Okuru Rating District
2023-2026 Asset Management Plan

West Coast Regional Council

388 Main South Road
Greymouth
7805

Updated 11.06.2024

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1.0 Purpose of this Document

The purpose of this document is to summarise the management philosophy that is applied to the Okuru Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Okuru Rating District for which the West Coast Regional Council bares the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Okuru protection scheme.
- Convey the long-term strategy for the management of the Okuru Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

2.0 Asset Management Objectives

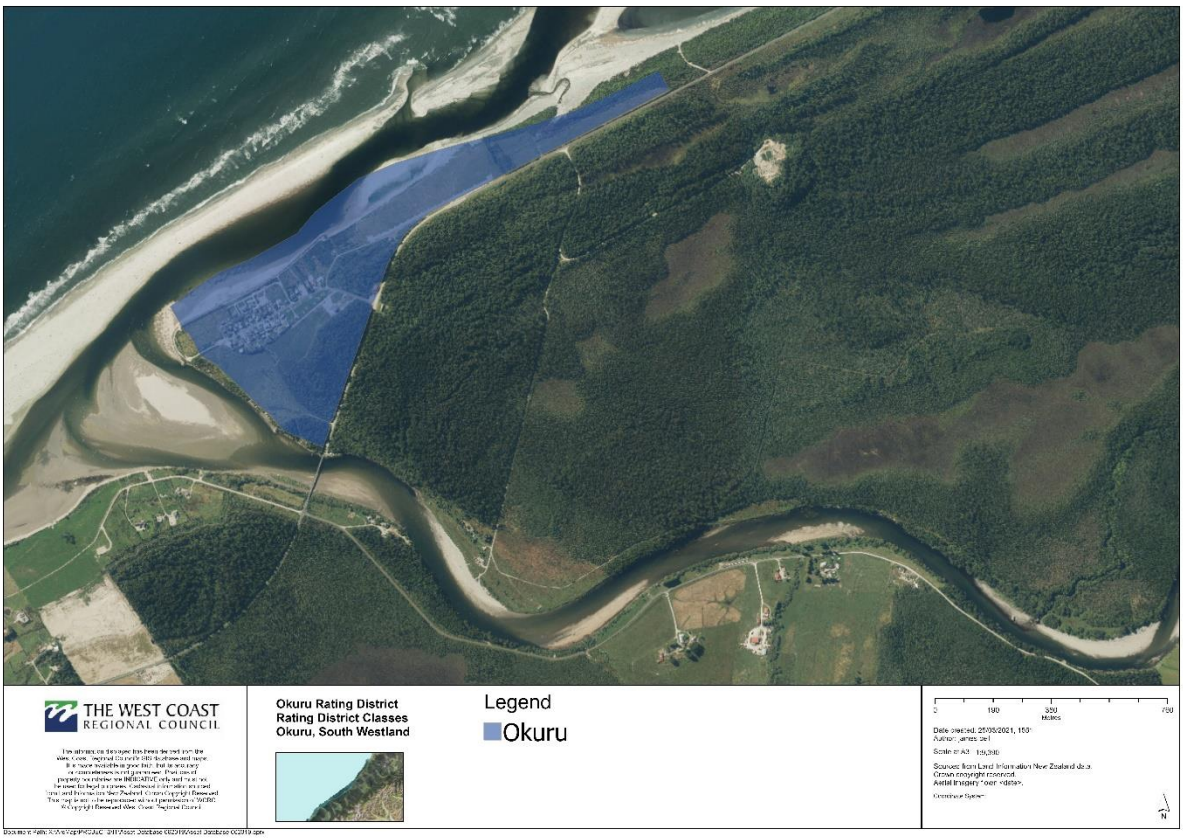
West Coast Regional Council recognises that the Okuru Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Okuru Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Okuru community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

3.0 Okuru Rating District



4.0 Okuru Rating District Background

In early 1998, the West Coast Regional Council was asked by local ratepayers to come up with a proposal to protect the western area of the township from the Okuru River.

The Council's first proposal, incorporating one large spur groyne, situated at right angles to the channel flow, was presented to a special public meeting at Okuru on Saturday 28 February 1998. This proposal was estimated to cost in the vicinity of $100,000 (G.S.T. Exclusive).

A questionnaire was consequently sent out to all ratepayers in the area, seeking support, or otherwise of the proposal and the funding option preferred in the situation where a special rating district was set up and the proposed works proceed. The results of the questionnaire were that 77% of the ratepayers were in favour of proceeding, and as a result the Okuru Rating District was set up and adopted by Council on 9 June 1998 covering both capital and maintenance works.

Resource consent was applied for to carry out the construction of a large groyne. This met with 3 objections. The main concern of the three objectors was the short-term nature of the groyne proposal. In order to resolve these objections, major modifications had to be made in the Council's approach to the problem. The resultant compromise was the proposal to construct smaller rock spurs, at intervals along the eroding riverbank.

The West Coast Regional Council then had to apply for a coastal permit to the Minister of Conservation. The Coastal permit was approved by the Minister of Conservation on 11 February 1999. Subsequently, the erosion threat eased due to the fact that very few flood events had been experienced in the area and the river mouth alignment had alternated north and south along the general Okuru foreshore area.

The Council was faced with two options, either keep a watching brief, or else continue on the construction path and construct the rock spurs to protect the area. This was for the protection from the river only, not for potential sea erosion and meant striking a rate to pay for the immediate river works, estimated at $100,000 (G.S.T. Exclusive).

A questionnaire was sent out to all ratepayers in June 1999 seeking guidance on the issue. Of a total 48 questionnaires sent out, 23 were in favour of the "watching brief" option and 8 were in favour of continuing with the works.

In early June 2000, the Council was again approached by concerned residents regarding erosion problems. The inspection on 7 June 2000 revealed serious erosion threat to the town area both from the Okuru River, downstream from the Road Bridge and from both the Okuru River and the Tasman Sea on the area west of the township. The West Coast Regional Council, after serious deliberations, arrived at a proposal that would give immediate medium-term protection to the Township both from the river and the sea. The proposal involved:

1. The construction of two large rock spur groynes to reduce the river erosion downstream of the road bridge.

2. The construction of a continuous rock wall, from the township access road along the eroding coastline, for a distance of approximately 500 metres to combat sea erosion.

3. The construction of approximately eight spurs spaced at 50 metre intervals along the eroding coastline to combat river erosion.

The cost of this proposed level of increased protection was estimated to be approximately $200,000 (G.S.T. Exclusive).

The Council felt that this was the minimal amount of protection required in order to give the Okuru Township a reasonable level of protection under the then current situation. It was explained that further annual maintenance may be required in the future.

A further questionnaire was sent out to all ratepayers with the Council recommendation that the works proceed with urgency. Of the 48 questionnaires sent out 31 were returned. And of these 29 were in favour of the works proceeding and 2 were against any works proceeding.

It was therefore recommended to Council, that the works as outlined, estimated at $200,000 (G.S.T. Exclusive) be approved for implementation at the earliest possible time and that recoveries of the funding be approved through either a Lump Sum contribution or a 5-year local authority loan arrangement. This was approved by Council.

Tender documents were prepared, and the contract advertised and closed on 18 August 2000. The successful tenderer was Colin Thompson Contracting Ltd with the final cost of the job being $164,174 (G.S.T. Exclusive). The works involved:

a) Stopbanking – 17,450 tonnes of quarry rubble and 9,000 tonnes of clean rubble.
b) Construction of 2 rock spurs on the Okuru River 1,750 tonnes of rock.
c) Construction of 12 x 80 tonnes spurs 960 tonnes of rock.
d) Excavate toe and lay fabric over 650 metres 4,000 tonnes of rock
e) Place running course on top of completed wall 500m^3 of gravel.

The placing of filter fabric under the rock armouring Over 690 metres.

5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	10,010	Tonne	$44.20
Fill	17,925	m^3	$26.00
Rubble	9,260	Tonne	$15.20
Running course	530	m^3	$43.00
Filter fabric	5,250	m^2	$12.68
Asset Value			**$1,138,604.00**
On-costs (15%)			*$170,790.60*
Resource Consents (2%)			*$26,187.89*
Assets Replacement Cost			**$1,335,582.49**

5.2 Asset Map


THE WEST COAST REGIONAL COUNCIL
Okuru Rating District
Asset Management Map
Okuru, South Westland
Legend
AssetSubtype AssetSubtype
Spur (12)
Groyne (2)
Riprap (1)
Stopbank (1)
0
60
120
240
Metres
Date created: 11/03/2021, 0823
Author: james.ball
Scale at A3: 1:3,000
Sourced from Land Information New Zealand data.
Crown copyright reserved.
Aerial imagery flown <date>.
Coordinate System:
N

6.0 Existing Standard

The seawall has been designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The scheme structures will be maintained to the dimensions that they were originally constructed.

6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The objectives of the Okuru Rating District are:

(a) To reduce bank erosion on the right bank of the Okuru River between the State Highway and 1250 metres downstream.
(b) To reduce further erosion encroachment on the Tasman Sea frontage of the Okuru Township.

6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Okuru Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a ‘normal’ season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

6.3 Damage and Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	$1,335,582	5%	$66,779	$66,779	100%
5%	$1,335,582	10%	$133,558	$93,491	70%
2%	$1,335,582	20%	$267,116	$133,558	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is $100,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a $250,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force

Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

Threshold

Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
  0.002 percent of net capital value in the case of regional councils

7.0 Funding

7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

a) Preparation of an annual works programme and corresponding budget.
b) Adoption of the annual works programme and budget.
c) Discussion of the works report and budget with the ratepayers.
d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the sea/river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

a) Carrying out work as scheduled in annual works programme.
b) Reprioritising works identified in the annual works programme.
c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

a) Meet the costs of unscheduled works.
b) Enable an immediate response to flood damage repairs.
c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse.
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth.
- Miscellaneous assets.

8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section breach profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee.
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against ‘best practice’.