April 2017 flood damage repairs	New	\$7,127,000
Year 4 (2021/2022)	Tarawera River (capacity review)	Replacement	\$600,000
Year 5 (2022/2023)	Tarawera River (stopbank upgrade)	Replacement	\$1,200,000
Year 6 (2023/2024)	Pump station electronic upgrade	Replacement	\$30,000
Year 10 (2027/2028)	Rangitāiki River (modelling)	Improvement	\$150,000
Total			\$23,734,000

Infrastructure Strategy (IS)

Flood Protection and Control Works

- Identify infrastructure issues and remedial options
- 30 year timeframe
- Review every three years along side the LTP and Rivers & Drainage AMP

Significant issues

1. Climate change
2. Residual risk to community
3. Affordability
4. Events greater than design
5. Levels of service
6. Population growth/decline
7. Geotechnical (condition assessment)
8. Land use change





Flood Recovery Update

Rangitāiki Tarawera

February 2018

Sites completed

- Galatea streams – RT238
- Ohutu stream – RT226
- Troutbeck Rd, WDC – RT261
- Woolsey – RT309
- Collier & Hunia – RT126 + RT127
- Power Maize – RT133
- M Wilson – RT219
- Whirinaki Channel Alignment – Various



RT261 Troutbeck Road - Before



RT261 Troutbeck Road - After



Sites in progress

- **Checkley – RT101**
- Langdon sites – RT115, RT116 and RT304
- Pratt/Webb – RT310
- Chalmers – RT312
- Morgan sites – RT108, RT109 and RT313
- Fonterra sites – RT111 and RT318
- Healey – RT166
- Bridgeman – RT177
- Bridgeman – RT188
- Magee – RT190

RT190 site damage



RT190 works plan



Sites planned next 2-3 months

- Checkley (overlay) – RT371
- **Checkley – RT101**
- Checkley/Laws corner – RT303
- Leaming – RT308
- Horomanga River Mills – RT231
- Ruiters – RT106
- Olive Grove – RT110
- Ballinger – RT169
- M Wilson sites – RT216 and RT220

RT220 before trench willow protection





Long Term Plan 2018-2028

Rangitaiki-Tarawera Rivers Scheme



Long Term Plan (LTP)

Long Term Plan
Te Mahere Wā-Roa
2018-2028

Consultation
Document available
19 February 2018

Have your say
19 February
to 19 March

Hearings
April

Deliberations
May

Plan adopted
End of June 2018



Rivers and drainage flood recovery project

Carry out all identified repairs as soon as possible but:

Option 1: Higher rate increases in Years 1 and 2 then smaller increases from Year 3.

Option 2: *Preferred* - Rate increases spread out over a longer period (e.g. 10 years).

Examples ...

	Option 1 - Spread over 3 years				Option 2 - Spread over 10 years			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20
Main Street, Edgecumbe								
0.1007 ha								
Rangitāiki / Tarawera River U2	339.63	428.93	505.84	543.81	339.63	370.98	404.45	440.85
General Rate	23.84	22.98	23.10	24.62	23.84	22.98	23.10	24.62
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	<u>462.52</u>	<u>585.01</u>	<u>671.42</u>	<u>714.84</u>	<u>462.52</u>	<u>527.06</u>	<u>570.03</u>	<u>611.88</u>
Percentage rate increase		26%	15%	6%		14%	8%	7%

Examples continued ...

Thornton Road, Whakatāne 0.4000 ha	Option 1 - Spread over 3 years				Option 2 - Spread over 10 years			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20
Rangitāiki / Tarawera River A1	44.97	56.79	66.98	72.00	44.97	49.12	53.55	58.37
Drainage Class A	20.01	23.92	25.09	26.23	20.01	23.92	25.09	26.23
General Rate	57.99	55.89	56.18	59.90	57.99	55.89	56.18	59.90
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	222.02	269.70	290.73	304.54	222.02	262.03	277.31	290.91
Percentage rate increase		21%	8%	5%		18%	6%	5%

Examples continued...

Thornton Road, Whakatane 134.8082 ha	Option 1 - Spread over 3 years				Option 2 - Spread over 10 years			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2019/20
Rangitāiki / Tarawera River A1	12,831.34	16,204.56	19,110.51	20,545.11	12,831.34	14,015.25	15,280.54	16,654.76
Rangitāiki / Tarawera River A3	61.73	77.97	91.94	99.08	61.73	67.43	73.51	80.12
Rangitāiki / Tarawera River A5	782.32	988.19	1,165.35	1,252.81	782.32	854.64	931.69	1,015.53
Drainage Class A	529.46	632.91	663.83	694.13	529.46	632.91	663.83	694.13
Drainage Class C	3,646.75	4,359.33	4,572.91	4,741.57	3,646.75	4,359.33	4,572.91	4,741.57
Drainage Class D	6.38	7.64	8.01	8.37	6.38	7.64	8.01	8.37
Drainage Class G	633.64	757.46	794.73	830.72	633.64	757.46	794.73	830.72
General Rate	1,321.05	1,273.10	1,279.65	1,364.29	1,321.05	1,273.10	1,279.65	1,364.29
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	19,911.73	24,434.25	27,829.42	29,682.49	19,911.73	22,100.85	23,747.36	25,535.91
Percentage rate increase		23%	14%	7%		11%	7%	8%

Community LTP Consultation Events

Location	Date	Time	Venue
Whakatāne Stakeholder Forum	26 February 2018	2.30 pm to 4.30 pm	East Bay Reap, Whakatane
Kawerau Market Day	1 March 2018	8.00 am to 1.00 pm	Ranfurly Court, Kawerau
Ōhope Craft Market	3 March 2018	8:30 am to 12:30 pm	Bluett Road, Ohope
Rangitāiki River Forum	16 March 2018	TBC	TBC

Making a submission...

- Online at www.boprc.govt.nz/ltp
- By email to ltp@boprc.govt.nz
- In person at any BOPRC office
- Or freepost to:
 - Bay of Plenty Regional Council**
 - Freepost Number 122076**
 - PO Box 364**
 - Whakatāne 3158**