



THE WEST COAST REGIONAL COUNCIL
MEETING OF THE MATAINUI RATING DISTRICT

ON

30th May 2024, at 10.30am

At the Whataroa Hall

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 update*)
9. Terms of Reference (*verbal update*)
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 24th May 2024**.

Please contact Lillian Crozier (lillian.crozier@wrc.govt.nz) or Shanti Morgan (shanti.morgan@wrc.govt.nz) with your queries.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
MATAINUI CREEK RATING DISTRICT
HELD AT THE WHATAROA HALL
ON 19TH APRIL 2023, COMMENCING AT 10:30AM.

PRESENT (Rating District Members)

P. Dennehy, W. Nolan, F. Graham B. Friend.

IN ATTENDANCE (Staff)

Cr A. Campbell (Chair), Cr B. Cummings, (Councillors)
C. Munn, J. Bell, L. Crozier (Staff)

APOLOGIES

Cr P. Haddock, F. Deans

Moved- W. Nolan/F. Graham. - Carried

Welcome and Minutes of the Last Meeting

Cr A. Campbell opened the meeting and welcomed those present.
He introduced himself, Cr B. Cummings and the Council staff.

Moved: *"That the minutes of the previous Annual Meeting held on 30th October 2018, be adopted as a true and correct record of that meeting."*

Moved-W. Nolan/F. Graham - Carried

MATTERS ARISING

W. Nolan asked what happened about the tree planting proposal raised at the last meeting. WCRC said they were willing to support this, but it never progressed any further. C. Munn asked if this was Jobs for Nature initiative. Staff will follow up. Wayne said Fiona and Gary Deans are keeping a good eye on the creek.

FINANCIAL REPORT

J. Bell spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Matainui Rating District had an opening balance of \$76,232.93 with a total revenue of \$7,029.46, less expenses of \$339.00 for a closing balance of \$82,923.39.

Wayne Nolan said the Matainui Rating Scheme has healthy financials. There was discussion about scheme boundaries and confirmation that the stopbank through the golf course is part of the scheme.

Moved-W. Nolan/A. Campbell- Carried

ANNUAL WORKS REPORT

3.

J. Bell spoke to the Annual Works Report. No works had been completed in the 2021-2022 year and none have been completed so far this year. Wayne spoke to work completed in the 2022-23 period. The bank through the golf course had been built to stop flooding over part of the course. A culvert had also been installed at a cost of \$1,500. The golf course paid for this because they thought the rating district was only on one side. Wayne moved a motion that the Rating District pay this back to the golf course. C. Munn said the golf course needs to invoice WCRC for the work completed.

In 2023-24 further work at a cost of \$5,000 is proposed. They don't want to raise the bank higher as this may flood the town side. The river is cutting into the bank in the paddock behind pub. The fencing waratahs are now hanging on pub side between bridge and the bank and this may need some rock soon at an estimated cost of \$3,000-\$5,000. The creek also needs to be dug out every three years.

C. Munn said a provision of \$5000 has been made for any work required to 30 June 2023. This new work could be funded from these funds and does not have to wait until next year. Wayne said Fiona and Gary Deans who manage the golf club have done it for nothing and keep it immaculate. The golf club is grateful to have him. J. Bell will arrange to look at the problem and confirm scope of work. The work is estimated to take two days to complete. They will use a bit of rip rap and some smaller rock to bind the mound. Cr B. Cummings said equipment will be coming down shortly and to work in with other jobs, as long as works are not urgent. The work can wait until after the golf tournament.

The meeting agreed to proceed with the project in the 2022-23 financial year. If it is not completed, then it will be carried forward to next year.

All in agreement/Carried.

RATES 2023/ 2024

J. Bell advised that the balance of the rating district account at the beginning of the 2023-2024 financial year was likely to be \$80,000.00.

He proposed rates strike of \$5,355.00 which included \$5,000.00 of rates, \$93.00 of infrastructure insurance and \$262.00 of Engineering Staff Cost Recovery.

Moved: *"That rate strike for Matainui Rating District is \$5,355 Excl GST for the 2023-2024 financial year."*

Moved- W. Nolan/F. Graham - Carried

ELECTION OF OFFICERS

It was noted that traditionally this rating district has only ever had a spokesperson and not a committee as well. It was agreed that the status quo would remain.

Moved: *"That P. Dennehy is elected as Spokesperson, for the 2023-2024 financial year."*

The meeting thanked Wayne Nolan for all his work as the Spokesperson for the scheme.

Movers all in agreement - Carried.

GENERAL BUSINESS

C. Munn advised that the Flood Protection Management Bylaws had expired and were being renewed. This will a publicly notified process and is required to protect the integrity of the assets.

Action Points for follow up.

Wayne made a request for the Financial Report to be circulated to scheme members each year. J. Bell said that this should be happening already, with a non-meeting letter. Sending this out by email will be better. But we will send them by post as well.

In an emergency Council staff will contact the Spokesperson.

Worth talking to MBD who has a yard here, to undertake emergency works. Spokesperson to action.

Golf Course to invoice WCRC for the culvert works that have been completed.

L. Crozier and J. Bell have actioned this.

Jobs for nature project funding to be investigated.

Meeting closed 11:00.

DRAFT

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

		2022/23 YTD
Reserve Opening Balance 1 July 2022		82,923.39
Add Incomings:		
Internal interest income / (expense)	1,613.05	
Rates	5,344.16	
Total Incomings		6,957.21
		89,880.60
Less Outgoings:		
Advertising	(113.60)	
Contractors and Consultants	(1,808.00)	
Insurance	(91.00)	
Staff Time	(256.00)	
Total Outgoings		(2,268.60)
Reserve Balance at 30 June 2023		87,612.00

West Coast Regional Council – Matainui Rating District

Annual Works Report on Rating District Assets

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

Maintenance of Matainui Creek including installation of Bailey bazooka culverts

Total Maintenance Works for the 2022 / 2023 Financial Year:	\$1,808.00
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2. Capital works carried out from 1 July 2022 to 30 June 2023

See above culverts (arrange with RD that this will be bundled under maintenance)

3. Administration (other expenditure)

Advertising	\$113.60
Insurance	\$91.00
Staff time	\$256.00

4. Maintenance works carried out since 30 June 2023

Gravel and rockwork of Matainui Creek by Campbell Agriculture and Contracting

• 260.5 Excavator hire, 21 hours @ \$215.00/hr	\$ 4,515.00
• Transporter hire, 0.5 hours @ \$200.00/hr	\$100.00
• Place 40 m ³ of rock at \$47.00/m ³	\$ 1,880.00
• Place 40 m ³ of rubble at \$30.00/m ³	\$ 1,200.00

Total works carried out since 30 June 2023	\$ 7,695.00
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5. Future Works to be carried out to 30 June 2024

No further works forecast	\$ n/a
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Total 'additional' works estimated for the 2023 / 2024 financial year	\$ n/a
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6. Matainui 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 \$ 87,000.

This target balance for the 'prudent reserve' for this rating district is \$10,000. This is currently achieved.

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

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

7. Proposed rates for the 2024 / 2025 financial year

Rates Maintenance	\$5,000
Prudent Reserve (achieved)	\$n/a
Engineers Cost Recovery	\$262.00
Infrastructure Insurance	\$104.00
Total:	\$5,366.00

* Don't need to rate as prudent reserve is achieved and there is surplus financial reserve.

The Council recommend a total rates strike of \$5,366.00 excluding GST.

8. General Business

Drone

Is the vegetation sufficiently managed?

Eyes on creek

Tree planting proposal

Dig out

Back up to spokesperson

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.