



THE WEST COAST REGIONAL COUNCIL

MEETING OF THE WHATAROA RATING DISTRICT

ON

30th May 2024, at 1.30pm

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@wcr.govt.nz) or Shanti Morgan (shanti.morgan@wcr.govt.nz) with your queries.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
WHATAROA RATING DISTRICT
HELD AT THE WHATAROA HALL
ON 19TH APRIL 2023, COMMENCING AT 1:30PM.

PRESENT (Rating District Members)

B. Friend, D. Friend, G. Styger, K. Kelly, C. Hassall, D. Routhan, F. Graham

IN ATTENDANCE (Staff)

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

APOLOGIES

Cr P. Haddock, Cr P. Ewen,

Movers –B. Friend/C. Hassall- Carried

Welcome and Minutes of the Last Meeting

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

Moved: *"That the minutes of the previous Annual Meeting held on 22nd November 2019, be adopted as a true and correct record of that meeting."*

Movers –B. Friend/C. Hassall- Carried

MATTERS ARISING

D. Routhan asked when the gravel is coming to repair the road? D. Friend and K. Kelly came to the conclusion it might not be worth putting gravel on road that leads up to the stopbank up by bridge. C. Hassall commented that the road was supposed to be left in good condition after works had been undertaken. D. Routhan said the road down by his property is perfect and does not need any work.

J. Bell asked if any rock repair works are required. D. Friend and K. Kelly think there is but would like WCRC to have a look at it first.

FINANCIAL REPORT

J. Bell spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Whataroa Rating District had an opening balance of \$237,308.36 with a total revenue of \$48,940.29 less expenses of \$2,158.00 for a closing balance of \$284,090.65.

D. Friend said there was work done in 2020. However, for the last three years there hasn't been a meeting. K. Kelly said he, as the spokesperson, was not contacted to discuss this. It was agreed that details of work and financials last three years would be circulated. J. Bell said even if there is no meeting the procedure is for finances and works reports to be mailed out to the Rating District.

3.

J. Bell explained the council infrastructure insurance is managed for the whole region. The Council excess is \$0.5M per claim. The insurance also supports Council with claims to the NEMA fund. The insurance is required for large flood event over multiple catchments. J. Bell advised the repairs must be like for like and do not fund betterment. The February 2022 weather event affected a number of catchments quite badly. We have been successful with claims to NEMA for the repairs.

Movers –K. Kelly/D. Friend– Carried

ANNUAL WORKS REPORT

J. Bell spoke to the Annual Works Report. No works were undertaken in the 2021 – 2022 year and no works have been completed so far this year J. Bell added a provisional allowance of \$20,000 has been made for any work required to 30 June 2023. D. Friend asked a question about the prudent reserves and what should they be? J. Bell said they are based on a formula for different sized floods. C. Munn said the Asset Management Plan suggests a figure of \$100,000 for this scheme but it is up to the scheme to decide. \$200,000 is better given the assets you are protecting. D Routhan commented that the reserves should be reasonable. D. Friend said some rate payers are having to borrowing money and are paying interest on that. C Munn asked if there is a desire to increase the prudent reserve? Following further discussion, it was agreed to review the level of the reserve after the works to maintain to groynes has been completed.

C. Munn explained that money always stays in the scheme,

D. Routhan asked who the Southern Engineer is? J. Bell advised how he has been undertaking the role until a new engineer is employed. D. Routhan said scheme members don't have the staff contact details anymore. C. Munn advised he has been covering the role previously held by Randal Beal and won't be here long term. Sam Scott starts as Infrastructure Manager on 8th May.

J. Bell advised how the engineering staff cost recovery works. This was implemented as part of the 2021 LTP process. It was agreed that J. Bell will come down and look at the work that might be required. D. Routhan, C. Hassall and K. Kelly look at their lengths of river. Members were encouraged to contact Cr A. Campbell or J. Bell if support was required.

Movers –D. Routhan/C. Hassall– 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 \$280,000.00.

He proposed rates strike of \$44,258.00 which included \$42,000 for works, \$950.00 for infrastructure insurance and \$1,308.00 of Engineering Staff Cost Recovery.

Moved: *“That rate strike for Whataroa Rating District is \$44,258.00 Excl GST for the 2023-2024 financial year.”*

Movers –K. Kelly/D. Styger– Carried

ELECTION OF OFFICERS

It was decided that anyone who still owns land in the district can be added if they want to be on the committee.

Moved: *"That G. Styger, P. Carroll, K. Kelly, D. Bowater, T. McBride, D. Friend and D. Routhan be the committee for the 2023 / 2024 financial year.*

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

Movers-D. Styger/F. Graham-Carried.

GENERAL BUSINESS

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

K. Kelly asked about rock sources from D. Friend and MBD. J Bell confirmed we are willing to look at both options. He said we would put it out to tender and inspect the rock if we had not seen it before. Cr B. Cummings suggested it could stockpiled at D. Friends quarry? D. Friend clarified has his own supply issues, separate from rating district and cannot commit to supplying too much in case he needs it himself. C. Munn said we need to confirm a rock quantity and put it out to tender. J. Bell said most schemes have several stockpiles of 500 tonnes which is pretty standard, with up toward 1500 to 2000 tonnes required for bigger events. K. Kelly advised he was reluctant to tie up huge amount of money in rock for stockpile. D. Routhan said costs are constantly increasing, it is like money in bank, and he is in favour of storing it even though it might not be needed for ten years. D. Routhan would like to utilise D. Friend source but if it comes from MBD then it needs to be stored on the riverbank. C. Munn said you could use the Asset Management Plan to say how much rock you want in storage. J. Bell said we will need to confirm how much rock is required for maintenance first and then decide if additional rock should be purchased for a stockpile.

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

Meeting closed 2:15 thanks to everyone.

Action Points for follow up.

- Send out copies of works done in 2020, when there was no meeting, plus last three years of Financial Statements.
- J. Bell to visit scheme to confirm the quantity of rock required for maintenance. The scheme can then decide if they want to spend additional money to establish a rock a stockpile.

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

		2022/23 YTD
Reserve Opening Balance 1 July 2022		284,090.65
Add Incomings:		
Internal interest income / (expense)	5,669.45	
Rates	44,207.52	
Total Incomings		49,876.97
		333,967.62
Less Outgoings:		
Advertising	(92.80)	
Insurance	(928.00)	
Staff Time	(1,279.00)	
Venue Hire	(43.48)	
Total Outgoings		(2,343.28)
Reserve Balance at June 2023		331,624.34

West Coast Regional Council –Whataroa 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	\$n/a
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Total maintenance works for the 2022/23 financial year:	\$n/a

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

No works carried out	\$n/a
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Total capital works for the 2022/23 financial year:	\$n/a

3. Administration (other expenditure)

Advertising	\$92.80
Insurance	\$928.00
Staff time	\$1,279.00
Venue hire	\$43.48
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Total other expenditure for the 2022/23 financial year:	\$2,343.28

4. Maintenance works carried out during this financial year to date

Remediation of two most upstream spurs	\$78,975.00
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Total maintenance works completed for this financial year to date	\$78,975.00

5. Future maintenance works to be carried out to end of this financial year

Remediation of third most upstream spur	\$53,000
Allow for unforeseen maintenance	\$n/a
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Total maintenance works estimated for remainder of this financial year	\$53,000

6. Capital works carried out during this financial year to date

No works carried out	\$n/a
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Total capital works completed for this financial year to date	\$n/a

7. Future capital works to be carried out to end of this financial year

Construction of additional spur (pending variation to resource consent)	\$83,000
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6.

Total capital works estimated for remainder of this financial year: \$83,000

8. Whataroa 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 \$246,000.

This target balance for the 'prudent reserve' for this rating district is \$100,000 and this is currently available.

This prudent reserve is immediately accessible 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.

9. Proposed rates for the 2024 / 2025 financial year

Rates Maintenance	\$42,000.00
Prudent Reserve (achieved)	\$n/a
Engineers Cost Recovery	\$1,308.00
Infrastructure Insurance	\$1,058.00
Advertising/mailouts	\$n/a
Total:	<hr/> \$44,366

Council recommends a total rate strike of \$44,366 excluding GST.

10. General Business.

Is vegetation managed sufficiently?

Cross-section surveys / LiDAR

Erosion upstream of bridge

New spur capital funding

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.