



Minutes of the Franz Josef Joint Committee Rating District
Monday 6th May 2024 – 6pm
St John Meeting Room
Franz Josef

Present: (Committee Members)

Cr A. Campbell (WCRC Westland Constituency (Chair of the Joint Committee), Cr P. Haddock, (WCRC Westland Constituency), Cr B. Cummings (WCRC Grey Constituency, appointed as third WCRC member, Mayor H. Lash (Deputy Chair of the Joint Committee, Cr B. Manera, (WDC), Cr A. Cassin (WDC), O. Kilgour (Department of Conservation), D. Straight, G. Berry, J. Williams, K. Molloy (South side community representatives), I. Hartshorne, G. Gibb, L. Skinner, K. Smith (North side community representative).

In attendance: (Staff)

West Coast Regional Council, Cr A. Birchfield, Cr P. Ewen, D. Lew (CEO), S. Morgan (Interim Operations Manager), K. Jacobsen (Area Engineer), K. Maynard (Asset Management Lead), L Crozier (BSO), O. Rose (Catchment Technician), C. Zhao (Planning Technician), S. Bastian (WDC CEO).
M. Gardner (LRS), S. Hoare (Inovo), the media

Welcome:

Chair A. Campbell welcomed the public and committee members to the meeting. Round the room introductions took place.

Apologies:

P. Madgwick (Te Runanga O Makaawhio), J. Caygill (NZTA), M. Dennehy, J. Wright, T. Brunning, P. Green, D. Molloy, J. Dentrest, R. Kayde, J. Piece,

Public Forum:

S. Pettigrew addressed the committee, expressing concerns about the significant devaluation of property on the south side, citing a recent Q.V. report that halved property values. She argued that this devaluation, driven by council actions, represents a conflict of interest and called for full disclosure and an explanation from the council regarding the land valuation process.

S. Bastian: Advised that Q.V. runs their process independent of council therefore there is no conflict of interest.

G. Berry: Reported a call from Q.V. about south side devaluation, stating it was not documented and put the community at a disadvantage, making it difficult to sell land and manage mortgages.

Mayor H. Lash: Agreed to bring the issue of devaluation back to the next meeting.

G. Oudeman: Questioned the difference in valuation concerning oxidation ponds adjacent to Waiho River and the lack of protection, requesting an explanation from S. Bastian, who noted the need for more detail. Mayor H. Lash advised WDC to take that as an action to find out why WDC wasn't paying targeted rates and bring back to the next meeting.

The Franz Josef Rating District members collectively spoke to the public forum they advised they were required to form one scheme, North and South but all money was spent on the North Side.

Cr A. Campbell noted ongoing efforts with government funds to address these issues.

Cr P. Haddock highlighted the new council's efforts to address past issues and discussed the ten-year program/strategy for Franz Josef from the TAG group, indicating a favourable case for future support from the government. Apologized for past actions and inactions and discussed efforts to secure funds for south side protection.

G. Oudemans asked for clarification on the amalgamation of rating districts without formal consultation, expressing concerns about the lack of community involvement and the financial burden.

Cr P. Haddock advised the decision to merge North and South was documented and minuted in previous council papers.

Cr P. Haddock had noted that the merger was a requirement from the government for the first round of funding. This Joint Committee has made the changes to the terms of reference to ensure representations from North and South side equally.

No further speakers for the public forum.

Confirmation of minutes:

There was a request by a number of the committee before any future meetings, that the following should have been captured in the last minutes:

- L. Skinner & K. Smith requested the reinforced need for minutes to be circulated two weeks prior.
- A greater attention to follow up on actions.
- A greater attention to accurate minute taking.

Moved- Cr P. Haddock / Mayor H. Lash- Carried.

Update NZTA:

J. Caygill from NZTA was not present for the update.

L. Skinner mentioned the bridge funding involving NZTA and requested tabling of any previous formal agreement of NZTAs involvement of flood protection for the Waiho. D. Lew suggested J. Caygill to update the next Joint Committee meeting on NZTA's protection of 55km corner and whether historically NZTA did this.

There was a discussion by committee members expressing frustration at a lack of funding for the South Side, Cr B. Cummings and Cr A. Campbell reiterated Regional Council is still in discussion with the new government on this.

No more matters arising.

Financial Report:

S. Morgan advised the financial report presents Lower Waiho and Franz separately but in the future will be presented as one Rating District account.

Action to ensure that all documents align to the new name of one Joint Committee.

Some committee members requested on going ring fencing and committed separation of loans, however further discussion was had that this would be inconsistent with one Rating District being formed, no formal motion was passed in respect to this matter.

K. Smith raised \$414,204.09 not accounted for on the opening balance, S. Morgan discussed the variance, agenda item to be discussed in the annual works report. K. Smith does not want to move forward on this until we have discussed these options.

D. Lew said we are still waiting to hear what the new government cost percentage is going forward for flood protection; we are still waiting for that advice.

There was considerable discussion by the committee members regarding the \$414,204.09 held in a separate WCRC account.

S. Morgan asked for the following to be recorded in the minutes-*prudent reserve noting at 30th June 2021 \$414,204.09 acknowledging that there should be interest on that money.*

S. Morgan read out the listed options on the Annual Works Report:

Proposal for the allocation of the \$414,204.09 prudent reserve (June 2021)

In acknowledgement of the closing balance of the Franz Josef Rating district prudent reserve of \$414,204.09 on June 30, 2021, the West Coast Regional Council recommend the committee resolve to adopt one of three options presented to ensure the balance is returned to the scheme, which is currently sitting in an independent council reserve balance sheet.

Option one: The committee resolve to allocate the credit to offset the Franz Josef loan to reduce the long-term debt held by the community.

Option two: The committee resolves to allocate the credit to the Franz Josef Joint Committee prudent reserve which is currently well under the target balance of \$670,000.00.

Option three: The committee resolve to undertake a secondary round of consultation to ensure ratepayers agree on the allocation of the credit as the options proposed in the 2020 consultation document do not align with current council procedures.

BRAND NEW MOTION – *motion is that the \$414,204.09 plus interest, not rock, to be refunded to the Westland District rate payers who contributed to that fund, as per correspondence dated 17th September 2020, from the WCRC that the funds would be refunded.*

Motion to vote

MOTION LOST

Proposal to come back with four options on the table.

Cr B. Cummings recommended WCRC seek legal advice on this matter, D. Lew agreed to action this.

Moved - Cr B. Cummings/Cr P. Haddock that the committee receives the financial report.

Carried.

Annual Works Report:

L. Skinner requested monthly works reports and WCRC agreed to action this for the last 12 months, this was agreed by WCRC excluding any sensitive information.

S. Morgan and K. Jacobsen spoke to the work report.

WCRC to meet with NZTA to discuss 4,300T of rock and bring back an update at next meeting.

S. Morgan noted we are not recommending a prudent reserve rate, but it is up to the committee. I recommend we move to a proposed rates strike.

S. Morgan read this from 8. of the proposed maintenance rates for the 2024/2025 financial year.

Prior to moving that motion, we need to discuss items on general business.

Discussed insurance costs, committee noted insurance normally doesn't come down, S. Morgan advised finance reports will be correct, works report are done by engineers, K. Jacobsen said could be a typo on his part, based on the LTP.

A discussion was had regarding need and cost for vegetation spraying.

Moved-G. Berry/Cr P. Haddock that the committee receives the Annual Works Report

Carried.

All in favour.

GENERAL BUSINESS:

A discussion took place again on the 4,300t of rock.

Surveying or LiDAR:

Discussions were had regarding use of Lidar and conventional survey techniques for next bed level monitoring.

K. Molloy asked if there was any appetite for other areas, D. Lew advised June 20th for Wanganui, perhaps next Joint Committee could come back with exact costs, Cr P. Ewen asked the community for show of hands.

L. Skinner commented he would rather spend with rock and dozer, but S. Morgan said we need to know where to target.

L. Skinner requested that WCRC consult with the committee before expenditure on any fund's capital or maintenance.

S. Morgan advised that a formal Joint Committee decision is required for capital spend. For maintenance expenditure, given that this is often required to be undertaken in a timely matter, this will be undertaken by email to Joint Committee members.

Action was noted to update the Joint Committee on the channel survey at next meeting.

Rates 2024/2025

Cr P. Haddock moved a motion for a rates strike of \$158,087 which included \$1,309.00 of insurance. This motion was not passed, K. Smith and L. Skinner moved a motion to strike a total of \$154,180 which was passed.

Action to clarify insurance costs.

Impairment memorandum:

S. Morgan spoke to explaining that this advice is being presented to all Rating Schemes. S. Morgan stressed the requirement which is a current focus of the auditor general to ensure that levels of monitored and maintained to negate the need for depreciation of assets.

L. Skinner raised the question, if a flood bank moves 20cm a year, service level not provided 12 months ago we should record impairment.

D. Lew commented, all of our Rating schemes are not depreciating our flood banks including this is one, if you were to accept impairment decrease level of service the direction from the auditor general said you must pay depreciation which is a cost to the scheme, which is advisable to avoid.

L. Skinner said one is we except the lower level of service, assets are worth less, level of service has gone down, can we accept the stop banks have gone up, D. Lew advised that is correct and we are saying the same thing.

D. Lew wants everyone to understand what we are facing with the auditor general, going forward we have serious potential impairment issues these flood banks are degrading, impairment or lower level of service, over the next three years we would need to pass as motion we except a lower level of service.

Reports:

Item 9.1 Kanoa, S. Hoare updated the committee and spoke to the management report.

Managers' Report:

S. Morgan updated the Joint Committee on increased staff in the river engineering area.

Land River Sea Presentation:

M. Gardner presented his LRS power point presentation.

A number of questions were asked regarding flood protection works in non-scheme areas. D. Lew advised that council is under no obligation to provide flood protection to properties unless council has properly agreed and atone the formation of a rating scheme.

Questions/Answers:

Question how regular LiDAR is, 2016 first one went all the way to coast, recent ones have all gone to the coast, can't do LiDAR right up in catchment, (too steep), question how much goes out to see maybe 20% exact studies may not have been

done, S. Pettigrew asked about big hook, M. Gardner said you could estimate from satellite imagery.

L. Skinner requested that a public forum session be offered at the conclusion of the agenda to allow scheme rate payers an opportunity to speak to the business discussed.

L. Skinner raised an issue around the accuracy of the scheme rating as he was aware of a property inside the footprint of the scheme that was being rated.

K. Jacobsen asked L. Skinner for a precise example.

It was actioned that WCRC was to work with L. Skinner to identify and rectify and properties not being rated inside the scheme footprint.

A rating district member asked about addressing Havil wall and oxidation ponds and lack of storm water going back into the community, I don't see why we should be funding shoddy work, K. Jacobsen responded it is called seepage we are very aware of issues have mechanisms to identify it in particular concentrated leak under a tree. K. Jacobsen said some behind new link bank pulling some through, formulating plan to investigate it, modelling connection, seismic assessment done, ground radar, radar looking for strong contrasts.

Cr P. Haddock advised through the chair WCRC won't take on wall until it is in a steady state, K. Jacobsen advised the rating district members we are going to investigate it.

L. Skinner asked if it would be done by the next meeting or could we bring an update.

It was actioned WCRC to report back on seepage in relation to Havill's wall.

G. Berry advised no cell phone coverage down in their area, we were promised years ago needs to be actioned asap, S. Morgan responded C. Brown (CDEM) is investigating that as well.

Item 6. *Cr P. Haddock moved to receive the 2019 minutes; motion carried by the committee.*

Item 7. *Mayoress H. Lash moved to ratify the terms of reference at the next meeting, motion carried by the committee.*

Discussion took place about the following:

K. Smith wants actions circulated within 14 days.

It was discussed next meeting to be in late July.

Overview on projects for south side, we are not doing any, no work on the south side.

K. Jacobsen advised we are doing test pits on the South Side to inform upgrade works if central government money becomes available.

Cr A. Campbell thanked S. Morgan, K. Jacobsen and L. Crozier, four months' work to get the information, thanked everyone present.

Closed meeting at 9:25pm.