

THE WEST COAST REGIONAL COUNCIL/ WESTLAND DISTRICT COUNCIL

**MINUTES OF THE MEETING OF
THE HOKITIKA JOINT SEA WALL COMMITTEE
HELD ON 18 OCTOBER 2018,
AT WESTLAND DISTRICT COUNCIL CHAMBERS,
WELD STREET, HOKITIKA, COMMENCING AT 4.32 P.M.**

PRESENT:

S. Challenger (Chairman), P. McDonnell, J. Neale, D. Carruthers, G. Eatwell

IN ATTENDANCE:

R. Beal (WCRC Operations Manager), S. Bastion (WDC CEO), R. Mallinson (WCRC Corporate Services Manager), B. Russ (WCRC Engineer), J. Bainbridge (WDC) J. Ellis (Quarry Manager), T. Jellyman (Minutes Clerk).

APOLOGIES:

There were no apologies

WELCOME

S. Challenger welcomed all present to the meeting and introductions were made.

PRESENTATION

R. Roberts (Chairperson, Enterprise Hokitika) addressed the meeting. She spoke of the two submissions made to WCRC regarding the proposed E Class classification. The proposed E class was a set \$25 per household but this did not progress. R. Roberts stated that the whole town benefits from the seawall and she feels that everyone should contribute to the seawall. R. Roberts stated that she would like this matter revisited.

R. Mallinson advised that there were in excess of 12 submitters opposed to the E Classification. Cr McDonnell advised that it was mainly farmers who were opposed to the E class as their argument was that they are already in rating districts and the townfolk are not paying for their river protection. Cr Challenger thanked R. Roberts for her presentation.

A letter from D. Sharpe was tabled and distributed to all present.

Moved: *"That the minutes of the previous Annual Meeting held on 27 October 2017, be adopted as a true and correct record of that meeting."*

D. Carruthers / J. Neale

MATTERS ARISING

Action points were updated.

Cr Challenger drew attention to the general business section of the minutes and clarified that possible extension of the seawall was to the south to Sunset Point.

FINANCIAL REPORT

R. Mallinson spoke to this report and advised that the opening balance in the maintenance account is \$44,381.62 and the closing balance in the maintenance account is \$73,453.09. The opening balance in the loan account is \$73,982.02 in deficit and the closing balance in the loan account is \$85,547.10 in deficit. The loan account balance represents the unused balance of the rate raised to repay the loan with. The actual loan balance as of 30 June 2018 was \$1,162,500.

R. Mallinson advised that the way the loan is structured it is being repaid with equal monthly loan principle instalments. He advised that the loan account will hit its maximum deficit in 2021 and will decline thereafter. The advantage of this type of loan structure is that there is a saving of over \$100,000 over the term of the loan in interest. R. Mallinson advised that \$1.5M was borrowed originally and the interest rate is 2.9%.

WORKS REPORT

B. Russ spoke to this report and advised that no works were carried out during the financial year. He stated that the seawall is holding up well and did so during the two cyclones this year.

B. Russ inspected the seawall on 11 September and \$21,000 worth of maintenance works were identified, this includes the replacement of the two ramps which were washed away. B. Russ stated that the access road required requires some topping up at a cost of approximately \$6,000 and some topping up of rock in areas that that slumped will cost around \$15,000.

B. Russ advised that the prudent reserve, for maintenance only is approximately \$380,000. He stated that this is substantial but rock prices have increased as a result of health and safety requirements and benching work required in quarries.

RATE STRIKE

Discussion took place on the rate strike, Council recommends a maintenance rate strike of \$30,000. The balance in the rating district account at the beginning of the financial year is likely to be close to \$82,000. A \$30,000 maintenance rate was established across the existing A –D classes this financial year. It was agreed that the rate strike would remain the same for the 2019 / 2020 financial year.

GENERAL BUSINESS

Cr Eatwell asked if there is concern about overtopping of the seawall. S. Bastion confirmed works near Beach Street has been done. It was noted that work is being programmed near Sunset Point, on the river side, using TIF funding. B. Russ confirmed that the seawall is 630 metres long but it does not extend right to the tip. S. Bastion advised that an application to the Provincial Growth Fund could be considered if the seawall was to be raised or extended. B. Russ advised that if the seawall is regularly being overtopped then this could be considered. It was agreed that the seawall withstood the two cyclones reasonably well. B. Russ advised there has been as small amount of erosion north of the seawall but at the moment this area is fairly stable. He stated that the four groynes in this area provide benefit and are surveyed each year.

Discussion took place on the river mouth and possibly keeping it where it currently is. B. Russ advised against this as it would cost a considerable amount of money on a constant basis. Cr McDonnell agreed and stated that a river of this size has a mind of its own. It was agreed trying to keep the river where it is now would be an extremely expensive exercise.

There being no further business, the meeting closed at 5.15 pm.

Action Points:

There were no action points

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Chairman

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Date

Council Infrastructure Insurance Details

Information provided by R. Mallinson (Corporate Services Manager)

Council exited LAPP in 2011 following the Canterbury earthquakes, as it was going to be unaffordable to continue.

We then established a designated Catastrophe Fund, which has grown to \$1M.

As from 1/11/17 WCRC Infrastructure is covered under the AON Lloyds scheme. We are in a grouping of South Island Councils (Nelson, Tasman, Buller, Grey, Westland, WCRC, Queenstown Lakes, Environment Southland) with total programme cover of (now) \$300M.

WCRC carries cover of \$35M and the annual premium is paid for from interest earned on the \$1M Catastrophe Fund. The excess is \$250,000.

See details of actual cover below taken from the actual Policy wording: The infrastructure cover includes (quoting direct from Policy).

“Materials damage natural catastrophe insurance” including:

Earthquake, Natural landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic eruption, Hydrothermal and geothermal activity, Subterranean Fire, And Business Interruption resulting from them.