



THE WEST COAST REGIONAL COUNCIL

MEETING OF THE WANGANUI RATING DISTRICT

ON

20th June 2024, 10:30 am

At the Hari Hari Community 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*)
 - 12b. Before the Deluge Two (*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 14th June 2024**.

Please contact Lillian Crozier (lillian.crozier@wrc.govt.nz) or Kent Jacobsen (kent.jacobsen@wrc.govt.nz) with your queries.

Agenda items 5. and 6. can be viewed on the WCRC website from the 6th of June 2024 and copies will be provided at the meeting.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
WANGANUI RATING DISTRICT
HELD AT THE HARI HARI HALL
ON 13TH APRIL 2023, COMMENCING AT 10:30AM.

PRESENT (Rating District Members)

S&N. Blackburn, L&B. Thomson, B. Walkington, B. Manera, J. Adamson, J. Stewart, L. Campbell, A. Squires, M. Aynsley, A. Harris, R. Johnston, A. Birchfield, C. Lucas, J. Sullivan, L. Foulger, P. Berry, S. Black, JH. McIntosh.

IN ATTENDANCE (Staff)

Councillors: Cr P. Haddock (Chair) Cr B. Cummings, Cr P. Ewen
 Staff: C. Munn, J. Bell, L Crozier
 Consultants: Land River Sea, M. Gardner, R Beagley (LRS)
 Media:

WELCOME

Cr Haddock opened the meeting and welcomed everyone present.

APOLOGIES

Cr A. Campbell, J. Campbell, M&L. Molloy, R. Murray, E. Percy, T. McKenzie.

Movers –Cr B. Cummings/Cr P. Ewen- Carried

MINUTES OF THE LAST ANNUAL MEETING

Moved: *“That the minutes of the previous Annual Meeting held on 17th January 2022, be adopted as a true and correct record of that meeting.”*

Movers –J. Bell/J. Sullivan- Carried

MATTERS ARISING

J. Sullivan said that the meeting papers were late and asked where H. Mabin (CEO) was? The Chair, P. Haddock thanked J. Sullivan for his comments and advised H. Mabin does not usually attend rating district annual meetings. J. Sullivan felt H. Mabin should be at these meetings as the CEO is in trust with their money. Chair P. Haddock said we note J. Sullivan’s comments.

WANGANUI RIVER MODELLING PRESENTATION

M. Gardner and R. Beagley from Land River Sea (LRS) Consulting Limited made a presentation to the meeting of their modelling work for the Wanganui River, M. Gardner advised that he has been involved with the river work on behalf of the WCRC since 2013. He was engaged by R. Beal (then Director of Operations) to develop a second, more accurate model of river. A copy of the presentation is attached to the minutes.

Chairman P. Haddock thanked M. Gardner and R. Beagley for their presentation. He said we need central government help with these river management problems, and we can’t do it on our own. To get this support, we need hard evidence to demonstrate the magnitude of the problem. This is why previous Council engaged LRS to do the work.

3.

P. Berry advised he had written letters to the media about this. The climate is cyclical and there are different periods of high and low rainfall. We are in an active period again predicts there will be more flooding.

J. Steward said we have paid for the Asset Management Plan, but we haven't taken earthquake into account. M. Gardner said if you were to do so then you would be looking at the narrow river systems generally failing up and down the Coast. the huge forces involved would result in hundreds of millions of dollars of damage.

WCRC has a copy of the draft report which LRS will finalise for WCRC and provide copies of the slides.

Cr B. Cummings asked about flow gauges on the Wanganui River. R. Beagley said water senses are to be installed on the bridge to provide estimates of flows.

Chairman P. Haddock spoke about climate adaptation fund. Council has applied for \$7M for the Wanganui River. We need to be able to demonstrate there are economic, social and environmental benefits to justify the work. The Government is only funding 75% of the cost and the rest will have to be funded by rate payers. Does the Rating District have an appetite to provide \$1.7 million for local input? This Rating District turned down further investigations years ago, which is something this Rating District needs to talk about.

J. Sullivan said it had been rejected because the rating system is unfair. Last financial year all the rates were spent downstream on the left bank around the Blackburn stopbank. We now need to do more work at the upper end including capital works, we need to contribute more money in again. If the river breaches there, it will affect more people. M. Gardner said Lidar data was not available within one kilometre from SH bridge to demonstrate what J Sullivan is referring to. They are waiting for more Lidar information.

Chairman P. Haddock said all Rating Districts are in a similar position with some benefiting more than others. The economic effect on the whole community needs to be considered but this is a maintenance scheme. If we obtain government funding, then this may be used to make a contribution to capital works. A Rating District member said we talked years ago about changing the classifications.

C. Munn said the work that M. Gardner has been doing is so we can understand the problem. It is just a start; we want everyone to be aware of the problem and to get involved with the Rating District to decide how it should be managed, before we decide how it is funded. We should be looking at the scheme in total. As M. Gardner's information has demonstrated, it is really difficult to continue managing as we have been. The strength of the stopbanks are critical to achieve that, and it is uncertain we can achieve a fifty-year scheme standard that won't fail.

J. Sullivan said the Rating District members did not have a say in the earlier scheme review proposals. R. Beal was involved, and it was passed without consultation. Cr B. Cummings said it is their rating district scheme, but the Council implements it. Another Rating District member supported J, Sullivan and said the scheme needs support so they can all stay and keep farming.

Chairman P. Haddock said the Council was committed to having annual Rating District meetings. If the Rating District committee would like to carry on then the Council we can apply for the Government funds, The proposal is a three to one contribution. A scheme member said there needs to be someone to lead this, who is independent, someone who is naturally looking after our own patch. J. Sullivan said there is a committee but there have been no meetings, and everything is done individually.

P. Berry said they had a Rating District Scheme at Atarau which stopped in 1988-99. Rates were basis on capital value, whether you get the benefit out of them is another thing. They ended up coming to an agreement among the six farmers and the catchment board which allowed them to disband the scheme. The landowners got on with it themselves. Some were slack and paid the consequences.

A present Wanganui Rating District member said our committee can't afford to do that due to the numbers involved. Chairman P. Haddock said to get the government funding they would be looking at the whole scheme. If you disband your rating district scheme you will not get any government funding. The committee needs to get together and be prepared to make decisions. The WCRC will help you do this, engage with consultants etc. and prepare a business case to take to government.

J. Sullivan asked when this will happen? Cr B. Cummings asked if everyone would like the Council to come up with options for scheme constitutions and come back to you to talk about it? A RD member said his beef is not with spending on

maintenance, but it is if something goes wrong, they alone can't trigger the maintenance. Cr B. Cummings said that it needs to be changed, J. Sullivan advised how Waka Kotahi had put in a groyne and nothing was done there.

C. Munn said as a suggestion, after new committee has been established, review the way the scheme is currently structured and spend time considering the work M. Gardner has done. We have to look forward and make a plan on what we are going to do with the funds we have over time.

Cr P. Ewen commented on gravel movement. A lot of gravel getting moved down the catchment. With higher rainfall this will increase, and we will have trouble. M. Gardner said it was really important to point out if and AF8 event occurs we will all be starting again as a lot more sediment will come down the catchment.

Cr B. Cummings said when Westport had their flood, they did not have a Rating District. The government said best thing they could do was to get one together and to go for Government funding. Cr B. Cummings said the shovel ready projects has put a lot of extra pressure on WCRC staff. J. Bell and team have been picking up pieces after other staff have left. Cr P. Ewen said the government also has to be true to its word. Chairman P. Haddocks said don't discount the Wanganui, as projects have been identified. This Rating District has merit, so get together, decide what you want to do, get it into council and get it into government. Cr B. Cummings said moving forward a copy of M. Gardner report will be available and options for different types of Rating Districts will be prepared. J. Bell talked to this, different classifications, farms and townships will be taken into account, a lot to go in to change it around A lot to do but if you want to do it we will do it. J. Bell said all the works need to be piled in together, needs to be a collective. J. Bell said the current scheme isn't working, and the committee needs to get and change it.

FINANCIAL REPORT

C. Munn spoke on the financial report for the period of 1st July 2021 to 30th June 2022. (This had been previously circulated prior to the last meeting held on 7 March 2023). He advised that the Wanganui Rating District had an opening balance of \$421,245.43 with a total revenue of \$85,854.35, less expenses of \$383,160.86 for a closing balance of \$123,938.92.

Question from a present RD member "last meeting was not an AGM, the last financials were incorrect, has that been fixed", C. Munn advised that the capital works has been taken out of the financial statement and will be discussed later in the meeting.

Movers –R. McKenzie/J. Stewart– Carried

ANNUAL WORKS REPORT

J. Bell spoke to the Annual Works Report and the works done in 2021-2022 following the February 2022 weather event. Two breaches along stopbank were completed as maintenance works. The rock work that was put in included components of capital and maintenance work and this has been broken down in the report.

J Bell talked to works undertaken to the end of June 2022. 6 sets of separate maintenance works took place, and a few more costs that have occurred since then.

J Bell then talked to the works that have taken place in the 2022-2023 year. Three of those works have taken place since last meeting on 7 March 2023. C. Munn spoke to proposed works to 30 June 2023. A lot of rock has been taken out of stockpile for maintenance and we want to purchase rock this financial year to replace this. We propose to spend \$99,000 before end of financial year J. Bell said there is now more work to add to this list. A RD member said should we wait for cheaper rock. C. Munn said there is a risk if we wait. He said the Council will go through a competitive procurement process for the purchase. C. Munn asked if they were implying that they don't want to replace it? L Campbell said they could work differently to supply further rock. He projected 2-3 tonnes a day for the next few months. C. Munn said we do need more rock and need to source it soon. He talked about capital works required at Raymond's bank and the consultants estimates around what needs to be done to complete that work. The estimated cost to complete the Percy's repair is \$300,000. A RD member asked about consents and was the gravel extraction supposed to go out to tender. C. Munn advised the rock purchase went out for tender. There was not enough time to seek a resource consent for the gravel extraction we had to apply for retrospective resource consents. Chairman P. Haddock said there were issues with staff capacity at the time. A RD member said we can't have that happen again.

C. Munn talked about NEMA recovery and the need for further asset management work that M. Gardner covered in presentations. C. Munn talked to the estimated closing balance of \$164,376.58 assuming the scheme only contributed \$80,000 to the Percy's stopbank repair. At this stage the Council is not proposing to charge the full cost of the repair to

the rating district. C. Munn said there has been work done in the past for which decision are required on how they should be funded. A rating district member asked was there any contribution from the beneficiaries of that work. The rating district had given Raymond permission to borrow money to pay for that rock. and approved Inovo to go ahead and design that work. Are the beneficiaries liable to pay for that capital work? J. Bell said that will something to work out internally within Council. J. Bell said it may come back to the landowners committing some money and WCRC committing some money. A Rating District member asked is that the same for Percy's? Chairman P. Haddock said in the past people have committed to pay, work has been done in good faith. Going forward commitments need to be confirmed by landowner. J. Bell said in past you needed to commit to agreed percentages before capital works gets done. In the future we need to combine the capital and maintenance works together and move forward as one scheme and clear lines of communication. P. Haddock said rate payers of West Coast paid for Raymond's work but capital works going forward need commitment from landowners, but committee needs to decide.

A RD member asked if the scheme included La Fontaine and Harolds Creek which are contributing, and they don't get anything for it. J. Bell said there is a drainage scheme map, which should be on the WCRC website. The scheme does end before Harolds Creek. A Rating District member said anything north of Hari Hari is part of that scheme. J. Bell said based on the asset management plan maps it is not part of the scheme. A town member said she is in a position where she has a creek running through her property and was told to clean it out and pay for it herself. J. Bell said we need to look into it further J. Adamson said WDC have not done their bit with creek either. Cr B. Cummings said he would go and look at the problem after the meeting.

There was discussion about increasing the level of rates. A RD member asked to clarify had Percy's repair been paid for? Chairman P. Haddock said \$80,000 had been agreed, based on the amount required had the stopbank been repaired after the first event. The work will be subject to a NEMA claim as well, which the Rating District will benefit from.

J Sullivan said we needed a functional council with more meetings and more meeting on the stopbanks. Chairman P. Haddock said Cr A. Campbell and himself are the Westland District representatives and want to get these rating districts sorted out. We need more committee members, we need to get together, and work with our staff.

J. Bell said the scheme would need at least \$200,000 to fund works and building up the reserves. With the additional works proposed the funding will be back in negative again.

Moved by 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 \$165,000 (if all the proposed works are completed).

He proposed maintenance rates strike of \$234,260 which included \$200,000 of rates, \$18,917 of infrastructure insurance and \$15,345 of Engineering Cost Recovery.

Moved: *"That rate strike for Wanganui Rating District is \$234,262 Excl GST for the 2023-2024 financial year."*

Movers all in agreement - Carried.

ELECTION OF OFFICERS

Moved: *"That the committee for the 2023/2024 financial year now consist of:*

***G. Robertson
M. Ansley
J. Stewart
N&S Blackburn
L. Foulger
B. Thomson
R. Hodgkinson***

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

Moved by all in agreement - Carried.

GENERAL BUSINESS

J. Stewart “talked about low spots in stop bank. C. Munn said these should be considered with the areas LRS had identified. J. Stewart complained these had already been paid for but not completed by the contractor. J Bell will talk to the contractor involved to follow up the maintenance.

B. Thomson said there was talk that the Hari Hari township did not pay into the rating scheme. J. Bell said there is seven different classes that come into the rating district scheme and two uniform classes.

A RD member wants at least ten days’ notice of a meeting. Chairman P. Haddock apologised but said he had bought the meeting forward so that is why the mail was late. C. Munn asked RD members to provide their email addresses to speed up communications.

C. Munn raised flood protection management bylaws being reviewed and advised this will be a public process.

Councillors thanked the committee members and expressed thanks to Andy Campbell as he steps down from being Spokesperson for the Wanganui Rating District. Chairman P. Haddock thanked M. Gardner, R. Beagly, staff and the contractors as well.

Action Points for follow up:

- Proposed rates strike recommendations to be reported to council.
- LRS will supply WCRC with a copy of finalised copy of their report and presentation. Council will then supply to Wanganui River scheme members.
- Engineering team to provide information on options for changing the structure of the rating scheme. Capital and maintenance need to be combined. Agreements need to be put in place to fund work to be undertaken urgently, if required.
- Scheme to decide if they support the development of a Business Case to support an application to the climate adaptation fund.
- Confirm scheme boundaries. Investigate if a creek through J Adamson’s property should be cleaned out. Councillors to visit the property following the meeting.

WCRC staff to talk to the contractor about the low spot in the stop bank that needs to be repaired.

Meeting Closed 12:45

THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE SPECIAL MEETING OF THE
WANGANUI RATING DISTRICT
HELD AT THE HARI HARI HALL
ON 28TH JULY 2023, COMMENCING AT 10:30AM.****PRESENT (Rating District Members)**

S&N. Blackburn, L&B. Thomson, B. Manera, B. Adamson, J. Stewart, L. Campbell J. Sullivan, L. Foulger, S. Black, JH. McIntosh, M. Stewart, D. Weir, R. Hodgkinson, S. Campbell, R. Tuinier, J. Harris, M. Molloy, L. Molloy, J. Campbell, T. McKenzie, B. McGrath, R. McKenzie,

IN ATTENDANCE (Staff)

Cr B. Cummings (Chair), Cr A. Campbell Cr P. Ewen, (Councillor's)
S. Scott, J. Bell, K. Jacobsen, L Crozier (Staff),

APOLOGIES

Cr P. Haddock (Chairman), M. Aynsley.

Welcome

Cr B. Cummings opened the meeting, introduced himself, council staff including K. Jacobsen the new area engineer.

1. **LRS Report:** S. Scott provided an update on the LRS report. J. Bell presented the report on the screen, showcasing the findings from the engineering team's assessment on June 14th. The report highlighted that the true left side of the area is at risk of breaching the stopbank, and there's ongoing erosion despite the favourable weather in June.
2. **Protection Proposal:** J. Bell emphasized the urgent need to protect the true left area, specifically at the 1600-meter mark. G. Williams and LRS proposed this solution, as leaving it unprotected could have severe downstream implications.
3. **Existing Rockwork:** A. Campbell mentioned that existing rockwork extends 200 meters from the bank. Cr B Cummings added that much vegetation protection has been lost due to erosion.
4. **Slips and Gravels:** J. Bell highlighted that rivers are filling up with gravels from the 2018 slips.
5. **Cost Discussion:** The conversation shifted to the cost of consultants and how the expenses are covered. It was noted that LRS is on a retainer.

3.

6. **Capital and Maintenance:** Discussion ensued regarding separating capital and maintenance funds. A significant groyne realignment was proposed to slow the flow, benefiting the true right side as well.
7. **Funding Challenges:** The group discussed challenges in maintaining capital funding due to past events depleting resources. M. Molloy requested a statement from WCRC detailing capital funds' usage from maintenance.
8. **Commitment from Landowners:** J. Bell stressed the need for commitment from affected landowners before any action can be taken. This commitment involves financial contributions and responsibilities.
9. **Multiple Considerations:** The discussion touched on various aspects, including potential agreements, enhancing existing rock structures, and exploring avenues for funding.
10. **Engagement of Landowners:** Efforts were made to engage landowners who were not present at the meeting to ensure they contribute to decisions that affect them.
11. **Balancing Priorities:** The group acknowledged the challenge of balancing capital and maintenance needs. The urgency of preparing for potential future actions was highlighted.
12. **Mechanisms for Funding:** Different mechanisms were suggested, including applying for loans and increasing rates if landowners don't respond to engagement efforts.
13. **Capital Works Details:** S. Scott emphasized the importance of understanding the scope and participants of capital works. The potential impact on everyone was noted.
14. **Next Steps:** It was agreed to coordinate a site meeting with essential stakeholders, facilitated by J. Bell, B. Robin, and John. This would ensure efficient communication and understanding of the situation.
15. **Data Sharing:** Plans were made to share a drainage scheme map and GIS data to enhance understanding and contributions.

The minutes concluded by emphasizing the need for engagement, collaboration, and a proactive approach in addressing the erosion and protection challenges. Participants were encouraged to provide their emails for ongoing communication and updates. Cr B Cummings requested the map to be emailed to all for additional input.

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

	2022/23 YTD
Reserve Opening Balance 1 July 2022	123,938.92
Add Incomings:	
NEMA Insurance Recoveries	126,266.74
Internal interest income / (expense)	(130.22)
Other Income - Contributions for Capital Works	60,465.23
Rates	134,492.89
Total Incomings	321,094.64
	445,033.56
Less Outgoings:	
Advertising	(387.00)
Capital Expenditure	(80,000.00)
Contractors and Consultants	(147,826.52)
Insurance	(18,917.00)
Other Expenditure	(337.03)
Staff Time	(15,345.00)
Venue Hire	(343.48)
Total Outgoings	(263,156.03)
Reserve Balance at 30 June 2023	181,877.53

West Coast Regional Council –Wanganui Rating District**Annual Works Report on Rating District Assets****1. Maintenance works carried out from 1 July 2022 to 30 June 2023**

July 2022; _____ n/a

August 2022; _____ n/a

September 2022; _____

- SWE 8SEP2022 \$6,000
- o Load cart & place rock, La Fontaine 200units x \$30/unit \$6,000.00

October 2022; _____

- Campbell Agriculture 31OCT2022 \$1,180.00
- o 210 Excavator hire 3hrs x \$180/hr \$540.00
- o T/Line truck hire 2hrs x \$135/hr \$270.00
- o Hino truck hire 2hrs x \$135/hr \$270.00
- o Transporter hire 0.5hrs x \$200/hr \$100.00

November 2022; _____ n/a

December 2022; _____

- SWE 20DEC2022 \$1017.50
- o Digger 260LC Reinststate bottom spur, walk rock and place \$1,017.50

January 2023; _____ n/a

February 2023; _____ n/a

March 2023; _____

- Campbell Agriculture 9MAR2023 6,335.00
- o HM 400 Dumper 10.5hrs x \$250/hr \$2,625.00
- o Hitachi ZA2000 Excavator 9.5hrs x \$180/hr \$1,710.00
- o 210 Excavator hire 10hrs x \$180/hr \$1,800.00
- o Transporter hire 1hr x \$200/hr \$200.00

April 2023; _____

- SWE 4APR2023 \$6,220.00
- o ZX290 – loading rock out of top stockpile \$1,900.00
- o 6 wheeler – carting rock \$1,000.00
- o ZX260 – placing rock \$2,200.00
- o Transporter – 2 diggers \$1,100.00
- Campbell Agriculture 24APR2023 \$64,597.50
- o 260.5 Excavator hire 62.5hrs x \$215/hr \$13,437.50
- o PC 300 Excavator 76hrs x \$240/hr \$18,240.00
- o D6 Dozer 11.5hrs x \$200/hr \$2,300.00
- o Moxy dumper hire 30hrs x \$200/hr \$6,000.00
- o Volvo dumper hire 66hrs x \$200/hr \$13,200.00
- o Komatsu dumper hire 29hrs x \$240/hr \$6,960.00
- o Hitachi ZA2000 Excavator hire 19hrs x \$180/hr \$3,420.00
- o Hitachi XAIS 160/5 Excavator hire 6.5hrs x \$160/hr \$1,040.00
- Campbell Agriculture 24MAR2023 \$86,996.50
- o 260.5Excavator hire 12hrs x \$215/hr \$2,580.00
- o Load and cart rock (Allen Rd) 2411.90 units x \$35/unit \$84,416.50
- Campbell Agriculture 24APR2023 \$12,450.00
- o 260.5 Excavator hire 30hrs x \$215.00 \$6,450.00
- o D6 Dozer hire 30hrs x \$200.00 \$6,000.00

May 2023; _____

- Campbell Agriculture 17MAY2023 \$69,974.00
- o Load and cart rock (Allen Rd) 876.56 units x \$35/unit \$30,697.60
- o Load and cart rock (lanthe) 1267.57 units x \$31/unit \$39,294.67
- Coastwide Surveys 8MAY2023 \$1,290.00

6.

○ As-built survey and volume calculations	\$1,290.00
- Coastwide Surveys 17MAY2023	\$1,585.00
○ To survey stopbank breach and calculate volumes	\$1,585.00

June 2023;

- Campbell Agriculture 27JUN2023	\$37,207.40
○ Rock (Allen Rd) 600.06 units x \$40/unit	\$24,002.40
○ Moxy Dumber hire 6.5hrs x \$200/hr	\$1,300.00
○ T/Line truck hire 8hrs x \$135/hr	\$1,080.00
○ Iveco truck hire 8hrs x \$135/hr	\$1,080.00
○ Hino truck hire 7hrs x \$135/hr	\$945.00
○ 260.5 Excavator hire 32hrs x \$215/hr	\$6,880.00
○ Transporter hire 1.5hrs x \$200/hr	\$300.00
○ 210 Excavator hire 9hrs x \$180/hr	\$1,620.00
- Wilberg Farm Ltd	\$6,260.87
○ 400T Rock	\$6,260.87
- Wilberg Farm Ltd	\$6,558.26
○ 419T Rock	\$6,558.26

Actual maintenance charge to RD for 2022/23 financial year: \$227,826.52*

*** This value includes only \$80,000.00 of the \$159,845.75 cost for the Percy Bank repair. This was agreed to previously, see minutes 21/22. Capital works section below provides further details. Contractors costs for all other maintenance was \$147,826.52.**

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

Wanganui Rock Tender – Campbell Agriculture @ Percy Bank	\$69,974.25
“Progress payment 2 (Job involved 4000T of rock)	\$86,996.50
Coastwide surveys	\$1,290.00
	\$1,585.00

Note: Previously it was agreed the Rating District Would Contribute only \$80,000.00. The total capital spend was \$159,845.75, the difference being \$79,845.75. See values in section 1 that are in italics.

Administration (other expenditure)

Advertising	\$387.00
Insurance	\$18,917.00
Staff time	\$15,345.00
Venue hire	343.38
Other expenditure	397.18

Total other expenditure for the 2022/23 financial year: \$35,389.66

3. Wanganui Rating District financial balance

The current financial balance is in the process of being finalized, it is expected to be available for the set meeting date.

6.

This target balance for the 'prudent reserve' for this rating district is \$500,000 and currently the balance is well below what is required. A plan from discussions with the rating district committee is advised to address this.

This prudent reserve is therefore not immediately accessible for urgent emergency works that may be required following a major flood event.

It is likely the current reserve is too low, but of the funds that exist these would attempt to cover a portion of the actual cost of the potential damage that could occur.

4. Proposed rates for the 2024 / 2025 financial year

Rates Maintenance	\$200,000
Prudent Reserve (not achieved)	\$n/a
Engineers Cost Recovery	\$15,345
Infrastructure Insurance	\$21,565
Advertising/mailouts	\$n/a
Total:	\$236,910

Council recommends a total rate strike of \$236,910 excluding GST.

5. General Business.

Cross-section surveys
Long-section surveys
LiDAR
Vegetation Maintenance
Bridge scour
Raymonds Bank
Gordons Bank
End of Percy Bank
Damaged to the Tied-in Retard
Low spots on stopbank crest – 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.