

Notes of the Whakatāne-Tauranga Rivers Scheme Advisory Group meeting held at EastBay REAP, Whakatāne, on Friday, 16 February 2018, commencing at 10am

Chair: Councillor Norm Bruning

Advisory Group: Bernie Clark, Boots McNaught, Fraser McGougan, Geoff Mercer, Jim Finlay, Tom Pyatt, Whakatāne District Councillor Andrew Iles.

BOPRC Councillors: Councillor Bill Clark, Councillor Tiipene Marr

BOPRC Staff: Roger Waugh (Rivers and Drainage Asset Manager), Kirsty Brown (Asset Management Specialist), Jo Heath (Asset Management Coordinator), Bruce Crabbe (Rivers and Drainage Operations Manager), Tony Dunlop (Flood Restoration Project Engineer), Paula Chapman (Project Manager Flood Recovery Project), Andy Dixon (Management Accountant Team Leader), Chris Ingle (General Manager Integrated Catchments).

Apologies: Chairman Leeder, Brian Power, Mark Townsend.

1 **Welcome**

Councillor Bruning welcomed everyone to the meeting and Councillor Marr opened the meeting with a karakia.

2 **Apologies**

Apologies received from Chairman Leeder, Brian Power and Mark Townsend.

3 **Notes of previous meeting held 14 November 2017**

Resolved

That the Whakatāne-Tauranga Advisory Group:

- 1 **Confirm the notes of the meeting held 14 November 2017 as a true and correct record.**

Marr/McGougan
CARRIED

4 **Matters arising from previous meeting**

Jim Finlay provided an update on the Whakatāne Wharf project. A formal objection was received from Te Rūnanga o Ngāti Awa when the resource consent to construct a 100 metre extension of Otuawhaki Wharf was publically advertised. Although Council has not formally decided to cancel the project, staff have instead proposed additional berthage be included in planning for the main commercial wharf renewal. The Whakatāne District Council 2015-2025 Long Term Plan includes provision to replace the 134 metre long main wharf. This reinforced concrete wharf has sections built between 78 and 100 years ago. A report to Council in February this year proposes three options to retain a like for like replacement, with all options including a protective groyne structure. This both protects

vessels from flood debris and allows marina type berthing - giving more berths per length of river and easier access to and from land. Two of the options are at the existing site; the third is to relocate the wharf and commercial fleet to a shared location with the current Yacht Club pontoon basin. Hydraulic modelling, with technical overview from Regional Council, is being carried out to ensure any new proposal will not increase flood risk to the river and township surrounds. The report proposes construction between April 2020 and April 2021.

5 Asset Management Plan and Infrastructure Strategy update

Kirsty Brown delivered a PowerPoint presentation providing an update on the three yearly review of the Rivers and Drainage Asset Management Plan and the Infrastructure Strategy (presentation attached).

Asset Management Plan (AMP)

- Rivers and Drainage AMP is the most extensive AMP held by Bay of Plenty Regional Council. The asset portfolio has a replacement value of \$246 million and planned asset maintenance and renewals covering a 50-year timeframe. The AMP is reviewed every three years, in parallel with the Long Term Plan.
- Updated forecast operating expenditure (opex) in Year 1 of the Long Term Plan shows an increase from \$2 million to \$2.4 million, mainly due to increased costs associated with additional staff and overheads. A \$200,000 reduction in flood damage repairs is also included.
- Projected operating expenditure over ten years starts at \$2.4 million in Year 1 and peaks at \$3.3 million in Year 6.
- Capital expenditure (capex) forecasted at \$15.6 million over 10 years. This includes flood damage repairs as a result of the April 2017 flood event of \$11.5 million (split evenly between Years 1 and 2).
- The AMP factors in a moderate flood event every five years to include a flood damages model in forecast expenditure.

Infrastructure Strategy

- Infrastructure strategy is under review as part of the Long Term Plan planning process. The strategy has a 30 year timeframe and identifies issues and implications for Council's flood protection and control works assets.
- Land use change has been added to the significant issues list.
- Estimated capital and operating expenditure across all the rivers schemes is shown as a bar graph that includes an upper confidence level. This takes into account that the confidence in estimates decreases over the 30 year period. The difference between estimates and confidence level in the first two years reflects uncertainties around final insurance payments.
- High capital expenditure in 2019 and 2020 due to significant capital projects associated with April 2017 flood repairs.

The Asset Management Plan and the Infrastructure Strategy are available on the Council website (on the Long Term Plan page at www.boprc.govt.nz/ltp). Copies of the Asset Management Plan Executive Summary were available at the meeting.

6 Flood Recovery Project report

Paula Chapman spoke to the report provided in the agenda package advising that:

- Main focus since last advisory group meeting has been on setting up processes, communication and stakeholder engagement, and assigning priorities to repair jobs.
- Reduced water levels over recent months have allowed further inspections to be completed and additional repair sites identified. There are over 520 damaged sites across the four main schemes with an estimated repair cost of \$45 million.

- 109 repair sites in the Whakatāne and Tauranga catchments. Thirty-one sites have either been completed or are in progress.
- Estimated total programme cost for Whakatāne-Tauranga is \$13.5 million, with Council share of costs estimated at \$10.2 million.
- Estimated betterment value is \$8.4 million – for either a new asset, an extension to an asset or providing a higher level of service. Betterment is not covered by insurance and is not funded by central government through Ministry of Civil Defence and Emergency Management (MCDEM).
- First claim to MCDEM has been accepted and has met the funding criteria threshold. Future claimable repair works will be eligible for the full 60% contribution from central government.

Tony Dunlop delivered a PowerPoint presentation providing a summary of flood repair works completed to date, work in progress and work planned to commence in the next 2-3 months (presentation attached). The main challenge at present is sourcing required volumes of suitable rock. Some works could be delayed in the short term.

Jim Finlay spoke about Whakatāne District Council (WDC) Rūātōki water intake shared job. WDC are undertaking repair works immediately adjacent to the water intake under urgency to secure the supply. Regional Council will follow up with upstream riverbank erosion protection works.

7 Long Term Plan 2018-2028

Kirsty Brown delivered a PowerPoint presentation providing an update on the Long Term Plan 2018-2028 (presentation attached).

- The Long Term Plan sets out what Council plans to do over the next ten years, how much it will cost and the outcomes to be delivered to communities.
- The consultation period opens 19 February and ends 19 March, providing an opportunity for the public to 'have their say'.
- Consultation document available on website (www.boprc.govt.nz/ltp) from Monday 19 February. Submissions can be made online, by email, in person or by post.
- Consultation question for the rivers and drainage schemes is should April 2017 flood repair costs be passed on to the ratepayers as they arise through large increases over the first two years of the Long Term Plan (Option 1) or should money be borrowed to spread the rate rises out over a longer period of time (Option 2).
- Information on effects of the two options on forecast loans, funding and estimated targeted rates for the scheme was provided.
- Option 2 is funded by borrowing from the Local Government Funding Agency at interest rates less than what is currently being offered by banks.

Feedback and direction sought from the group around the preferred option for the rivers and drainage flood recovery project consultation topic and any other items for a submission. Group members also encouraged to make individual submissions.

Discussion

Members discussed the two options with the following comments:

- Severe weather events are becoming more prevalent and concerned that damaged flood protection assets that are not repaired could sustain further damage. Need to get repairs completed as soon as possible.
- Cost of climate change is going to increase so need to pay now rather than leave for future generations.
- Option 1 is the most transparent, showing where the costs lie and paying upfront.
- Paying now might suit an established farm but if the farming business is establishing spreading the cost out over ten years would be more sustainable.

Members decided to take time to think about the options, speak with their communities and then make contact if interested in making an advisory group submission to the Long Term Plan.

8 Works report

Bruce Crabbe spoke to the maintenance works report provided in the agenda pack highlighting the following:

- Maintenance works are being carried out in conjunction with flood repairs to avoid getting behind on maintenance tasks and then having to defer maintenance works.
- Fly tipping is on the increase and becoming an issue for the scheme. \$8,000 per annum has been added to the scheme budget to contribute toward the cost of removing dumped rubbish from scheme waterways. Current approach is to work with Whakatāne District Council to identify perpetrators and prosecute where possible. Being proactive with education was suggested by the group.
- Willows have bounced back since the 2017 floods and as yet no sign of willow aphids. National Willow Aphid project, managed by Scion and with funding from Ministry of Primary Industries Sustainable Farming Fund, is researching a parasitic wasp as a form of biological control. Regional Council involved with the project through the River Managers Forum.

9 Finance report

Andy Dixon spoke to the finance report provided in the agenda pack and gave an overview of the scheme's revenue and expenditure for the year ending 31 December 2017. The following points were noted:

- Lower interest income due to flood damage reserve being used to fund 2016-2017 flood damage costs.
- Other revenue higher than budget. 50% of erosion repair work at Rūātoki water supply site funded by Whakatāne District Council.
- Reclassification of some flood damage repair works, from operational to capital, during the year, has resulted in a forecasted overspend in total capital expenditure.
- Reserve balances as at 31 December 2017 were as follows:
 - Flood Damage Reserve \$1,650,468 (this is contingency cash held for flood damage works and is currently held on term deposit)
 - Works Reserve -\$74,303 (starting from a negative balance)
 - General Reserve -\$18,576
- Outstanding Loans \$6,119,530 – this will increase over the next 2-3 years to fund the April 2017 flood repairs.
- Whakatāne-Tauranga Asset Valuation 1 July 2017 \$62,615,758

Discussion

Scheme loans discussed and a member queried why, up until three years ago, the financial reports did not show any loans. Andy responded that until recently internal debt (i.e. the scheme borrowing from Council) was not reported as river scheme debt. Roger Waugh commented the loan balance is the result of deferred maintenance from the early 1990s and an active period of flood events since 2004.

10 Kopeopeo Canal Remediation Project update

Bruce Crabbe delivered a PowerPoint presentation updating the group on the Kopeopeo Canal Remediation Project. The key points were:

- Scottie McLeod is the advisory group's representative on the project's Community Liaison Group.
- Preparation and construction work undertaken – eels removed, flood control structures constructed, monitoring protocols developed, discovery protocols developed, flood

control enabling works completed (Kopeopeo control gate culverts, Kopeopeo Canal East stopbank top-up).

- Containment site one on State Highway 30 is operational and dredging started in late January. Dredging scheduled to be completed by October 2018 however currently anticipating it will take longer.
- Testing that the contaminant has been removed is undertaken as dredging of each section of the canal is completed. The first independent validation test is about to be undertaken.
- Public open day planned in next few months. Public can keep up-to-date with the project via [Kopeopeo Canal Remediation Project](#) webpage.
- Thirty wood waste sites in the region and Kopeopeo Canal is the most contaminated wood waste site in the country. Regional Council taking responsibility because they own the site, most others are on private property and are the responsibility of the landowner. The Orini site is owned by Whakatāne District Council.

11 General business

11.1 Cyclone Gita update

Roger Waugh provided an update on Cyclone Gita and possible impacts on the Bay of Plenty. Weather is coming from the West and landfall is predicted on Tuesday anywhere from top of South Island to central North Island. There is potential for a big event as catchments are saturated and rivers have elevated flows. The flood management team are monitoring the situation.

11.2 Other

Concern expressed that twice yearly meetings might not be adequate. Roger Waugh suggested the group could meet informally as needed and there might be times when working group type sessions will be required to address specific issues.

Councillor Marr closed the meeting with a karakia.

Meeting ended: 12:16pm



Rivers & Drainage Asset Management Plan and the Infrastructure Strategy

Whakatāne-Tauranga Rivers Scheme

Rivers & Drainage Asset Management Plan (AMP)

- Asset portfolio of \$246 million
- Long term strategy for management of rivers and drainage assets and services.
- 50 year timeframe
- Review every three years along side the LTP



Costs associated with management of the assets: Year 1 LTP 2018/2019 (version 6)

- **Operating expenditure - \$2,439,000 (increase from \$2,051,036)**
 - Maintenance, overheads and management activities - \$2,163,000
 - Depreciation - \$231,000
 - Disaster Insurance - \$45,000
- **Capital expenditure - \$6,498,000 (decrease from \$6,628,507)**
 - Whakatāne River Capital New - \$720,000
 - Flood Damage Repairs - \$5,778,000
- **Flood Reserve Contributions - \$200,000**
- **Loan Repayments - \$384,462**
- **Internal Interest – \$298,000 (increase from \$236,722)**

Projected Operating Expenditure

2017/18		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
(\$'000)		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
1,681	Maintenance and operating costs	863	1,264	765	766	767	767	769	770	771	773
0	Flood event	699	0	0	0	0	1,398	0	0	0	0
50	Disaster insurance	45	48	52	56	61	65	71	76	82	89
235	Internal interest	298	469	539	577	552	551	622	590	589	602
177	Depreciation	231	238	239	239	239	239	243	243	243	248
401	Overheads	302	302	307	303	306	312	308	307	309	304
2,544	Total	2,439	2,322	1,902	1,941	1,924	3,333	2,013	1,985	1,995	2,015

Capital Expenditure \$15.6 million over 10 years

Whakatāne-Tauranga Rivers Scheme			
Year	Capital works	Type	How much
Year 1 (2018/2019)	Whakatane River (modelling).	Replacement	\$100,000
	Whakatane River stopbanks (Stage 1).	Improvement	\$350,000
	Quay Street stormwater.	Improvement	\$270,000
	April 2017 flood damage repairs.	New	\$5,778,000
Year 2 (2019/2020)	Whakatane River stopbanks (Stage 2).	Improvement	\$320,000
	April 2017 flood damage repairs.	New	\$5,778,000
Year 3 (2020/2021)	Culvert renewals.	Replacement	\$150,000
Year 4 (2021/2022)	Culvert renewals.	Replacement	\$28,000
Year 5 (2022/2023)	Capacity review (canals).	Improvement	\$50,000
Year 6 (2023/2024)	Canal stopbanks.	Replacement	\$570,000
	Capital climate change.	Improvement	\$730,000
Year 7 (2024/2025)	Pump electronics.	Replacement	\$35,000
Year 8 (2025/2026)	Capacity review (rivers).	Improvement	\$100,000
Year 9 (2026/2027)	Whakatāne River stopbanks.	Replacement	\$600,000
	Capital climate change.	Improvement	\$780,000
Total			\$15,639,000

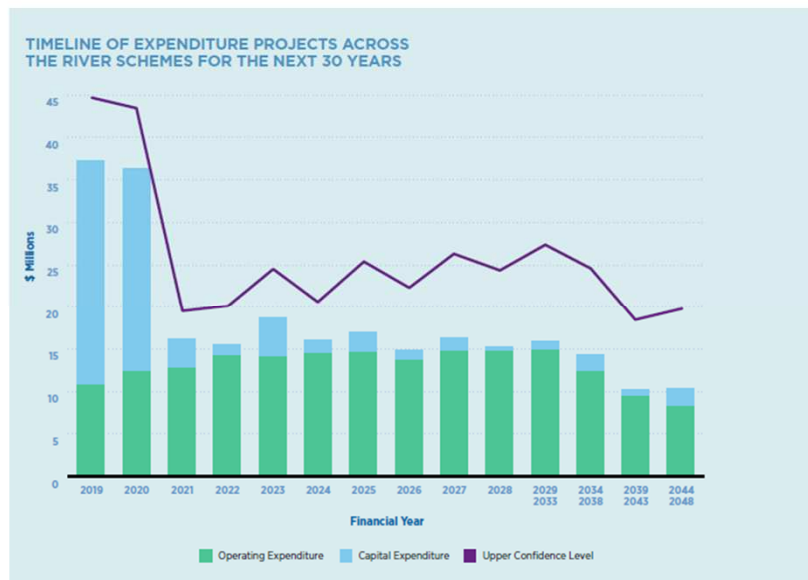
Infrastructure Strategy (IS)

Flood Protection and Control Works

- Identify infrastructure issues and remedial options
- 30 year timeframe
- Review every three years along side the LTP and Rivers & Drainage AMP

Significant issues

1. Climate change
2. Residual risk to community
3. Affordability
4. Events greater than design
5. Levels of service
6. Population growth/decline
7. Geotechnical (condition assessment)
8. Land use change





Flood Recovery Update

Whakatāne Tauranga

February 2018



Sites completed

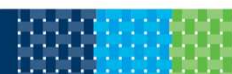
- Te Rahu Pump Station, Waioho Canal – WH198
- R Simpson, culvert outlets – WH112
- R Simpson, top site – WH113
- Dunstan’s Outlet – WH204
- J Brown – WH184 & WH186
- A Wardlaw – WH206
- Faulkner – WH191 & WH192
- Scholtens/Rakuraku – WH 194 & WH207
- Rorrison – WH136
- Ngāti Rongo, top site – WH156
- Rūātoki Township – WH141
- Waikirikiri – WH159 & WH160



Rūātoki Township
WH141 before



Rūātoki Township
WH141 after



Sites in progress

- Keepa Road – WH101
- Te Tahi Street, Grazing Licence – WH107 & WH108
- Martins Lease – WH106



Keepa Road
WH101



Te Tahi Street
WH107 & WH108

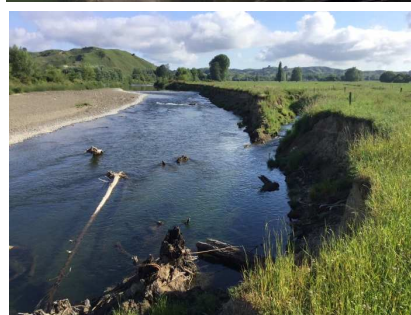


Sites planned next 2-3 months

- K Clark – WH173
- Eivers Road – WH102
- Whakatāne Board Mills – WH104
- Simpson – WH114 & WH209
- Houston – WH128
- Kapi/WDC water intake – WH157 & WH158
- Deegan – WH116
- Thompson – WH123
- Rūātoki various sites
- Houston – WH128 & WH129
- A Wardlaw – WH185
- Pekatahi Bridge – WH127
- Tūhoe Trust – WH139
- Rūātoki B53 Block – WH150
- Whakatāne Board Mills – WH104



Rūātoki various
sites



K Clark
WH173



Long Term Plan 2018-2028

Whakatāne-Tauranga Rivers Scheme



Long Term Plan (LTP)

Long Term Plan
Te Mahere Wā-Roa
2018-2028

Consultation
Document available
19 February 2018

Have your say
19 February
to 19 March

Hearings
April

Deliberations
May

Plan adopted
End of June 2018



Rivers and drainage flood recovery project

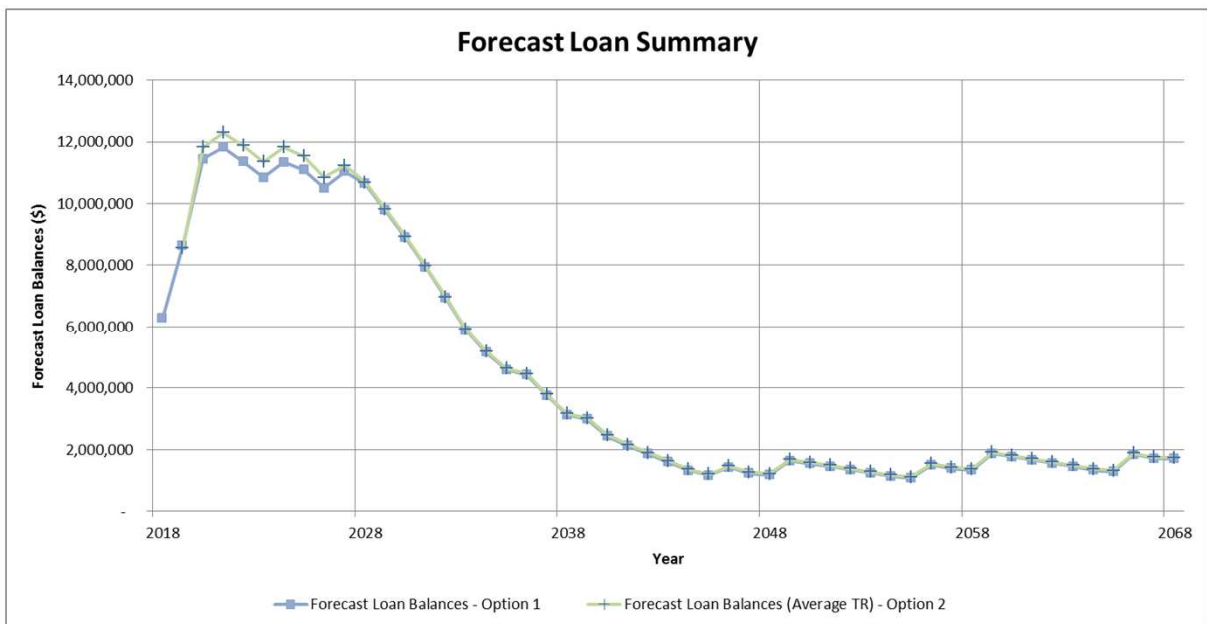
Carry out all identified repairs as soon as possible but:

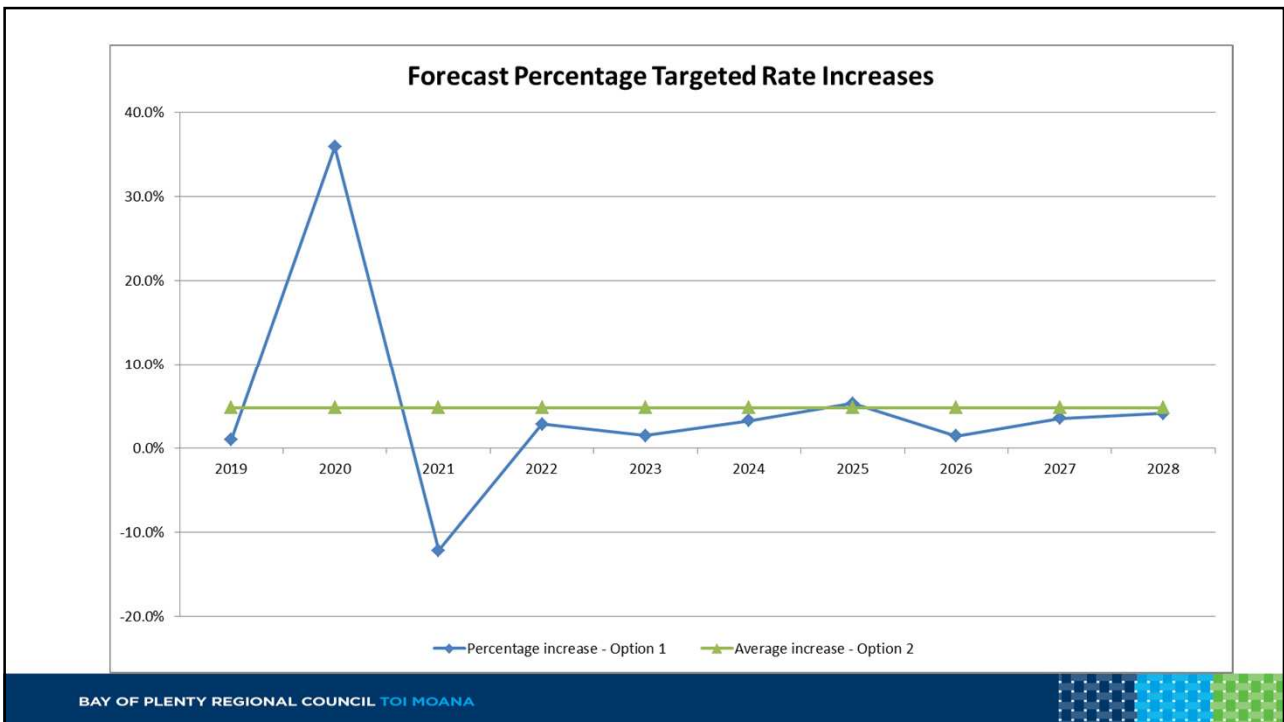
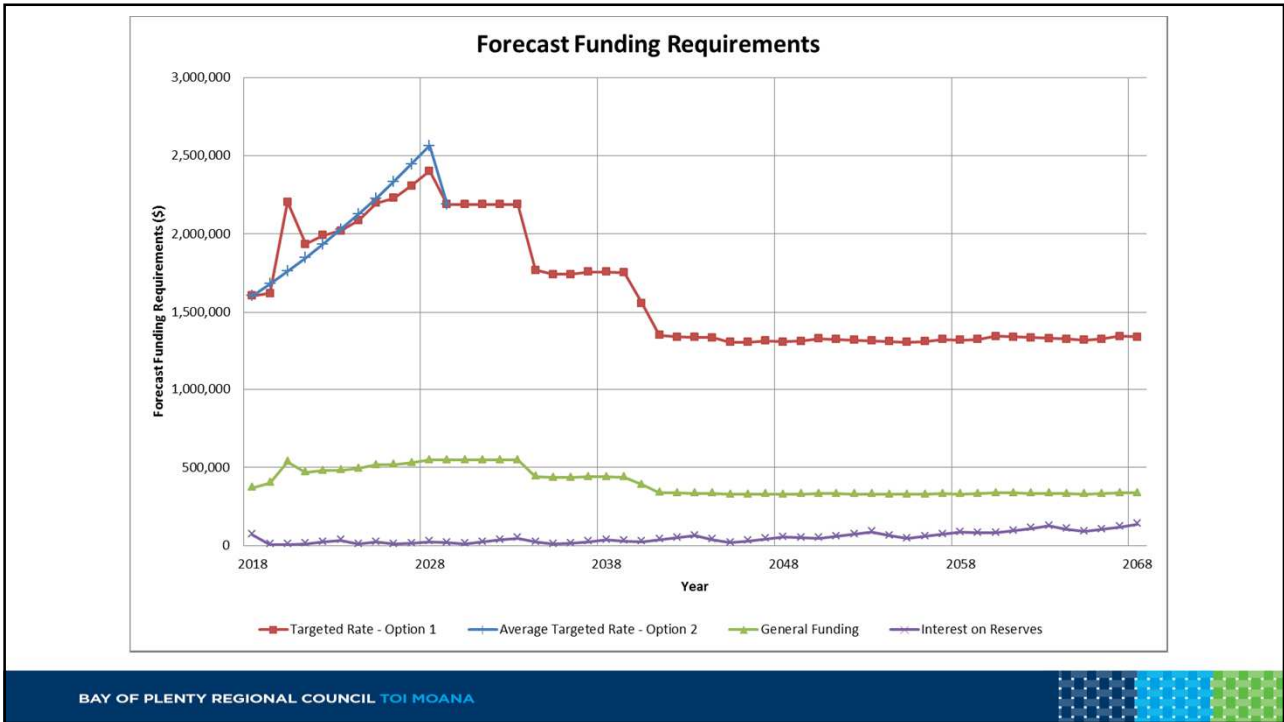
Option 1: Higher rate increases in Years 1 and 2 then smaller increases from Year 3.

Option 2: Rate increases spread out over a longer period (e.g. 10 years).



Forecast Loan Summary





Examples ...

James Street, Whakatāne	Option 1				Option 2			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21
Whakatāne / Tauranga River Q2 (SRA)	116.93	118.27	160.72	141.17	116.93	122.90	129.04	135.49
Whakatāne / Tauranga River U2 (SRA)	18.89	19.11	25.96	22.81	18.89	19.85	20.85	21.89
General Rate	57.99	55.89	56.18	59.90	57.99	55.89	56.18	59.90
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	<u>292.87</u>	<u>326.37</u>	<u>385.35</u>	<u>370.28</u>	<u>292.87</u>	<u>331.74</u>	<u>348.55</u>	<u>363.68</u>
Percentage rate increase		11%	18%	-4%		13%	5%	4%

BAY OF PLENTY REGIONAL COUNCIL TOI MOANA

Examples continued ...

Hodges Road, Waimana	Option 1				Option 2			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21
Whakatāne / Tauranga River B2 (SRA)	307.97	311.54	423.35	371.83	307.97	323.75	339.90	356.82
Whakatāne / Tauranga River O3 (SRA)	33.41	33.79	45.92	40.33	33.41	35.11	36.87	38.71
General Rate	85.39	82.29	82.71	88.18	85.39	82.29	82.71	88.18
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	<u>525.81</u>	<u>560.71</u>	<u>694.47</u>	<u>646.75</u>	<u>525.81</u>	<u>574.24</u>	<u>601.97</u>	<u>630.12</u>
Percentage rate increase		7%	24%	-7%		9%	5%	5%

BAY OF PLENTY REGIONAL COUNCIL TOI MOANA

Examples continued...

Te Rahu Road, Whakatāne	Option 1				Option 2			
	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21	2017/18	Draft LTP 2018/19	Draft LTP 2019/20	Draft LTP 2020/21
Whakatāne / Tauranga River A1 (SRA)	11,488.45	11,619.87	15,790.36	13,870.29	11,488.45	12,075.25	12,678.46	13,309.97
Whakatāne / Tauranga River A6 (SRA)	133.62	135.17	183.68	161.36	133.62	140.45	147.49	154.87
Whakatāne / Tauranga River N6 (SRA)	77.95	78.84	107.15	94.12	77.95	81.94	86.03	90.33
Drainage Class A (SRA)	3,969.72	4,745.41	4,977.21	5,204.44	3,969.72	4,745.41	4,977.21	5,204.44
Drainage Class F (SRA)	69.81	83.42	87.52	91.48	69.81	83.42	87.52	91.48
General Rate	1,114.83	1,074.37	1,079.90	1,151.32	1,114.83	1,074.37	1,079.90	1,151.32
UAGC	99.05	133.10	142.49	146.41	99.05	133.10	142.49	146.41
	<u>16,953.43</u>	<u>17,870.19</u>	<u>22,368.29</u>	<u>20,719.41</u>	<u>16,953.43</u>	<u>18,333.94</u>	<u>19,199.09</u>	<u>20,148.81</u>
Percentage rate increase		5%	25%	-7%		8%	5%	5%

Community LTP Consultation Events

Location	Date	Time	Venue
Whakatāne Stakeholder Forum	26 February 2018	2.30 pm to 4.30 pm	East Bay Reap Whakatāne
Ōhope Craft Market	3 March 2018	8.00 am to 1.00 pm	Bluett Road Ōhope

Making a submission...

- Online at www.boprc.govt.nz/ltp
- By email to ltp@boprc.govt.nz
- In person at any BOPRC office
- Or freepost to:
Bay of Plenty Regional Council
Freepost Number 122076
PO Box 364
Whakatāne 3158

Discussion

1. Staff submission
2. Individual submissions