



THE WEST COAST REGIONAL COUNCIL

MEETING OF THE WAITANGITAONA RATING DISTRICT

ON

30th May 2024, at 11.30am

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 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 **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
WAITANGI-TAONA RATING DISTRICT
HELD AT THE WHATAROA HALL
ON 19TH APRIL 2023, COMMENCING AT 11:30AM.

PRESENT (Rating District Members)

P. Dennehy, W. Nolan, F. Graham, D. Nolan, T. Dymock, G. Julian, S. Julian.

IN ATTENDANCE (Councillors & Staff)

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

APOLOGIES

P. Northcroft, D. Straight, Cr Haddock.

Movers-W. Nolan/D. Nolan- 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."*

Movers-W. Nolan/D. Nolan- Carried

MATTERS ARISING

W. Nolan asked for an update about the river cross sections. J. Bell said the Council is now using Lidar as well as river cross sections to monitor the river. The Lidar information should be available sometime soon. J. Bell to check when the next cross section survey will be undertaken and will meet with NZTA to see if they have any cross-section information. W. Nolan thought 2008 was when the last survey was completed.

G and S Julian arrived at 11:35.

F. Graham advised he has a problem with access to his property in the Waitangi-Taona. W. Nolan said the area is from the bridge to the lake and therefore not part of the scheme. F. Graham said the WCRC has been down and looked by the issue. He has a 220-acre block down there and does not have access to property. The road is a WDC council road to his property. The river is chewing the bank close to the road. A bank has been built up and this is causing the water to be diverted. The access to the bridge has blown out a few times after last few years and there is more water coming over bank in high flood times.

F. Graham said WDC have had a look and haven't done anything. The water used to flow under Dimocks gate, but they have put a cut in which has chopped it right out. Dimocks gate is a council problem.

Cr B. Cummings said we need to have a look at the problem to see what has been done and the effected it has had on F. Graham. J. Bell said the rating scheme is only on true left to Waitangi-Taona. C. Munn said if this was a roading issue, it was a WDC responsibility, and outside the scheme Cr Cummings said it was their scheme and up to them if they wanted to change the boundaries. F. Graham said he had 230 acres and DOC took his freehold property away from him 6 years ago. Councillors agreed to visit the site after meeting.

FINANCIAL REPORT

J. Bell spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Waitangi-Taona Rating District had an opening balance of \$398,254.68 with a total revenue of \$29,120.29, less expenses of \$9,995.19 for a closing balance of \$417,379.78.

W. Nolan said the rates were quoted at \$19,924 in 2021 statement and Transpower rates should have been included but they were not there at all. There should be Trustpower income, interest earned plus rental income. J. Bell said he had flagged the problem with the Trustpower income with the previous manager R. Vaughan but can find out were that went. The invoice might have been sent out late. C. Munn advised we will need to check why those amounts haven't been included with the finance team and to see if anything has changed. Previously, R. Beal had rates at \$30,000 but there has been no subsequent liaison with W. Nolan.

C. Munn said we will follow up on the land lease. W. Nolan said it is tendered for five years. He said the Rating District owns the land and if we ever sold it the funds go back to the Rating District. W. Nolan said land is right on the boundary, used to be Muir's farm. It is all on the north side and is protected by the bank. W. Nolan said had a photocopy of letter and that R. Beal had not realised the ownership and that it needed to be included in the asset register. It will need to be talked about again if they decide to sell that land. The lease is valued at five to seven thousand dollars per year plus the lease of riverbed. The grazer made a submission saying they will pay the lease and won't put any stock out in the riverbed. Staff agreed to follow up both leases. There might be a current one for the riverbed one. Cr B. Cummings asked who was responsible for getting rid of the weeds as they are noxious. He noted it was very hard to fence riverbed and the whole riverbed is inside the lease is mostly gorse. There was no pasture as such inside the stopbank. W. Nolan said the catchment board had diverted Muir's Creek into Hari Hari. It had flowed over the Muir, Percy and DOC properties further down, and the board had paid them out. That is how the scheme got ownership of the land. The stopbank was built before the riverbed was purchased. J. Bell asked was it pegged out before stopbank was built?

Both property leases and Trustpower contributions need to be resolved before the Committee can confirm the financial statements. Bell said we need to include all eligible income in the statement. C. Munn said the staff costs were a proportion of total staff allocated to each scheme. C. Munn agreed the finances will be reviewed and we will circulate these to the Committee.

Financial Statements on hold

ANNUAL WORKS REPORT

J. Bell spoke to the Annual Works Report. No work was undertaken in the 2021-2022 financial year and no work has been undertaken so far this year. A provision of \$15,000 has been made for repairs to a groyne plus a provision of \$12,000 for unforeseen maintenance.

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J. Bell advised this figure needs to be revised to \$30,000 to enable additional work to be undertaken to extend the rubble edge from the start of the dog leg down to island. It is not a lot of material, but price of rock was substantial. J. Bell said the current groyne is only going to be raised half a metre. W. Nolan said when lake rises water flows back into the area., J. Bell said that the tender had been accepted. The rock will be placed on a shallow batter and the rubble will be placed one metre into the bed. Campbell Agriculture Ltd in the successful contractor C. Munn said we need to ensure we do not trigger resource consents issues. J. Bell said spur at the end kicks the river back towards lake. 220T of rock is required there.

W. Nolan said maintenance was required to control the gorse. Helicopters used to be used to do it every year, but it is too high to see the riverbed now, (Andersons helicopters -Matt Newton) D. Nolan said it could be sprayed at any time when machines are in the area. J Bell to arrange spraying the gorse sometime this year. Scheme members to let A. Campbell or J. Bell know if there is a chopper coming down. Andersons get a discount for the chemicals. The estimated cost to do the work is estimated to be \$3,500 - \$4,500. Cr B. Cummings suggested Agri Spraying Contractors if not using a helicopter.

J. Bell said the maintenance work will be undertaken next week.

Moved -D. Nolan/ G. Julian- 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 \$420,000.

He proposed rates strike of \$27,831.00 which included \$20,000 for works, \$3,907.00 for infrastructure insurance and \$3,924 for Engineering Staff Cost Recovery.

Moved: *"That rate strike for Waitangi-Taona Rating District is \$27,831.00 Excl GST for the 2023-2024 financial year."*

Moved -D. Nolan/ G. Julian- Carried

ELECTION OF OFFICERS

Moved: *"That
F. Graham
A. Lash
P. Northcroft
D. Bowater
D. Straight
T. McBride
G. Julian
be the committee for the 2023/2024 financial year."*

Moved: *"That Dale Straight is elected as Spokesperson for the 2023-2024 financial year."*

Moved by S. Julian – Carried by all.

GENERAL BUSINESS

D. Nolan thanked W. Nolan for all the work he has done on the scheme. He has done a great job and saved the scheme money.,

W. Nolan encouraged everyone who is part of the scheme to be looking and watching the river. The area up around the corner by Dave's property got away on them once. Work a day earlier would have stopped this. J. Bell asked the scheme members to contact us if they see a problem and before it becomes a bigger issue.

C. Munn advised that the Flood Protection Management Bylaws were being renewed and will be publicly notified.

Action Points for follow up.

- Councillors and staff to visit Francis Graham's property following the meeting.
- Trust Power payments to be followed up with Finance Department.
- Land leases to be renewed/updated.
- Updated financial statements to be circulated.
- Maintenance works to be undertaken 2 May 2023
- Gorse spraying to be arranged.

DRAFT

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

	2022/23 YTD
Reserve Opening Balance 1 July 2022	417,379.78
Add Incomings:	
Internal interest income / (expense)	8,172.42
Rental Income - Richardson Road	4,942.00
Other Income - Contribution	8,571.43
Rates	27,611.43
Total Incomings	49,297.28
	466,677.06
Less Outgoings:	
Capital Expenditure	(30,750.00)
Insurance	(3,819.00)
Rates	(1,580.78)
Staff Time	(3,836.00)
Total Outgoings	(39,985.78)
Reserve Balance at June 2023	426,691.28

West Coast Regional Council – Waitangi-Taona Rating District

Annual Works Report on Rating District Assets

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

No works carried out

Total Maintenance Works for the 2022 / 2023 Financial Year:	\$0.00
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2. Capital works carried out from 1 July 2022 to 30 June 2023

May 2023 Campbell Agriculture and Contracting

Extension of groyne lined with rubble riprap

Installation of 200T Spur

Site Establishment	\$1,000.00
Gravel Works 500m ³ @ \$7/m ³	\$3,500.00
Quarry Rubble 500T @ \$32.50/T	\$16,250.00
Quarry Rock 200T @ \$50.00/T	\$10,000.00

Total Capital Works for the 2022 / 2023 Financial Year:	\$30,750.00
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3. Administration (other expenditure)

Insurance	\$3,819.00
Rates	\$1,580.78
Staff time	\$3,836.00

Total other expenditure:	\$9,235.78
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4. Works carried out from 1 July 2023 to date

Informal reinstatement of interface with moraine (no charge)

Total Works to date:	\$0.00
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5. Future Works to be carried out to 30 June 2024

Spraying of stopbank (woody weed growth/tutu)	\$5,000.00
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Allow for unforeseen maintenance	\$15,000.00
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Total further works estimated for the 2023/2024 financial year	\$ 20,000.00
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6. Waitangi-Taona 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 \$434,000.

This target balance for the 'prudent reserve' for this rating district is \$350,000.

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

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

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

Rates Maintenance	\$20,000.00
Prudent Reserve (achieved)	n/a
Engineers Cost Recovery	\$3,924.00
Infrastructure Insurance	\$4,354.00
Total:	\$28,278.00

The Council recommends a total rate strike of \$28,278.00 excluding GST.

8. General business

Drone

XS Survey (2021?)

Long Section

Modelling

Moraine tie-in top-up

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.