

THE WEST COAST REGIONAL COUNCIL

WHATAROA RATING DISTRICT

ASSET MANAGEMENT PLAN

October 2014

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EXECUTIVE SUMMARY

Under the Local Government Act 2002 Councils are required to develop 'Asset Management Plans' to demonstrate that they are managing the infrastructure for which they have responsibility.

This plan sets out the history of the scheme so there is a record of the major decisions, including expenditure. It identifies the Objective(s) of the scheme as well as the methods of monitoring the condition of the assets, and determining the annual maintenance needed to retain the service level.

The Whataroa River Maintenance Scheme extends from the State Highway Bridge downstream for 1.6 kilometres. The area protected is predominantly dairy farming with some dry-stock properties. Community infrastructure such as roads, power and telephone lines all derive benefit from the river control system.

The plan also includes the Infrastructural Asset Register which details all of the Scheme's assets and their latest valuation.

Maintenance Expenditure vs Capital Expenditure

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 stopbank under direct attack from the river, the protection required to maintain the existing stopbank 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.

SECTION 1: INTRODUCTION

1.1 PURPOSE OF AN ASSET MANAGEMENT PLAN

This Asset Management Plan defines the objectives and performance standards of the Whataroa Rating District scheme for which the Regional Council has the maintenance responsibility. It also provides a basis upon which the effectiveness of maintenance performance can be measured.

This asset management plan:

- Identifies the service level for the Rating District.
- Describes the history of the rating district and identifies its assets.
- Describes the methods used to maintain the service level of these assets.
- Complies with the regulatory requirements of the Local Government Act 2002.

1.2 BACKGROUND

1.3 DESCRIPTION OF ASSETS

The Rating District assets consist of all those works outlined in the Infrastructural Asset Register. The total replacement value of these works was \$450,245 as at 30 June 2014.

The capital value of land and buildings within the confines of the scheme is ()

Asset Class	Value
Rock	\$288,788
Fill	\$112,500
Contingency and Administration	\$48,957
TOTAL	\$450,245

Note that a 10% contingency to cover design and a 2% estimate for administration of the work including resource consent costs has been added to more fairly indicate total replacement costs.

1.4 MAINTENANCE EXPENDITURE

Appendix I shows expenditure since 2010. The average annual expenditure is \$28,407

SECTION 2: SERVICE LEVELS

2.1 OBJECTIVES

2.2 MAINTENANCE PROGRAMME

2.3 DAMAGE EXPOSURE

River control 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 inevitable that damage will occur to structures.

An assessment of maximum damage potential was derived from estimating the damage ratios and costs for three flood events and is in vicinity of \$75,000

<u>FLOOD EVENT SIZE</u>	<u>VALUE</u>	<u>DAMAGE RATIO</u>	<u>DAMAGE EXPOSURE</u>
20 Year	\$450,245	10%	\$45,024
100 Year	\$450,245	20%	\$90,049
500 Year	\$450,245	20%	\$90,049

SECTION 3: FUNDING

3.1 MAINTENANCE

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

- Preparation of an annual works programme and corresponding budget.
- Consultation with Rating District.
- Adoption of draft programme and budget by Council.
- Adoption of final Annual Plan by Council.

3.2 DAMAGE REPAIRS

Routine damage repairs are funded by a combination of:

- carrying out work as scheduled in annual works programme.
- reprioritising works identified in the annual works programme.

- 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.

3.3 FINANCIAL RESERVES

Financial reserves are held within each rating districts account to provide the following.

- meet the costs of unscheduled works.
- enable an immediate response to flood damage repairs.
- prevent major fluctuation in rating levels annually.

The level of financial reserves held in each rating account is determined by the assessment of risk damage and the need for unprogrammed works.

3.4 DEPRECIATION

Rating District schemes are designed to be maintained in perpetuity by constantly repairing and replacing component parts which are damaged by the constant wear and tear. Because there is a constant cycle of replacement of elements of the infrastructure, depreciation of the value of the assets is not appropriate and funding of depreciation is not necessary. This approach is consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines (Section 5.4.4).

3.5 MAINTENANCE VS CAPITAL EXPENDITURE

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 stopbank under direct attack from the river, the protection required to maintain the existing stopbank 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.

SECTION 4: PERFORMANCE MEASURES

The overall performance measure is that the infrastructure assets are maintained to meet their service levels at all times.

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

Annually

- (i) Produce annual works report for the rating district to include type of work to be undertaken, quantities, location and costs.
- (ii) Organise contracts for agreed scheme work, oversee contract completion and report to Council.
- (iii) Report on works undertaken during the previous financial period to the rating district ratepayers and Council.

Performance Measure

No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress.

Triennially

- (i) Re-fly aerial photographs of the area, analysing these photographs to assess changes in river meander patterns that could impact on Rating District Assets.
- (ii) Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.
- (iii) Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.
- (iv) Review this Asset Management Plan

Performance Measure

Report to Council and ratepayers on revaluation of assets and the Plan review.

APPENDIX 1: EXPENDITURE SINCE 2010

2010	2011	2012	2013	2014
0	0	89,928	41,180	10,930

Total Expenditure \$142,038

Average Expenditure \$28,407

Average Expenditure as a % of Asset Value 19.9%

As at 30 June 2014, the value of the Whataroa Rating District Scheme assets is \$450,245