

THE WEST COAST REGIONAL COUNCIL

MEETING OF THE KONGAHU RATING DISTRICT

ON

11th April 2024, 11.00am

At the Little Wanganui Hall

1. Welcome
2. Apologies
3. Minutes of last meeting
4. Matters Arising
5. Financial Update
6. Annual Works Report
7. Election of Committee
8. Dept Allocation (*verbal report*)
9. Constitution (*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 Friday 5th April.

Please contact Lillian Crozier (lillian.crozier@wrc.govt.nz) or Paulette Birchfield (pauletteb@wrc.govt.nz) with your queries.

3.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
KONGAHU RATING DISTRICT
HELD AT THE KARAMEA RSA
ON 16TH MAY 2023, COMMENCING AT 11:00AM.

PRESENT (Rating District Members)

S. Heslop, F. Volckman, G. Volckman, R. Anderson, L. Kees, K. Kees, B. Jones

IN ATTENDANCE (Staff)

Cr B. Cummings, Cr F. Dooley,
S. Scott, C. Munn, P. Birchfield, B. Murphy, T. Blyth (Bio Security WCRC), L. Crozier (Staff)

APOLOGIES

Cr M. McIntyre, Cr P. Haddock, K. Gavigan, C. Hellyar, G. Kees, B. Bjerring.

Movers B. Jones-/R. Anderson- Carried

Welcome and Minutes of the Last Meeting

Cr B. Cummings opened the meeting and welcomed those present. He introduced himself and council staff. Some amendments made to previous minutes then all in agreement to move.

Moved: *"That the minutes of the previous Annual Meeting held on 28th January 2022, be adopted as a true and correct record of that meeting."*

Movers B. Jones-/R. Anderson- Carried

MATTERS ARISING

Previous Matters Arising-Flood gate (**not culvert**) Blackwater. Everything above water line is solid, thread bolts are only galvanized and probably rusting off when it blew out years ago, Karamea river metal got inside of culvert and blows end and smashes bottoms off boards in gate, damage there but it is still doing the job at the moment, tide used to get through at Bjerrings, (action), may be repatched, P. Birchfield said we have all the designs and specs but have had no traction with Equip, Brightwater have now been approached. Does it need an engineer, it is timber and hardware, P. Birchfield said we have assessed it. Cr F. Dooley said do assessment and make a recommendation, is it a Rating District responsibility or asset of Transit or under BDC? MOW put it in, culverts are BDC assets, Cr. F. Dooley suggested S. Scott (Infrastructure Manager) liaise with B. Jones, C. Munn said gates are in scheme rather than transit, B. Jones said with other culverts either district or transit look after them.

B. Murphy said various flood gates were responsibility of BDC to maintain so best to check the assets. B. Jones said we did the cattle underpass. He paid but it had to be signed off to BDC and then they were responsible for maintenance, B. Jones said three at northern outlet, original culverts laminated treated pine and 12mm concrete pipe on old Blackwater Bridge site, that's got alloy as fibreglass blew to pieces, very heavy so could be stainless, double hinged so open right out.

Previous Action Points-T. Blyth said unable to spray from air so was done from Kayak. No work with digger to clear those trees. B. Jones did approach Ruth, did not push to allow the removal of trees, but are outside five-

meter corridor they have. Does not need digger if has been sprayed. P. Birchfield said a dig-out had occurred but not showing on works report but will be on next year's one, T. Blyth said the new current stock of spray 200L will last a year and a half, about 90L when chopper goes through to do it, T. Blyth said NIWA did a test and Metsulfuron was not that bad, B. Jones said mixture was every bit as effective, T. Blyth said trials done on the mixture, and it works significantly better. He can send the ratio to the committee. T. Blyth said NIWA recommendation was to continue using Garlon, but WCRC had to get permission for both to use over river. B. Jones said we haven't done it for quite a few years, concentrating on Parrots Feather, felt drains on other side have missed out on some maintenance. B. Jones said drains around that have not been getting much spray, T. Blyth will ask NIWA about mix, (action point to follow up on spray), mix roundup with Garlon? Wouldn't add much for cost. Not as expensive as Garlon. Spray twice a year but recommendation is three times a year T. Blyth said you need the right conditions for kill rate but has only been doing it twice a year. B. Jones said in main channels not a lot of Parrots Feather evident, slightly cheaper spot spraying it. T. Blyth would like to talk to someone first about mixing Garlon but will follow it up.

Digger clean out may have been done, only trees around where helicopter couldn't get through but that is where the Kayak did and has been sprayed at least once a year, Cr F. Dooley asked how often inspections were but community report to T. Blyth said easiest way to do it is to email out to people. Most farmers keep an eye on ditches and things, Parrots Feather looking a lot better around home, seems to like warm weather but is patchy, main channel pretty clear down the bottom, right through boundary down. Doesn't die completely with the spray.

Little Wanganui Hall-Mr Kees would like to make a motion that the next meeting is to be held in the Little Wanganui Hall (this meeting was supposed to be held there).

FINANCIAL REPORT

Cr B. Cummings spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Kongahu Rating District had an opening balance of \$9,387.62 with a total revenue of \$21,513.06, less expenses of \$14,200.64 for a closing balance of \$16,700.04.

Mr L. Kee's would like to bring up consultants (shown in financials) Cr F. Dooley said there was a breakdown over the page and went through various with L. Kee's and committee, expenses with herbicide, staff time, C. Munn said they have no assets to insure.

Movers –B. Jones/G. Volkman– Carried

WORKS REPORT

Cr B. Cummings spoke to this, maintenance works done between 2021-2022, future/potential estimated works 2022/2023 period. B. Jones said that L. Kees would like to spend before the end of financial year, drains through R Andersons on east side when we have heavy rain it gets away, C. Munn said it can be carried forward into next year's financials, B. Jones said he may lose paddock if it gets sprayed, Ken to do it S. Scott is to contact Ken. T. Blyth said \$7,000.00 would only allow for one spray, B. Jones said MBC invoice will not have shown yet which is part of that \$17,000.00 which has not shown on finances. R Anderson would like to bring up Little Wanganui River, said it comes through the swamp when flooding and floods the whole swamp and does not go to sea until it gets to Karamea River it backs up and down the Little Wanganui and should be separated. Culverts ample for rainwater not flood water, Cr F. Dooley asked what is required R Anderson said on F. Volkman side there is consent to raise, goes down road toward sand dunes but drain at back of L Kees, G Volkman dug drain between him which has now put Parrots Feather through, L. Kees was going to pay, and totally block it off. Discussion among rate payers about walls and scheme, B. Jones said not many occasions it comes through there.

P. Birchfield advised there has been a report about raising the back road, but BDC are unlikely to do that. P. Birchfield would like to see lidar used for M. Gardner to model to use to make sure any work does not impact on other landowners, P. Birchfield advised modelling using lidar would be able to show that, Cr B. Cummings said they can plan all this out show farms low spots and can show what will happen in a flood. It is a cost but is valuable, Cr F. Dooley said we need to make sure it does not have a negative impact on others using all

information and experts to model, R Anderson said they have consent already, B. Jones said there was no appetite to do it at time, so consent was made available to Lee if he wanted to do it as the committee did not want to go ahead. Cr B. Cummings said it was prudent to use technology as it is really hard to look around and see what happens, Cr F. Dooley action point for S. Scott to work with P. Birchfield do modelling, come back and have discussion, on how to get water away quicker without impacting the surrounding farms, L Kees would like to put a small culvert in to take the rain water and fill it in, L. Kees said it fills up all the culverts and affects L. Kees on other side, Cr F. Dooley and P. Birchfield said when M. Gardner does his model he can model all of that but we need an idea of cost and Q.A. lidar, discussion among committee again about how swamp was nine meters higher than it currently is in places, now the water comes straight through. Discussion around vegetation. S. Scott has recorded as key action we will make a commitment to follow up on action estimate of modelling cost acknowledge.

Movers –G Volckman/All in favour - Carried.

RATES 2023/ 2024

Cr B. Cummings advised that the balance of the rating district account at the beginning of the 2023-2024 financial year was likely to be \$18,000.00.

He proposed rates strike of \$21,308.00 which included \$20,000.00 of rates, and \$1,308.00 of Engineering Cost Recovery.

Moved: *"That rate strike for Kongahu Rating District is \$21,308.00 Excl GST for the 2023-2024 financial year."*

Movers –G. Volckman/All in favour - Carried.

ELECTION OF OFFICERS

Moved: *That the present liaison committee, namely:*

*R. Anderson,
C&B Jones,
K. Kees,
F Volckman,
G. Volckman,
L Kees,
K. Gavigon,
B. Bjerring.*

Moved: *"That is B. Jones is re-elected as Spokesperson, for the 2023-2024 financial year."*

Movers all in agreement - Carried.

GENERAL BUSINESS

T. Blyth advised a spray rule every-year could be enforced but has never been implemented, committee are all stakeholders in swamp, move that it is status quo, all lifestyle blocks pay into it. B. Jones said people were not aware of giant buttercup and parrots feather when they bought into it, farmers have to spray at least once a year, B Jones pointed out any sprays used for parrot's feather would kill trees, C. Munn asked should someone represent lifestylers, B. Jones said Katherine (Gavigan) normally comes to represent the lifestyle block people, as they benefit from scheme, B. Jones suggested T. Blyth follow up with the lifestylers to protect their trees, B. Jones said old creek bed is road reserve.

3.

C. Munn general business mentioned bylaws have expired in process of renewing, some more tools to stop people from tampering with stopbanks etc.
Make meeting an hour and a half for next time.

Action Points for follow up.

T. Blyth to send herbicide ratios to B. Jones.

Flood gate at Blackwater Creek, assessment/recommendation/confirm ownership of asset.

26/05/2023 B. Murphy - Email from Neil Hateley (Buller District Council) confirming that the Backwater culvert on Karamea Highway is a Buller District Council asset and as such, the Buller District Council is responsible for maintenance on this structure.

The culvert is inspected with other Buller District Council bridges and culverts on a three yearly basis. The inspection is completed by WSP consultants and was last completed on Blackwater Culvert in September 2021. This inspection showed that the flood flaps at the culvert outlet were ok. I will discuss further with WSP consultants and Buller District Council to ensure that a full inspection is completed on the floodgates at the next programmed inspection.

Drain dig-out, liaise with R. Anderson and L. Kees

Follow up on estimate of modelling cost/R. Anderson farm area and affected properties.

Allow to make next meeting 1.5 hours.

Next meeting to be held in the Little Wanganui Hall.

Meeting closed 12:15

**West Coast Regional Council
Kongahu Swamp Maintenance Rating District Reserve Account
For the 12 Months to 30 June 2023**

		2022/23 YTD
Opening Balance		16,700.04
Add Incomings:		
Internal interest income / (expense)	396.93	
Other Income	415.00	
Rates	21,278.08	
Total Incomings		22,090.01
		38,790.05
Less Outgoings:		
Contractors and Consultants	(995.00)	
Other Consultants	(1,852.43)	
Other Expenditure	(234.68)	
Staff Time	(1,279.00)	
Surveyors	-	
Total Outgoings		(4,361.11)
Closing Balance		34,428.94

West Coast Regional Council – Kongahu Rating District

Annual Works Report on Maintaining Existing Rating District Assets

1. Maintenance works (spraying) carried out from 1 July 2022 to 30 June 2023

June 2022 (accrued) VCS Garlon herbicide	\$4,242.29
June 2022 (accrued) MBC Parrot Feather spraying	\$3,857.00
June 2022 Expense accrual reversal	\$8,099.29
Feb 2023 Andersons Helicopters Ltd	\$5310.00
March 2022 Parrots Feather Operations	\$601.73
Feb 2022 Parrots Feather Operations Reversal	\$601.73
March 2022 Parrots Feather Operations Reversal	\$601.73
March 2022 Parrots Feather-Garlon Reversal	\$2,855.84
Total Maintenance Works for the 2022 / 2023 Financial Year:	\$1,852.43

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

Aug 2022 Karamea Contracting Ltd-cleaning Parrots Feather from Kongahu Channel	\$375.00
May 2023 SM Lowe Contracting Ltd	\$620.00
Total Maintenance Works for the 2022 / 2023 Financial Year:	\$995.00

3. Administration carried out from July 1, 2022, to 30 June 2023

June 2023 mail outs	\$234.68
Total administration for the 2022 / 2023 financial year	\$ 234.68

4. Future works to be carried out from July 1, 2023, to 30 June 2024

The following maintenance works were identified:

a. Kongahu Swamp	
Allow \$20,000.00 maintenance of existing works, including spraying	\$20,000.00
b. Kongahu Swamp	
Drain cleaning and general maintenance	\$5,000.00

Total Potential Estimated Work for the 2023 / 2024 financial year	\$25,000.00
--	--------------------

5. Kongahu 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 \$36,000.00.

This target balance for the 'prudent reserve' for this rating district is \$50,000.00.

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

6.

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

6. Proposed maintenance rates for the 2024 / 2025 financial year

Rates Maintenance	\$ 25,000.00
Prudent Reserve (yet to be achieved)	\$ 0.00
Engineers Cost Recovery	\$ 1,308.00
Infrastructure Insurance	\$ 0.00
Total:	\$ 26,308.00

The Council recommend a maintenance rate strike of \$ 26,308.00 excluding GST.

7. General Business

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.