



# THE WEST COAST REGIONAL COUNCIL

## MEETING OF THE REDJACKS RATING DISTRICT

ON

15th May 2024, 6.00pm

At the West Coast Regional Council Chambers

### AGENDA

1. Welcome
2. Apologies
3. Minutes of last meeting
4. Matters Arising
5. Financial Update
6. Annual Works Report
7. Election of Committee
8. Managers Update (*verbal report*)
9. Terms of Reference (*verbal report*)
10. Impairment
11. Classification/Review (*verbal report*)
12. General Business
  - 12a. Flood Protection Management Bylaws (*verbal report*)

Please let WCRC know if there is anything you would like discussed at this meeting that is not on the agenda by Monday 29th April 2024.

Please contact Lillian Crozier ([lillian.crozier@wcr.govt.nz](mailto:lillian.crozier@wcr.govt.nz)) or Shanti Morgan ([shanti.morgan@wcr.govt.nz](mailto:shanti.morgan@wcr.govt.nz)) with your queries.

**THE WEST COAST REGIONAL COUNCIL**  
**MINUTES OF THE ANNUAL MEETING OF THE**  
**RED JACKS DISTRICT**  
**HELD AT WCRC CHAMBERS**  
**ON 3<sup>RD</sup> DECEMBER 2021, COMMENCING AT 1PM.**

**PRESENT (Rating District Members)**

R. Norris S. Norris T. Donaldson C. Levy P. Donaldson T. Neevell R. McLaughlin C. Taylor C. Mattewson

**IN ATTENDANCE (West Coast Regional Council)**

P. Ewen B. Cummings A Birchfield (Councillors)  
H. Mabin (CEO)  
R. Beal P. Birchfield (late) J. Bell (Staff)

**APOLOGIES**

Movers - C. Levy / S. Norris- *Carried*

**Welcome and Minutes of the Last Meeting**

Cr Birchfield opened the meeting and welcomed those present.  
He introduced himself and council staff.

P. Donaldson Discussed conflict of interest and works that went ahead,

**Moved:**            *"That the minutes of the previous Annual Meeting held on 15<sup>th</sup> October 2018, be adopted as a true and correct record of that meeting."*

Movers –C. Levy/ S. Norris - *Carried*

**MATTERS ARISING**

No matters arising

**FINANCIAL REPORT**

R. Beal spoke on the financial report for the period of 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021. He advised that the Red Jacks Rating District had an opening balance of \$50,166.04 with a total revenue of \$13,225.88 less expenses of \$55.00 resource consents, for a closing balance of \$63,336.92.

Amend financial statements to account for GDC money, 2020/2021-2019/2020, (explained by James why it was the case).

Movers – P. Donaldson/R. Norris – *Carried*

**WORKS REPORT**

Randal spoke to this report, there were no works undertaken during the 1 July 2020-June 2021 period. Future works to be carried out from 1 July 2021 to 30<sup>th</sup> June 2022. Following an inspection in October

2021 with the spokesperson, the areas that had been monitored since being noted in the 2016-2017 financial year inspection as potentially requiring maintenance works are now at the stage where repairs must be undertaken. The erosion repair works are estimated to require 180-200 tonnes of rock, at a cost of approximately \$7,000. These works will be carried out by GH Foster Contracting Ltd.

An annual maintenance programme for weed spraying and mowing of the stopbank is included in the future works.

An annual maintenance programme for weed spraying and mowing of the stopbank is included in the future works.

Modelling one off cost, surveying every 3.5 years. Include works C. Levy mentioned around Rose McLaughlin house, site visit, cost analysis, and brought ... to group for approval. Mr Delany gets protection from stopbank on the southside.

Movers – R. Norris/P. Donaldson- Carried

## **RATES 2022 / 2023**

R. Beal advised that the balance of the rating district account at the beginning of the 2022-2023 financial year was likely to be \$36,000.00

He proposed a rates strike of \$10,229.00 which included \$8,000.00 of rates \$979.00 of infrastructure and \$1,250.00 of Engineering Cost Recovery.

After committee discussion it was amended that the Rates Strike to be \$8,000.00

**Moved:** *"That rate strike for Red Jacks is \$8,000.00 Excl GST for the 2022-2023 financial year."*

Movers – R. Norris/P. Donaldson - Carried

## **ELECTION OF OFFICERS**

**Moved:** *That the present committee remain, and Peter Donaldson was nominated as spokesperson for the 2022/2023 financial year.*

*Mover P. Donaldson/R. McLaughlin - Carried*

**Moved:** *"That Peter Donaldson is elected as Spokesperson for the 2022-2023 financial year."*

*Movers P. Donaldson/R. McLaughlin- Carried*

## **GENERAL BUSINESS**

Individual rates do not reflect the current benefits to property – review of rates classification, send out copy of Paulette's report. Circulation of meeting minutes and have them online draft. Grey agreement for \$2,000 each year (need to sign). Better system of communication, send out minutes in draft. Draft asset management plan needs a read over.

## **Action Points for follow up**

Amend financial statements to account for GDC money, 2020/2021-2019/2020, (explained by James why it was the case).

Send out copy of Paulette's (rating classification) report

Circulation of meeting minutes and have them online

Grey agreement for \$2,000 each year (need to sign)

Better system of communications, send out minutes in draft

Group agrees, point number 7, for future works to be carried out, the engineer will get a rock cost and bring it back to the group for approval.

Will review rates classification

# THE WEST COAST REGIONAL COUNCIL

## REDJACKS MEETING MINUTES West Coast Regional Council ON 8<sup>TH</sup> September 2023, Commencing @ 3.00 PM.

### PRESENT:

Peter Donalson, Tony Donaldson, Cambel Levey (Members of Redjacks Rating District)

Councillor and Chairman Peter Haddock, Councillor and Deputy Chairman Brett Cummings, Darryl Lew (WCRC CEO) and Sam Scott (WCRC Infrastructure Manager)

### Key Points

- Peter, Tony and Cambell expressed their concerns about the lack of communication over recent years and an area WCRC must improve in. Council acknowledged this and intends on implementing regular communications with the Rating District Spokesperson and other members as required. Annual meetings due to commence in October 2023
- All annual general meeting minutes to be made available on the council's website. Minutes to be made available once adopted by council in the proceeding 4-6 weeks.
- WCRC agree to reimburse the Redjacks Rating District \$6000.00
- Confirm Memorandum of Understanding regarding Greymouth District Councils annual contribution to the rating district. (\$2000.00)
- Tony, Peter, Cambel expressed disappointment in the work conducted by Opus and the benefits of this work. It was agreed vast improvement in consultation and agreement with rating district members must take place before commencing any works-based activities.
- There was discussion regarding money spent outside of the rating district, this was in reference to Wally Delany's farm. (Note the Redjacks Rating District Asset Management Plan outlines the objective is to reduce ban erosion over the length of the scheme.
- It was agreed any consented work requires an independent consent and consenting process.
- Rating District members require the latest financial report.
- Constitution. WRCR to develop draft constitution and forward to the Rating District Committee for review and consultation. The rating district is responsible for the framework of the constitution which then allows WCRC to deliver against the requirements.
- The rating district members asked for clarification surrounding the rating cost methodology and how this was applied to each member. There appears to be a lack of consistency between the property owners. Two options were discussed to address this issue.
  1. Employing a Classifier to calculate the targeted rates strike of each member, but this would be a direct cost to the Rating District.
  2. Conduct an internal review of the current methodology amongst the current rating districts members.
- The rock weir below the Kiwi Rail Bridge. In an email from Phillip McVicar (ex-Kiwi Construction Manager) Philip outlined when the bridge was replaced the scour risk was accounted for without having the weir.

**West Coast Regional Council  
 Redjacks Creek Rating District Financial Accounts  
 For the 12 Months to 30 June  
 2023**

		<b>2022/23 YTD</b>
<b>Reserve Opening Balance 1 July 2022</b>		<b>64,020.54</b>
Add Incomings:		
Grey DC	2,000.00	
Internal interest income / (expense)	1,120.08	
Rates	10,280.37	
<b>Total Incomings</b>		<b>13,400.45</b>
		77,420.99
Less Outgoings:		
Capital Expenditure	-	
Contractors and Consultants	(1,991.44)	
Insurance	(1,002.00)	
Staff Time	(1,279.00)	
<b>Total Outgoings</b>		<b>(4,272.44)</b>
<b>Reserve Balance at June 2023</b>		<b>73,148.55</b>

# **West Coast Regional Council – Red Jacks Rating District**

## **Annual Works Report on Maintaining Existing Rating District Assets**

### **1. Maintenance works carried out from 1 July 2022 to 30 June 2023**

No works were completed during this period.

### **2. Survey Works carried out from 1 July 2022 to 1 July 2023**

Chris J Coll Surveying Ltd

Cross section and longitudinal survey (50% of costs) \$1,991.44

**Total survey works estimated for the 2022 / 2023 financial year \$ 1,991.44**

### **3. Future works to be carried out from 1 July 2023 to 30 June 2024**

Council proposed to ensure the scheme is maintained to the level of service that it was originally designed to by getting a cross-section, longitudinal survey and channel capacity modelling. The survey work was completed in January 2023. The modelling work is likely to be completed in the 2024-2025 financial year due to a delay in the supply of the required LiDAR information.

A. Weed spraying of stopbank \$150.00

B. Mowing stopbank crest \$500.00

C. Allow for unforeseen maintenance works \$15,000.00

**Total works estimated for the 2023 / 2024 financial year \$ 15,650.00**

### **4. Red Jacks Rating District financial balance**

The balance in the rating district account at the beginning of the 2024 / 2025 financial year is likely to be approximately \$ 58,000.00. This includes the Grey District Council contribution of \$2,000.00.

This target balance for the 'prudent reserve' for this rating district is \$30,000.00.

This prudent reserve is immediately available for urgent emergency works that may be required following a major event.

It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

### **5. Proposed maintenance rates for the 2024 / 2025 financial year**

Rates Maintenance \$ 8,000.00

Prudent Reserve (achieved) \$ 0.00

Engineers Cost Recovery \$ 1,279.00

Infrastructure Insurance \$ 1,002.00

**Total: \$ 10,281.00**

*The Council recommend a maintenance rate strike of \$ 10,281.00 excluding GST.*

## **6. General Business.**

- A. Discussion of the complaint by members of the Red Jacks Rating District over gravel clearance works carried out in August 2019 (see below)
  
- B. The cross-section and longitudinal survey showed generally little change in the lower reach of the creek over the 11 year period between surveys other than a deepening of the channel and a shift to the true left between sections 3 & 5. The longitudinal survey showed some isolated areas with a decrease in crest height, mainly on the true left bank. This information will help inform the hydrological model which will be used to estimate the return period flood that the stopbanks can contain without overtopping and determine what if any reconstruction works are required on the banks.
- C. Rating District Constitution
- D. Impairment
- E. Reclassification



## MEMORANDUM

### **Subject: Impairment of Rating District infrastructure assets and the associated implications for the Community, Rating Districts, and Regional Council?**

Impairment is **unexpected damage** to the asset (e.g. *unscheduled damage due to a flood*), whereas depreciation is based on expected / scheduled wear and tear over the useful life of the asset based on either the straight-line or diminishing value methods.

Impairment can occur because of an unusual / one-time event (e.g. *flood event or earthquake*), and/or damage that impacts an asset (e.g. *the potential impact of climate changes leading to flood protection assets no longer being fit for purpose from a design or level of service perspective*).

Generally accepted accounting principles (GAAP) and PBE IPSAS 21: Impairment of Non-Cash-Generating Assets require **assets be tested for impairment regularly** (i.e. *WCRC complete impairment testing annually*) to ensure the asset values recorded on Councils balance sheet are not overstated. Impairment exists when an asset's fair value is less than its carrying value (or book value) on the balance sheet.

A summary of implications to WCRC due to a flood protection asset impairment event follows:

1. There would be no impact to rating district financials in the event of impairment nor would there be any more or less rates required because of it. There are however accounting impacts at an all of Council level, but no impact to rate or funding requirements *in the first instance*. There could be flow on impacts around restoring assets back to fit for purpose state.
2. It would impact Council books with asset values would go down, and there would be an accounting 'loss' that would potentially make it appear Council was in the red at the end of the financial year but would cost no cash or outgoings. It is purely an accounting book loss.
3. Impairment event could trigger a capital investment decision needed if asset levels of service are to be remediated back to a fit for purpose state, and that *would* require money from community, or the repayment of debt should the RD agree to major works on their assets. That would be no different to current practices today about levels of service (LOS) with community even without impairment. Same process would apply.
4. Impairment would impact on the community around what (LOS) they are going to accept (and Council would maintain) from their assts going forward, and any downward change in LOS should be formally documented and agreed in writing. This would be the most real world significant and strategic impact to Council and RD from a risk perspective if an impairment event were to happen.
5. The implications for a RD not accepting a Council proposal to remediate the assets back to acceptable LOS would heighten the risk to Council as it relates to their legislative duties of care around river management and flood protection. It is uncertain what sort of legal defence the Council could offer by allowing communities to drop levels of service knowing that the impact could be significant to life and property in the event of a flood scenario.
6. There would likely be insurance implications to Council assets (premiums go up due to heightened risk or become uninsurable), but also could impact private property holders who may be suddenly considered now in a high-risk area if the flood protection assets are no longer deemed fit for purpose (particularly pertinent considering the insurance retreat is already well documented elsewhere given climate change assumptions).
7. There could be impacts to planning and consents for various activities at a Regional Plan or District Council level that may no longer allow building or development in affected areas. This could impact property market values significantly and create a strong drag effect on economic development.