

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE HELD ON 9 MAY 2017, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.

PRESENT:

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

IN ATTENDANCE:

M. Meehan (Chief Executive Officer), R. Mallinson (Corporate Services Manager), N. Costley (Strategy & Communications Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Moved (Archer / McDonnell) *that the minutes of the previous Resource Management Committee meeting dated 11 April 2017, be confirmed as correct.*

Carried

Matters Arising

There were no matters arising.

4. CHAIRMAN'S REPORT

Cr Clementson reported that he attended the hearing for the Proposed Pest Plant Management Plan. He stated that a few minor changes were made.

Moved (Clementson / Ewen)

Carried

5. REPORTS

5.1 PLANNING AND OPERATIONS GROUP

5.1.1 PLANNING REPORT

M. Meehan advised that S. Jones is currently in Wellington with MfE and is discussing the Freshwater NPS. He also advised that G. McCormack is in Westport at a hearing and R. Beal is at a Board meeting. M. Meehan took the report as read and advised that Council has been invited to MfE to discuss issues that have been raised relating to the Clean Water package.

M. Meehan reported that three iwi groups have lodged High Court action around customary rights in the West Coast coastal marine area. He advised that Council is currently seeking advice on this and is working with Local Government NZ.

Moved (Archer / Challenger) *that the report is received.*

Carried

5.1.2 RESOURCE LEGISLATION AMENDMENT ACT 2017

M. Meehan spoke to this report. He stated that this legislation came into effect on 19 April. M. Meehan advised that there are some quite significant changes to the Act with natural hazards being added to Section 6 along with functionality changes to consenting. M. Meehan stated that Government is attempting to come up with a national planning template. M. Meehan advised that it will be interesting to see what the practicalities of the streamlined planning process are. He stated that a more detailed report will be brought to the June Council meeting.

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

Carried

5.2.1 CONSENTS MONTHLY REPORT

M. Meehan spoke to this report and offered to answer questions from Councillors.

Moved (Archer / Birchfield) *That the May 2017 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

M. Meehan spoke to this report and advised that only three complaints were received during the reporting period. M. Meehan stated that dairy farm inspections are now tailing off. He stated that it has been a wet season and a hard year for dairy farmers but it is pleasing to see that in spite of this 37 out of 40 dairy farms are still compliant and the three that are non-compliant only require minor remediation. M. Meehan stated that three formal warnings and two infringement notices were issued.

M. Meehan advised that the bonds recommended for release relate to Solid Energy's sale of the Strongman and Island Block mines to Birchfield Coal Mines Ltd (BCML). He stated that BCML have agreed to be bound to the obligations of Solid Energy under the Bonding Deed provided that each bond quantum set under the Bonding Deed deducts from it then remaining Escrow amount which may be applied to the same rehabilitation work as the bond quantum. M. Meehan advised that the bonds are no longer required because the money set aside in the Escrow account will be sufficient to address things caused prior to BCML taking over these sites. He answered various questions from councillors and advised that he and G. McCormack will follow up on queries from last month's meeting.

Cr Ewen expressed concern about the Solid Energy bonds, and what has been previously agreed to with regard to remedial work over the years.

Moved (Birchfield / Archer)

1. *That the report be received.*
2. *That the bonds for CML-37-159 and CML-37-160 held by Solid Energy Ltd in relation to Strongman and Island Block mines are released.*

Carried

5.2.3 VARIATION TO THE TERMS OF THE ESCROW AGREEMENT

M. Meehan stated that he would like to take this report as read. He stated that technical changes have been made to the Escrow agreement to allow for the change in mine ownership. M. Meehan advised that Council's lawyers are satisfied that the changes will not have any negative impact on Council going forward. M. Meehan advised that the other party signing this agreement is happy with the agreement as well. Cr Ewen spoke of a potential shortfall of the Government guarantee of \$20M. Cr Ewen expressed concern that the changes in the agreement could impact on the agent. He is also concerned about liability, acid mine drainage and fires. M. Meehan advised that the government is taking liability for acid mine drainage into the future and is under a separate agreement. M. Meehan stated that Council's lawyers are happy with matters relating to liability going forward and the technical changes are mainly related to the agent who is employed to manage the account. M. Meehan stated that the advice he has been given does not weaken Council's position regarding liability. Cr Archer stated that he wants to be 100% certain that Council's lawyers have this right because if they haven't then Council is going to be exposed. M. Meehan stated that in the past Councillors have had the opportunity to speak with Council's

lawyers and to ask further questions on any concerns they have. He offered to arrange this. Cr Robb asked what the timeframe is for this matter. M. Meehan responded that he is not aware of a deadline and this is more of a technical change around the agent. M. Meehan advised that the options are to put the motion or to defer the decision. He stated that to defer the decision to the June meeting is too long and a special meeting would be a better option. Cr Archer suggested that the decision be deferred and legal advice be sought and received today by Councillors and then reconvene today. Cr McDonnell agreed with Cr Birchfield and stated that he relies on Council's lawyers to give us the best advice and he is prepared to support the motion. It was agreed that M. Meehan would contact the lawyer but phone.

Moved (Birchfield / McDonnell)

That on behalf of Council the Chairman signs the revised Escrow Agreement incorporating the changes listed in this report, and also shown by way of track changes in the draft version of the agreement which accompanies this report.

Cr Archer moved an amendment to the motion.

Moved (Archer / Ewen)

That Council defers making a decision until further information is obtained and Councillors have the opportunity of talking or reviewing the legal advice.

Carried

Cr Clementson drew attention to a minor error on the last page of the agreement which says "Signature of the Mayor of the West Coast Regional Council". This needs to be corrected to "Signature of the Chairman of the West Coast Regional Council".

The meeting adjourned at 11.08 a.m.; F. Tumahai and J. Douglas left the meeting.

The meeting reconvened at 11.53

M. Meehan took a phone call from Simon Anderson from Ross Dowling Marquet Griffin, Council's lawyer. Mr Anderson was placed on speaker phone; he answered various questions from Councillors. Cr Birchfield commented that this is housekeeping relating to an agreement Council signed back in 2015 and even though the mines have been sold the existing arrangement continues on.

Councillors then returned to the original motion which was moved and seconded as above. The motion was then carried. Cr Ewen voted against.

6.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 12.06 p.m.

.....
Chairman

.....
Date