

Report No.	20-127
Decision Required	

IHURAUUA SCHEME RESERVES

1. PURPOSE

- 1.1. To seek the approval of the Committee to transfer the Ihurauua Scheme reserve balance to the Ihurauua / Tiraumea Catchment Group.

2. EXECUTIVE SUMMARY

- 2.1. The Ihurauua Scheme was dissolved in 2018 with the advent of the Tararua District-Wide Scheme, with the maintenance tasks previously undertaken by the Ihurauua Scheme absorbed into the new district-wide scheme.
- 2.2. The question around what to do with the reserve associated with that scheme was not adequately resolved at the time of dissolution. Staff have, through discussion with former Ihurauua Scheme Chair David Nelson, identified a simple way of returning those surplus funds to the community in a manner consistent with good environmental stewardship.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-127 and Annex.
- b. approves the transfer of the Ihurauua Scheme reserves balance of \$3,522 to the Ihurauua / Tiraumea Catchment Group;
- c. approves the transfer of the outstanding Eastern Manawatu Scheme reserve balance of \$2,845 to the Tararua district-wide Scheme.

4. FINANCIAL IMPACT

- 4.1. As the item proposes the transfer of reserves for a dissolved scheme there is no particular financial impact – funding collected for a specific purpose and not easily / justifiably allocated outside of the community that it was collected from.

5. COMMUNITY ENGAGEMENT

- 5.1. No community engagement has been undertaken specific to this item, though engagement was attempted with Ihurauua Scheme ratepayers in March 2018. Community engagement did take place with the establishment of the Tararua District-Wide Scheme, including the distribution to all Tararua district ratepayers outlining the new scheme proposed and the dissolution of the three schemes. That included a reference to consulting with the ratepayers of those scheme to be dissolved as to what to do with any reserves balances.
- 5.2. Note that the former Chair of the Ihurauua Scheme, David Nelson, is now the Chair of the Ihurauua / Tiraumea catchment group; many of the former members of the Ihurauua Scheme Liaison Committee are now members that group.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. There is no significant business risk impact associated with this item.

7. BACKGROUND

- 7.1. The Ihuraua Scheme was formed in 1970 with the objective of undertaking channel clearing, improvement works and ongoing maintenance of a 14km length of Ihuraua Stream from the Route 52 Bridge to Alfredton Domain.
- 7.2. Most of the major work was completed between 1971 and 1995, where large sections of the channel were cleared of vegetation and straightened to provide for flood flows and increase channel capacity. From 1995 the Scheme was in a maintenance phase.
- 7.3. In the 2018 financial year income for the Ihuraua Scheme totalled approximately \$6000, 80% of which came from differential rates, with 20% from general rates. The scheme was made up of 8 direct and 25 indirect contributors, with the bulk of the scheme funds (84%) coming from the direct contributors.
- 7.4. As with other river management schemes, the Ihuraua Scheme maintained a reserve fund, albeit for a slightly different purpose than for most other schemes. Essentially the work programme was set to a three-yearly cycle, the most efficiently delivery model for a small scheme in a relatively remote location; much of the revenue collected outside that three yearly cycle fell into the reserve, drawn back out when that three-yearly interval rolled around.
- 7.5. The Ihuraua Scheme, along with the Eastern Manawatu and Akitio Schemes, was dissolved in 2018 with the advent of the Tararua District-Wide Scheme; one of the intents with the district-wide approach was to remove the duplication that existed across multiple small willow control / channel management schemes.
- 7.6. Note that the Akitio Scheme is technically in abeyance; a group of ratepayers met with staff and (at the time) Cr Barrow to air concerns that a broader management approach across the district might mean a loss of focus on the Akitio. Council subsequently resolved to keep the Akitio Scheme 'on paper' and to re-evaluate the effectiveness of the district-wide model with the 2021 refresh of the [Long-term Plan \(LTP\)](#).

8. DISCUSSION

- 8.1. One consideration with the dissolution of the Ihuraua, Akitio and Eastern Manawatu Schemes was the reserves held by each scheme. With the Eastern Manawatu Scheme the loan balance was close to the reserve total. Currently there remains \$2,845 within the Eastern Manawatu reserves. Discussion with the former Scheme Chair and Committee members favour transfer of this balance to the Tararua River Scheme.
- 8.2. The loan associated with the Akitio Scheme was paid off in 2017, leaving a reserves balance of \$18,595; if Council chooses to dissolve the Akitio Scheme as part of the 2021 LTP update it will, in a similar vein to the Ihuraua Scheme, need to decide what to do with the balance.
- 8.3. To date there has been very limited interest from former Ihuraua Scheme ratepayers on what to do with the reserves balance of \$3,522. The Alfredton community still maintains a passionate interest in the waterways in their community and have founded the Ihuraua / Tiraumea Community Catchment Group. Work has been undertaken by the Catchment Group in partnership with the Horizons Freshwater Team to complete riparian planting and develop wetlands and projects have been identified with the Horizons Science Team to improve water quality.
- 8.4. Area Engineer Eastern James Feary has received a letter from former Ihuraua Scheme Liaison Committee Chair David Nelson (Annex A). This formally requests that the remaining Scheme Reserve funds for the Ihuraua Scheme be transferred to the Ihuraua / Tiraumea Community Catchment Group for use in improving water quality in these rivers.

09 September 2020

In this case the purchase of **Stream Health Monitoring and Assessment Kit (SHMAK)** test kits for water testing.

9. COMMENT

- 9.1. Given that the Ihuraua Scheme is now defunct, options for the remaining reserves held by Council are considered to be:

(i) Used for river management work alongside the Tararua Scheme;

- 9.2. As the Ihuraua Scheme no longer exists, the work of the Ihuraua Scheme is currently being done by the Tararua Scheme and the all previous Ihuraua Scheme members are being rated for the activities directly through the targeted Tararua Scheme rates. There are no obvious river management projects in the immediate area that fit with the amount in question; in any event the amount is relatively small and would not translate to (again in relative terms) much in the way of materials/ machine time, particularly when staff time is accounted for.

(ii) Returned to the ratepayers directly;

- 9.3. Returning the funds directly to the ratepayers would involve a large amount of administrative time and it would be a cost either directly borne by Horizons or provisioned for by taking the additional cost from the funds returned. The total value of returns will be small for most ratepayers, at around \$22 per property. The two largest beneficiaries would receive a quarter of the returned funds each. Both are members of the Catchment Community Group.

(iii) Used for a purpose expressly approved of by the ratepayers;

- 9.4. Distributing the funds directly to the Catchment Community Group would allow for community activities to be carried out that have a benefit to the local community and environment which would not otherwise have been able to be provided for under the Ihuraua or Tararua River Schemes. It would also involve the least level of administration of the options.
- 9.5. In this case, the largest contributor to the reserve funds are the principle members of the Catchment Community Group. They have canvassed the opinions of other former Ihuraua Scheme ratepayers who are in favour of using the reserve funds in the manner recommended in the item.

10. RECOMMENDATIONS

- 10.1. It is recommended that the \$3,522 surplus of the disbanded Ihuraua Scheme be distributed to the Ihuraua /Tiraumea Community Catchment Group to undertake community works on improving water quality.

11. SIGNIFICANCE

- 11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

James Feary
AREA ENGINEER (EASTERN)

Ramon Strong
GROUP MANAGER RIVER MANAGEMENT

ANNEXES

- A David Nelson letter