

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 11 JUNE 2019, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.55 A.M.

PRESENT:

A. Robb (Chairman), T. Archer, N. Clementson, P. Ewen, P. McDonnell, A. Birchfield, S. Challenger

IN ATTENDANCE:

M. Meehan (Chief Executive Officer), R. Mallinson (Corporate Services Manager), H. McKay (Consents & Compliance Manager), H. Mills (Planning, Science & Innovation Manager), R. Beal (Operations Director), N. Costley (Strategy & Communications Manager), A. Mahuika (Minutes Clerk).

1. APOLOGY:

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3.1 CONFIRMATION OF MINUTES

The Chairman asked the meeting if there were any changes to the minutes of the previous meeting. There were no changes requested.

Moved (Birchfield / Archer) that *the minutes of the Council meeting dated 14 May 2019, be confirmed as correct.*

Carried

Matters arising

There were no matters arising.

REPORTS:

4.1 OPERATIONS REPORT

R. Beal spoke to his report and advised that the meeting with the Franz Josef Rating District which was scheduled for 4 June did not go ahead due to lack of availability of members of the rating district. R. Beal advised that staff have completed the design and costings of work requested by the rating district and a tender will be sent out immediately for the 3 to 1 batter wall. R. Beal advised that staff are not supportive of the design on page 8 of the agenda and NZTA have advised that they will not contribute to the cost of this at \$2.8M as they have their own protection works in place.

R. Beal reported that 250m of the new stopbank has been completed in the Lower Waiho Rating District. He explained progress to date and advised that 14,000 tonne of rock has been recovered to date. R. Beal advised that \$745,000 has been spent on this project as of 7 June. He stated that quite a bit of money is being spent on maintaining the diversion work which is protecting the major rebuild work as each time there is a weather event this work is damaged. This is increasing the total rebuild costs. R. Beal stated that the work plan has now been changed so that the focus can be on extending the full length stopbank plus half height so that money is not being spent on the diversion wall. M. Meehan stated that it was previously agreed that staff would advise Council once the \$1M mark is reached, he

stated that it is expected this will be reported at one of the annual plan meetings either on 21 or 28 June. R. Beal advised that other rock sources investigated have now come in at between \$35 and \$40 per tonne and it too much rock is brought at this price then the financial shortfall would need to be funded by a loan.

R. Beal advised that Grey District Council have sought engineering advice from Council regarding the erosion issues at Jellyman Park. R. Beal stated that Envirolink funding is being sought to update the NIWA Report which was previously done in this area. M. Meehan confirmed that this Council has no assets in this area but the outlet for Range Creek is in this vicinity.

Discussion took place on insurance matters relating to the Lower Waiho works. It was noted that final prices are very dependent on what rock pricing is obtained. R. Beal answered questions from Councillors regarding the current state of the wall, rock sources, design and potential financial impacts to the rating district. It was agreed that a more comprehensive report would be brought to one of the annual plan meetings later in the month.

Cr Ewen voiced his concern with involvement in the Jellyman Park issues as he feels there could be financial risk to this Council in this area. The Chairman stated that he is happy for staff to provide advice but the request would need to come from Grey District Council. R. Beal displayed a video of the sea conditions at Jellyman Park.

R. Beal confirmed that Council's engineer has GPS'd an area of the Hokitika Sewall near Tudor Street yesterday, as there has been some erosion in this area.

Moved (Ewen / Archer) *That the report is received.*

Carried

4.1.2 AMOUR GRADE ROCK PROTECTION DEMAND

R. Beal spoke to this report and stated that there are significant amounts of rock required across the West Coast by Council, DoC and NZTA for all the repair projects following the March weather event. R. Beal stated that should there be similar weather events in other parts of the region he is concerned about how Council would cope with the high demand for rock. R. Beal suggested an amendment to recommendation number 2.

M. Meehan advised that there is some cross over in the asset management plans as some of this can be done quickly but some is large items of work that may take time to do. He stated that conversations will need to be had with rating districts and communities as to what they can afford to have in stockpiles. He stated that it is important that Council has access to rock quickly during emergency weather events. Discussion took place about access to rock within the conservation estate and whether or not the provision of rock to community's is Council's responsibility. Extensive discussion took place. R. Beal advised that there is already an existing production contract in place which was extended last year with a current contractor, he has been offered a further extension but has come back with an increase of costs, which is why the contract needs to be released for tender.

Cr Clementson declared a conflict of interest.

Moved (Challenger / Archer)

- 1. That the report is received.*
- 2. Release of the Quarry production and Management contract for tender and include a breakdown per quarry.*
- 3. Reassess the business plan for Quarry management.*
- 4. Engage additional AGPR production drilling rigs.*
- 5. Identify and consent additional sites of AGPR for immediate and future needs.*
- 6. Engage with stakeholders to achieve acceptable outcomes for new AGPR sources.*
- 7. Re-evaluate what stockpiles of AGPR should be held in stock.*

Carried

4.2 CORPORATE SERVICES MANAGER'S MONTHLY REPORT

R. Mallinson spoke to his report and advised that this is for the ten months to the end of April. He reported that the deficit has reduced slightly to \$589,000. R. Mallinson reported that the investment portfolio continued its recovery with total recovery from January to April amounting to \$864,000. He stated that although the investment portfolio has recovered, it is still more than \$0.25M below what was budgeted for the year to date. R. Mallinson advised that the reported results do not include a substantial volume of rock that has been sold to MBD Ltd under a royalty agreement at Inchbonnie. He advised that the May results will include at least 30,000 tonnes sold at the \$3.00 royalty. R. Mallinson answered questions from Councillors relating to rating district finances.

R. Mallinson advised that the total amount of debt migrated was \$7.5M from Westpac to the Local Government Funding Agency. He stated that Council had been paying 3.15% on this debt through Westpac, the new costing of borrowing is 2.15% with 1% being saved which equates to in excess of \$70,000 per year going forward. R. Mallinson advised that he will be bringing a full report on this matter to the July Council meeting. R. Mallinson advised that some debt has been kept with Westpac. M. Meehan thanked R. Mallinson for the considerable amount of work he has done in this area.

R. Mallinson answered questions from Councillors.

Moved (Birchfield / Challenger) *That the report is received.*

Carried

5.0 CHAIRMANS REPORT

The Chairman spoke to his report and stated that the Essential Freshwater Regional Sector Advisory Group's work is ramping up and will be going to Cabinet at the end of the month.

The Chairman advised that the Grey Freshwater Management Unit is progressing well and those involved now have a good understanding of what is required and the impacts of any decisions or recommendations that are made.

Moved (Robb / Clementson) *that this report is received.*

Carried

GENERAL BUSINESS

Cr Birchfield expressed concern with Local Government NZ, he stated that Council pays a \$33,000 membership fee and he is concerned with what Council gets out of this and queried whether Council should continue its membership. Cr Birchfield stated that Dave Cull's speech at the Minerals Conference stated that the mining sector was not required anymore and put the sector on notice. The Chairman suggested that Council writes a letter to LGNZ as he feels that Mr Cull should not be making statements like this, as the head of LGNZ. M. Meehan advised that he also attended the Minerals Conference and listened to Mr Cull's speech. M. Meehan advised that Council's membership is paid up until March 2020 and council in the past have pulled out of LGNZ. M. Meehan advised that Mr Cull is standing down as Dunedin's Mayor in October and he will have to vacate the President's role for LGNZ. M. Meehan stated that he feels writing a letter to LGNZ is a good idea. Extensive discussion took place and it was agreed that Council would write a letter to LGNZ and this would be circulated to Councillors prior to being sent.

Moved (Birchfield / Archer) *that Council writes to LGNZ.*

Carried

Fuel Storage

Cr Ewen expressed his concern that nobody seems to be doing anything about fuel storage for the West Coast as he has made enquiries on this matter with DWC. M. Meehan confirmed that there is a fuel plan for the West Coast, which shows where fuel is stored and it is updated every couple of years by the Lifelines Group. M. Meehan stated that this is an important issue and if Council would like this progressed then outside consultants would need to be engaged and would involve significant capital costs. M. Meehan outlined work that has already been done in this area and agreed to have this forwarded to Cr Ewen. Cr Archer stated that this matter has been covered extensively over the years, it

is a huge issue, as a facility would need to be built and the fuel would need to be turned over constantly, and he feels that the community cannot afford to fund this. Cr Birchfield agreed, and stated that any fuel storage facility would need to be run by the fuel companies. He acknowledged that the costs would be huge and he is unsure who would fund this. Extensive discussion took place.

Moved (Clementson / Archer) *That the meeting is adjourned.*

Carried

The meeting adjourned at 12.05pm

The meeting reconvened at 12.45 pm

Moved (Archer / Birchfield) *That the meeting is reconvened.*

Carried

The meeting closed at 12.45 p.m.

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Chairman

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Date