

AGENDA

HORIZONS REGIONAL COUNCIL

CATCHMENT OPERATIONS COMMITTEE

Wednesday, 7 October 2009 at 10.00am

Notice is given of a meeting of Horizons Regional Council to be held on Wednesday 7 October, 2009 at 10.00am in the Tararua Room, Horizons Regional Council offices, 11-15 Victoria Avenue, Palmerston North.

Business to be discussed includes:

- River and Drainage Engineering Report
- Lower Manawatu Scheme – Rural Upgrade Project
Oroua River Works/Taonui Basin Impacts
- Lower Manawatu Scheme - City Reach Project
Update on Design and Consent Issues
- Makerua Drainage Scheme
Proposed Changes to Scheme Area and Targeted Rating System
- Lower Manawatu Scheme Rating Project
- Environmental Grants – Land Activity
- Sustainable Land Use Initiative (SLUI)

Deputation to this Meeting:

- Mr Alan Proude – Mangahouhou Stream (1.30pm)

**RECOMMENDATIONS IN REPORTS ARE NOT
COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**

NEWS EMBARGO

Items in this agenda may be subject to amendment or withdrawal at the meeting. Items are embargoed until two days before the date of the meeting.

Reporters who do not attend the meetings should seek confirmation of the agenda material or proceedings from the Chief Executive prior to any media reports.

for further information regarding this agenda, please contact:
Julie Kennedy, 06 952 2800

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CATCHMENT OPERATIONS COMMITTEE

COMMITTEE MEMBERS

Cr DB Meads (Chair) Cr MC Guy (Deputy Chair)
Cr EB Gordon Cr PW Rieger QSO
Cr GP Murfitt (ex officio) Cr RG Walker JP

AGENDA

7 October 2009
10.00am

	Pages
1. Apologies	
2. Public Speaking Rights Notification to speak is required by 4pm on the working day prior to the meeting. Further information is available on www.horizons.govt.nz or by phoning 0508 800 800	
3. Late Items: To consider, and if thought fit, to pass a resolution to permit the Committee to consider any further items which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded. Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise: (i) The reason why the item was not on the Order Paper, and (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.	
4. Members' Conflict of Interest Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.	
5. Confirmation of Minutes – 15 July 2009	1 - 8
6. River and Drainage Engineering Report <i>Report No: 09-152</i> <i>File No: PRD 5 00</i>	9 - 32
7. Lower Manawatu Scheme – Rural Upgrade Project Oroua River Works/Taonui Basin Impacts <i>Report No: 09-153</i> <i>File No: PRD 6 04</i>	33 - 36

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| 8. | Lower Manawatu Scheme - City Reach Project
Update on Design and Consent Issues
<i>Report No: 09-150</i>
<i>File No: PRD 5 16</i> | 37 - 40 |
| 9. | Makerua Drainage Scheme
Proposed Changes to Scheme Area and Targeted Rating System
<i>Report No: 09-149 (incl Annex A)</i>
<i>File No: PRD 4 08</i> | 41 - 56 |
| 10. | Lower Manawatu Scheme Rating Project
<i>Report No: 09-151 (incl Annex B)</i>
<i>File No: PRD 5 35</i> | 57 - 58 |
| 11. | Environmental Grants – Land Activity
<i>Report No: 09-148</i>
<i>File No: OFS 6 02</i> | 59 - 60 |
| 12. | Sustainable Land Use Initiative (SLUI)
<i>Report No: 09-147(incl Annex A)</i>
<i>File No: ELM 6 00</i> | 61 - 64 |
| 13. | Deputation – Mr Alan Proude – Mangahouhou Stream (1.30pm) | |
| 14. | Members' Questions | |

M J McCartney
CHIEF EXECUTIVE



Minutes of the tenth meeting, seventh triennium, of the Catchment Operations Committee of Horizons Regional Council held in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North at 10.06am on Wednesday 15 July 2009.

PRESENT Crs D B Meads (Chairman), EB Gordon, M C Guy, P W Rieger QSO (to 12.15pm), RG Walker.

IN ATTENDANCE Crs Bailey, Burnell (from 11.08am to 3.20pm), Main (to 2.20pm), Plowman, and White
 Group Manager Operations Mr A D Cook (to 12.15pm and from 2.17pm)
 Group Manager Mr C Mitchell (from 10.08am to 12.34pm)
 Environmental Management
 Chief Executive Mr M McCartney (from 1.06pm)
 Committee Secretary Mrs J Kennedy

ALSO PRESENT Mr G Carlyon (Group Manager Regional Planning & Regulatory (from 2.12pm), Mr G Shirley (Group Manager Regional Planning & Regulatory (from 2.35pm to 2.30pm), Mr G Doull (Senior Design Engineer from 11.24am to 12.15am), Mr P Blackwood (Manager Investigations & Design from 11.24am to 12.15am), Mr G Cooper (Environmental Management-Land 1.06pm), (Ms E Collins (Media Liaison Officer from 10.25am), Mr P Burke (Communications from 1.20pm), Mr John-Paul Praat (Handford & Associates Limited from 1.06pm to 2.17pm), Ms E Goodwin, Mr R Ervine, Mr A Finnigan, Mr J Lynch (Members of the Public, from 2.30pm to 3.10pm), and Members of the Press at various times throughout the meeting.

APOLOGIES An apology was received from Cr Murfitt (Leave of Absence), Cr ~~Guy~~ **Rieger** for the afternoon part of the meeting, and an apology noted from Cr Chettleburgh (Leave of Absence).

RD 09-79 *Moved* **Meads/Gordon**

that an apology be received from Cr Murfitt (Leave of Absence), and Cr Rieger for the afternoon part of the meeting.

CARRIED

PUBLIC SPEAKING RIGHTS

Requests for public speaking rights had been received from Mr R Ervine and Mr A Finnigan in regard to Item 9, Lower Manawatu Scheme – Rural Upgrade Project Oroua River Works/Taonui Basin Impacts, Report No. 09-105. The Chairman advised that the item would be addressed at approximately 2.30pm.

LATE ITEMS

There were no Late Items.

CONFLICT OF INTEREST

There were no conflicts of interest advised.

CONFIRMATION OF MINUTES**RD 09-80****Moved****Meads/Gordon**

that the Minutes of the meeting of the Catchment Operations Committee meeting held on Wednesday, 13 May 2009, be confirmed as a correct record.

CARRIED**RIVER AND DRAINAGE ENGINEERING REPORT***Report No. 09-106*

The purpose of this item was to report on progress with river and drainage activities for the two month period 1 May 2009 to 30 June 2009.

The Group Manager Operations (GMO) introduced his report and noted the emphasis placed on completing the annual Scheme reports which provided a detailed level of information and was valuable for Scheme audit and review purposes. He elaborated on items of interest and answered Members' questions of clarification around details relevant to the Local Authority Protection Programme disaster fund's ability to meet future claims, the ongoing frustrations experienced in respect to the proposed Lower Whanganui River Scheme flood protection works at Balgownie, commented on discussions held with Department of Conservation staff in regard to their submission to the One Plan around the Environmental Code of Practice for River Works, commented on the proposed joint purchase of land between Horizons Regional Council and Tanenuiiarangi Manawatu Incorporated, situated opposite the ANZAC Park Cliffs, noted the near completion of a digitised asset map on the Rangitikei Scheme and advised that similar maps would be prepared for all schemes over the next 12 months, and reported on the progress of silt removal in front of the Moutoa Sluiceways.

A series of photographs were shown to Members in support of items in the report.

RD 09-81**Moved****Rieger/Guy**

that the Committee recommends that Council:

- a. **receives** and acknowledges the information contained in Report No. 09-106;
- b. **acknowledges** that a Schedule of Works Completed is available for inspection

CARRIED**LOWER MANAWATU SCHEME – CITY REACH PROJECT
UPDATE ON DESIGN AND CONSENT ISSUES***Report No. 09-107*

This report updated the Committee and Council about Resource Management Act (RMA) consent requirements for the Palmerston North City Reach Project, work done to date in assessing adverse effects, and the additional investigations that are required before consent applications can be lodged.

The Group Manager Operations (GMO) introduced the item.

Members discussed the item and the GMO and Mr Doull, Senior Design Engineer were available to answer questions of clarification around the history of Palmerston North Flood protection, the standard of flood protection required for the future, adverse effects to specific areas, mitigation options for houses that would experience increased flood depth, and how best to progress with investigations and negotiations with the affected parties. . It was agreed that consultation with affected parties be undertaken as soon as possible. The work involved covered an important area of the Palmerston North City and it was therefore suggested that Palmerston North City Council Councillors be invited to participate in discussions when the public meetings were arranged.

RD 09-82

Moved

Rieger/Meads

that the Committee recommends that Council:

- a. **receives and notes** the contents of Report No. 09-107; and
- b. **notes** that consultation with parties potentially affected by the Lower Manawatu Scheme City Reach Upgrade Project works will commence immediately.

CARRIED

LOWER MANAWATU SCHEME – LINTON MAIN DRAIN STOPBANK INVESTIGATION

Report No. 09-104

This report informed the Committee of progress on geotechnical investigations for the proposed Linton Main Drain stopbank upgrade.

The Group Manager Operations (GMO) and Mr Blackwood (Manager Investigations & Design answered Members questions of clarification around how effective ground penetrating radar would be in determining the programme and priority of work to be carried out for the Linton Drain upgrade.

RD 09-83

Moved

Guy/Rieger

that the Committee recommends that Council:

- a. **receives** the information contained in Report No. 09-104.

CARRIED

*The meeting adjourned at 12.15pm.
The meeting reconvened at 1.06pm.*

PRESENTATION ON CARBON FARMING

MR JOHN-PAUL PRAAT, (HANDFORD & ASSOCIATES LIMITED)

Mr John-Paul Praat outlined his presentation on Carbon Farming and was available to answer Members questions of clarification.

CLASSIFICATION OF DETENTION DAMS

Report No. 09-103

The purpose of the item was to inform the Committee of the interim classifications assigned in respect of Council owned detention dams and the implications of those classifications.

The Group Manager Operations (GMO) outlined the background to the report and answered Members questions of clarification around the dams classified as high or medium impact categories that could potentially require a Dam Safety Assurance Programme, and the potential cost impacts on flood protection Schemes arising from the new Dam Safety Scheme. The GMO advised that in the event that any Council dams were classified in the high potential impact category, Horizons Regional Council would be required to comply with the New Zealand Society of Large Dams Dam Safety Guidelines criteria.

RD 09-84

Moved

Meads/Gordon

that the Committee recommends that Council:

- a. **receives** the information contained in Report No. 09-103; and
- b. **notes** the future asset management demands around dams and the potential cost impacts on flood protection Schemes arising from the new Dam Safety Scheme.

CARRIED

The meeting adjourned at 2.20pm.

The meeting reconvened at 2.30pm.

LOWER MANAWATU SCHEME – RURAL UPGRADE PROJECT OROUA RIVER WORKS / TAONUUI BASIN IMPACTS

Report No. 09-105

This item updated the Committee on progress with the planning and consenting aspects of proposed major works on the Oroua River at Kopane.

The Chairman welcomed Mr Ervine, Mr Finnigan, and Mr Lynch to the meeting. Mr Ervine and Mr Finnigan had requested speaking rights in regard to the item.

Mr Finnigan (ratepayer) addressed Members and outlined his concerns at the lack of attention to the effect on individuals that would be affected with the consenting of proposed works on the Oroua River at Kopane. He commented specifically around attention to the safety and protection of home owners in the area, the financial impact to ratepayers, and asked for a firm undertaking on pumping options. Members asked questions of clarification.

Mr Ervine (ratepayer) addressed Members with his concerns in regard to the impact of the proposed works on his productive dairy farm. He was reluctant to sign a Deed of Settlement and Memorandum of Encumbrance in their present form, which he believed would lead to his farm being flooded and therefore jeopardise his livelihood. Members asked questions of clarification.

Members discussed the item and the GMO noted that staff had indicated an ongoing willingness to be available to discuss any outstanding issues with individuals prior to the consent hearing. He advised of the commitment and budgetary provision adopted through the 2009-19 Long-term Council Community Plan to progress with mitigation options to offset the adverse effects of present ponding in the Taonui Basin. Direction was now required from the community on how best to progress and achieve the best long-term benefits.

RD 09-85 Moved

Meads/Gordon

that the Committee recommends that Council:

- a. **receives** the information contained in Report No. 09-105; and
- b. **receives** the reports presented from Mr Ervine and Mr Finnigan.

CARRIED

SUSTAINABLE LAND USE INITIATIVE (SLUI) – PROGRESS REPORT

Report No. 09-99

This report updated the Committee on progress on Council's Sustainable Land Use Initiative (SLUI).

The Group Manger Environmental Management spoke to the report and noted the return of two staff members who have had previous experience with Horizons. Mr Richard Airey would commence work in the upper Whangaehu area, and Mr George Powell would commence work in the lower Turakina area.

Members noted the contents of the SLUI progress report.

RD 09-86

Moved

Guy/Walker

that the Committee recommends that Council:

- a. **receives** the information in Report No. 09-99 and Annex.

CARRIED

SUSTAINABLE LAND USE INITIATIVE (SLUI) – ENVIRONMENTAL GRANTS AND INCENTIVES 2008-09

Report No. 09-100

This item provided the Committee with a summary of the Environmental Grant (EGrant) expenditure within the Sustainable Land Use Initiatives (SLUI) project for 2008-09. It was also in response to public requests as part of the Community Plan submission process for greater transparency in the SLUI activity, particularly regarding grants and incentives offered to Whole Farm Plan (WFP) recipients.

The Group Manger Environmental Management introduced the item. Members were generally pleased with the presentation of the information, and it was suggested that it would be beneficial if the information could be made available via the Horizons website. There was discussion and questions of clarification around the total implementation costs associated with Whole Farm Plans.

RD 09-87**Moved****Guy/Walker**

that the Committee recommends that Council:

- a. **receives** Report No. 09-100 and Annex; and
- b. **instructs** the Chief Executive to make Sustainable Land Use Initiative EGrant and incentive summaries available to the public on a regular basis, and
- c. **instructs** the Chief Executive to re-release Sustainable Land Use Initiative grant criteria and guidelines to targeted community groups.

CARRIED

SUSTAINABLE LAND USE INITIATIVE (SLUI) – FARM BUSINESS HEALTH SUMMARY

Report No. 09-101

This report informed Members of the results of a financial review carried out on completed Sustainable Land Use Initiative (SLUI) Whole Farm Plans (WFP) from 2006, 2007 and 2008.

Members noted the contents of the report and commented that the review gave a clear financial picture of the farm businesses that had completed a Whole Farm Plan.

RD 09-88**Moved****Meads/Gordon**

that the Committee recommends that Council:

- a. **receives** the information in Report No. 09-101.

CARRIED

SUSTAINABLE LAND USE INITIATIVE (SLUI) SURVEYS –FOLLOW UP ACTIONS

Report No. 09-102

This report informed the Committee about the follow up actions undertaken in response to various surveys recently carried out and previously reported at Catchment Operations meetings.

The Group Manager Environmental Management spoke to the item and tabled a 'Know Your Land' brochure which would be included in future Whole Farm Plans, and also be available on the horizons website.

RD 09-89**Moved****Meads/Guy**

that the Committee recommends that Council:

- a. **receives** Report No. 09-102; and
- b. **recommends** the inclusion of a 'Know Your Land' section in future Whole Farm Plans.

CARRIED

MEMBERS' QUESTIONS

There were no Members' Questions.

The meeting closed at 3.40pm

Confirmed

GROUP MANAGER OPERATIONS

CHAIRMAN

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 6
Date: 07/10/2009
Report No: 09-152
File No: PRD 5 00

RIVER AND DRAINAGE ENGINEERING REPORT

PURPOSE

1. The purpose of this item is to report on progress with river and drainage activities for the three-month period 1 July to 30 September 2009.

FINANCIAL IMPACT

2. Funding provision for all activities reported on in this item is included in the 2008-09 Annual Plan under the River and Drainage Schemes Activity.

BACKGROUND

3. The period has been notable for the absence of significant rainfall events and river levels have generally remained low as a result. This has allowed recently completed river works to consolidate and for planting programmes in particular to proceed without interruption. Staff have also been able to focus on planning work related to the approaching construction season.
4. Detailed work programmes have been completed for most Schemes and meetings with Liaison Committees to discuss those programmes are underway.
5. A planning session was held in August to identify and programme all physical works and investigation project requirements for the balance of the 2009-10 year. A total of 41 separate projects have been identified and preparatory work, involving the preparation of resource consent applications, land purchase/entry agreements, contract documentation and detailed designs and drawings, has progressed in relation to many of those.
6. A total of 12 resource consents are required for works proposed for the approaching construction season. The majority of those should be relatively straight forward, however applications in respect of proposed stopbank works on the Ohau River, Rangitikei River at Tangimoana and Ashhurst Stream, and for channel widening works at Kopane, each involve some complexity of one sort or another. An additional application is to be prepared in respect of the Lower Manawatu Scheme (LMS) City Reach Upgrade works. However it is likely to be February next year before that can be lodged and accordingly the appurtenant works are not programmed for the 2009-10 construction season.
7. Staff have responded to a steady stream of enquiries concerning Scheme rates since rates invoices were mailed out in early September. In most cases a clear explanation of the rates lines concerned has satisfied the enquirer. Approximately 62 enquiries have been received in relation to the new Lower Manawatu Scheme rates and all but a few of those have been related to the Flood Protection – Houses rating category. As was to be expected, a number of adjustments needed to be made following closer inspection of particular houses in relation to flood extent and depth mapping. The criteria for inclusion/exclusion of houses in the rating category has been refined during the enquiry response process and it is now proposed to achieve consistency by excluding or potentially including some further houses, despite enquiries/complaints not being received.

8. Given the wide impact of the new LMS rating system, (approximately 75,000 ratepayers), the level of enquiry has been extremely low and I believe that is a reflection of both the robustness of the rating system and the extent to which ratepayer feedback was recognised and accommodated during the development process. As far as I am aware, only one enquiry has been received in relation to each of the Palmerston North City, Contributor, and Channel Management categories, and no enquiries have been received in respect of the rural flooding categories.
9. Pleasing progress has been made with capital works within the Lower Whanganui Scheme. The first project works, involving the construction of rock linings that will ensure the integrity of flood protection works, has been completed. No items of archaeological significance were exposed during the works and the activity did not generate any public complaints. Work is well advanced on the detailed design and drawing work associated with the next stage of works, being the construction of 2.55 km of earth embankment and associated concrete structures between Wharf St and Balgownie walkway.
10. A meeting has been arranged for 1 October with representatives of Tanenuirangi Manawatu Incorporated, at which it is expected to finalise agreement for the joint negotiation and purchase of Manawatu River berm land opposite the Anzac Park Cliffs. A further update will be provided at the Catchment Operations Committee meeting.
11. A full legal review of contract documentation used by the Operations Group has been completed. A number of changes have been made to the documentation to reflect industry developments since NZS 3910 was last updated in 2003, and also to reflect experience with contract litigation over recent years. The Contracts Administration Manual has also been updated and the new documentation will be employed for all contracts awarded as from October 2009.
12. The Operations Group hosted a team of river engineering staff from Greater Wellington Regional Council on 30-31 July. The visit was very valuable to both teams in that it provided the opportunity for knowledge exchange, particularly around asset management issues.
13. Staff have completed Section 42a reports to be presented to the forthcoming hearing in relation to the Water Chapter of the Proposed One Plan.
14. Meetings of the Anzac Park Cliff River Realignment Project Team were held on 6 July and 24 August to review progress with the required plan change that is a pre-requisite to the proposed channel realignment and rock lining works under the LMS City Reach Project. Matters are progressing, albeit at a slower rate than was previously anticipated. A meeting of the City Reach Working Party has been arranged for 5 October 2009 and at Ray Swadel's request, all Palmerston North City councillors have been invited to attend. Palmerston North City Council (PNCC) is to discuss the plan change shortly and it was considered there would be value in Councillors receiving a briefing on the engineering proposals in advance of that meeting. The opportunity will also be taken to update the Working Party on overall project works, including enhancement elements, and to explain the challenges around consenting issues.
15. A meeting of owners of properties in the Staces Road/Pinfold Road area was held at Aokautere School on 2 August 2009. The purpose of the meeting was to disseminate the findings of investigations into the impacts of flood protection improvements proposed on the right bank of the river, on the Aokautere floodplain, as reported to the Committee in June. Subsequent to the meeting, detailed property-specific information has been mailed out and a number of individual property owner meetings have been held.

16. A meeting of all property owners/occupiers at the Turitea Science Centre was held on 10 August to explain the findings of the same investigation in respect of impacts on the Turitea area of the Manawatu floodplain. Tentative interest was expressed in further pursuing the option of providing the higher 'City' standard of protection for that site. A further meeting has been requested and is scheduled for 18 November 2009.
17. A considerable amount of staff time and effort has been applied to the many issues related to a consent application to divert additional flood water into the Taonui Basin. A separate agenda item provides an update on this matter.
18. Staff attended the Annual New Zealand Society of Large Dams (NZSOLD) seminar in August. A number of interesting papers relevant to The Building (Dam Safety) Regulations 2008 were presented. Seminar participants were somewhat alarmed however at a presentation from Craig Hill from the Department of Building and Housing (DBH) that suggested the Regulations that became law in July 2008 but will not take effect until 1 July 2010, may not be supported by the new Government. Given the relatively tight timeframes for actions to be taken under the Regulations once they take effect next year, the uncertainty created by the DBH presentation will not be helpful to either dam owners or regulators.

ASSET MANAGEMENT

19. The end of year asset inspections have been completed, with all assets now having a recent condition rating. An analysis of the results is underway to show how each scheme is performing in providing the following three strategic outcomes:
 - Protecting people and property from the impacts of flooding
 - Minimising river bank erosion
 - Minimising surface ponding.
20. The results of this analysis will be presented in the December Catchment Operations Committee agenda.
21. The end of year capitalisation of assets from UGEN to the Asset Management System (AMS) has been completed and has been reviewed by Audit NZ.
22. The mapping of assets on the Rangitikei River has been completed, along with utility assets, surveyed river cross-sections, desired erosion limits and active erosion sites. This data will be presented in the Rangitikei Scheme Review.
23. The Annual Work Programmes for all Scheme activities have been compiled and issued to the Council's Environmental Compliance Manager, Fish & Game and the Department of Conservation (DOC), to meet the requirements of the Code of Practice for River and Drainage Engineering Activities.

SCHEME REVIEWS AND RATING SYSTEMS

Lower Manawatu Scheme Rating System

24. Final reports relating to the development of a new rating system for the scheme have been prepared and are presented as a separate agenda item.

Makerua Drainage Scheme rating system review

25. A non-statutory consultation/submissions/hearing process has been concluded in respect of proposed changes to the Makerua Scheme boundary and rating system. Recommendations of the Special Hearing Committee are presented as a separate agenda item.

Rangitikei Scheme – review of Channel Management

26. Work is progressing, albeit a little slower than was intended, with this review. Comment on progress is included in the Investigations and Design report below.

Pakihi Valley flood Control Scheme

27. John Philpott has been engaged to undertake a comprehensive review of this scheme and will commence the assignment in mid October. It is anticipated that a draft review proposal will be available for consideration at the December meeting of the Catchment Operations Committee.

Mangatainoka Scheme Rating Review

28. A scheme audit undertaken in July-August 2008, identified some anomalies in the rating system and recommended that some changes be made. A meeting has been held with the Scheme Liaison Committee to discuss the audit recommendations. The scope of a review is currently being finalised and John Philpott will commence work on the review shortly. It is anticipated that a draft rating proposal will be included as an agenda item for the December meeting of the Catchment Operations Committee.

INVESTIGATIONS AND DESIGNS

Lower Whanganui River – Balgownie Flood Protection

29. Geotechnical site investigations at the stopbank reach adjacent and crossing two Vector gas lines have been completed and a consultant is now assessing whether any special works are required to avoid threatening the gas line security.
30. Most stopbank and floodwall plans are nearing completion. A detailed design has been completed to drain stormwater trapped behind the stopbanks at the AFFCO plant.

Taonui Basin – Kopane Bridge

31. The design team provided further detailed information for the Kopane Bridge investigation. This included an assessment of the impact on flood levels due to the superimposed sets of bridge piers (from the old and proposed bridge, being around 0.2 m) and formwork during the construction of the new bridge. Mitigation of impacts was assessed and confirmed. The consent for the bridge construction alone is expected to be granted shortly.
32. A very detailed response has been provided to a further information request for the Taonui Basin consent application. The Hearing for this consent is programmed to start 4 November 2009.
33. A detailed survey has been completed to assess mitigation options at the Basin C (downstream of State Highway 56).

Rangitikei River Channel Management

34. The first stakeholder meeting was held at the Marton Office on 20 August. The meeting was well attended by a good spectrum of stakeholders including Councillors, the majority of Rangitikei Scheme Liaison Committee members; Mr Chris Shenton representing Rangitikei River iwi, Corina Jordan representing Fish and Game NZ, an aggregate industry representative and senior Horizons Regional Council staff.
35. The meeting presentation included the background to the review, project timeline, designs to date (including hydrology and design channel characteristics and alignments), ecological works and consultation. The next meeting will also address gravel issues, protection works and cost estimates. A review of the gravel extraction policy will also be very important.
36. The draft design channels for consultation are complete and the recommended channels are a "flow dominant" (150 m wide) channel from the mouth to Bulls Bridge and a "fairway" design channel (250 metres wide) from Bulls Bridge to Kakariki. There are options for a "fairway" channel over a significant reach below Bulls Bridge, but if this option is adopted it will have to be staged after more critical works are complete.
37. Approximately 60% of the gravel investigation is complete, but this investigation has been stopped pending a survey of the reach of river from Kakariki to Rewa. This reach has shown significant degradation between the 1977 and 1998 surveys and the impact of the 2004 and other floods since 1998 requires quantification. This survey is to commence very shortly.
38. It is anticipated that a second stakeholder meeting will be held later this year.

Tangimoana stopbank

39. Both survey and design are 80% complete for Stage Two of the stopbank upgrade work at Tangimoana. This stage will involve a new one km section of stopbank located immediately downstream of the Stage One works and will complete the flood stopbanking works. The outstanding survey and design work involves the return of flood protection into higher ground at the downstream end. Yet to be completed are design for local stormwater drainage and pumping and a methodology to discharge any water that enters the township in an overdesign flood or stopbank failure. Failure of the upgraded stopbanks is considered unlikely, but at the scheme meetings following the 2004 flood this matter was raised as being of concern to the community and it was agreed it would be addressed in the scheme design.

Lower Manawatu Scheme Works

40. Detailed studies have continued on assessing the effects on the land upstream, opposite and downstream from the City Reach upgrade to the 0.2% Annual Exceedance Probability (AEP) design flood standard. This is reported on, in detail, in a separate agenda item.
41. Survey and design have been completed for a rock lining to be constructed at the Napier Road Drain/Manawatu River confluence.

Linton Main Drain

42. OPUS International Consultants Ltd has been engaged to conduct the Ground Penetrating Radar investigations on the Linton Main Drain. This work was described to the Committee at its meeting on 15 July 2009 – Report No. 09-104. The field work is expected to be started very shortly, with the onset of drier weather.

REGULATORY ADVICE

43. The section has continued to provide a large amount of specialist advice on flood risks to rezonings and subdivisions. This included presentation of the summing-up evidence for the Hearings Panel on the One Plan Hazards Chapter and completion of evidence for the Gravel Management Chapter. This has been a significant task. A further significant task has been the evaluation of technical aspects of the proposed Te Rere Hau windfarm extension and preparation of hearings evidence. Other advice given has included that on one bridge, three culverts, three fords, five floor levels and an erosion repair at Kimberley Reserve.

DESIGN ADVICE

44. Design advice has continued to be given to Area Engineers in relation to several minor projects.

CENTRAL AREA

GENERAL

45. Relatively settled weather has prevailed for much of the period, with only minor river rises being recorded in the Manawatu and Oroua Rivers and with few lost work-days. As a result, a significant volume of scheduled work has been completed throughout the LMS.
46. The willow planting programme is nearing completion and good progress has been made with the layering programme with 5.3 km of work between Ashhurst and Palmerston North having been completed to date. Capital erosion protection works have also been able to progress at a steady rate with works completed at eight sites during the period.

LOWER MANAWATU SCHEME

47. Works undertaken within the Scheme during this period included:

Manawatu River Maintenance

48. Releasing of all native planting in the vicinity of the Fitzherbert Avenue Bridge, together with stopbank mowing throughout the City was completed.
49. Willow mulching within the city reach was undertaken between river distances 75.8 km and 80.0 km on both the left and right banks. At Fitzroy bend, a 215 m length of stopbank was re-contoured and a berm erosion site was filled to facilitate future mowing
50. Mulching of boxthorn on a 120 m length of stopbank at Wycherleys, river distance 98.5 km on the true right bank, was carried out. The landowner is now responsible for maintaining this stopbank.
51. The inspection of all previous vegetation clearance sites on the Manawatu River was undertaken to identify follow-up spraying requirements.
52. A total of 2,400 willow poles were planted at 47 sites.
53. All of the Manawatu River floodgates were inspected and cleared of debris where required.

54. To allow vehicle access around the Foxton loop stopbank, re-fencing and gate replacements were carried out on the boundaries between the Barber, Kilsby and Davis properties.
55. Various landowners were encouraged to carry out minor stopbank repairs resulting from past stock damage. Chemical spraying to eradicate gorse and blackberry is also on-going.
56. The replacement and repair of the road fence and renewal of gates was completed at the Riverlea Drive lease block.
57. A total of approximately 5.4 km of willow bank protection was layered during the period and more similar work is currently underway in the vicinity of Maxwells Line within Palmerston North City.

Manawatu River Capital Erosion Protection Works

58. Mathers Protection – The work site is located on the true right bank of the Manawatu River at river distance 2.4 km. A volume of 348 m³ of concrete riprap was placed.
59. Gas Works Drain – There were two work sites located on the true right bank just upstream of Gas Works Drain on the Manawatu River at river distance 84 km. The total length of works was 21 m with 205 m³ of concrete riprap placed.
60. Higgins Protection – The work site is located at Raukawa Road on the true right bank of the Manawatu River at river distance 95.8 km. A total of 390 m³ of concrete riprap protection was placed over a 45 metre length.

Mangaone Stream

61. The stopbanks within the city were mown twice during the period. At river distance 2.9 km on the right bank, a temporary repair was completed to arrest a bank slump.
62. Repairs to stock damage at 11.5 km on the true right bank were completed by the occupier.
63. A programme of minor channel maintenance work was completed on Jacks Creek, a tributary of the Mangaone Stream.

Oroua River

64. On the Agresearch property at river distance 19.2 km on the left bank, 100 m of eroded bank was realigned, battered, and grass seeded. At the Feilding Golf Club at river distance 37.8 km on the left bank, 298 m of wattle and willow was mulched off the stopbank, and 50 metres of willow trees were layered. The Golf Club will now continue to keep this stopbank mown.
65. Stopbank repairs have been completed by adjoining landowners at several locations. Sites included the Agresearch property at river distance 19.8 km to 20.4 km on the left bank; the Christensen property at 36.5 km on the right bank; and at the Kuhnes property at 29.4 km on the left bank.
66. Individual landowners also undertook gorse spraying on stopbanks. These sites were located on the Thurston property between 33 km and 35.4 km on the true right bank, the Leckie property at 28.9 km on the true left bank, and on the Gorton property at 28.5 km on the true left bank.

- 67. A total of 1,280 poles were planted at eleven sites along the Oroua River.
- 68. All of the Oroua River floodgates were inspected and cleared of debris where required.

Oroua River Capital Erosion Protection Works

- 69. Saunders Protection – The work site is located on the right bank of the Oroua River at river distance 15.5 km. A total of 40 m³ of concrete riprap protection was placed.
- 70. Agresearch Protection – The work site is located on the left bank of the Oroua River at river distance 18.2 km. A total of 160 m³ of concrete riprap protection was placed into a 35 m length of erosion.
- 71. Hill Protection - The work site is located on the right bank of the Oroua River at river distance 23.8 km. A total of 14 m³ of concrete riprap protection was placed.
- 72. Bailey Protection - The work site is located on the left bank of the Oroua River at river distance 31.5 km. A total of 140 m³ of concrete riprap protection was placed into a 30 m length of erosion. Twenty five metres of tied tree protection work was also constructed at this location.
- 73. Feilding Golf Club Protection - The work site is located on the left bank of the Oroua River at river distance 37.8 km. A total of 480 m³ of concrete riprap protection was placed into a 171 m length of vulnerable bank.

Moutoa Floodway

- 74. The floodgates have been inspected and cleared of debris and a schedule of mowing the stopbank crests is underway.
- 75. A road repair has been carried out to improve access to the Kere Kere Road pump station. A stopbank repair was also carried out on the left bank, upstream of Kere Kere Road on the McErlean lease block.
- 76. A 900 m section of stopbank at distance five kilometres has been mulched to eradicate large fescue and cleared of fallen trees to allow effective grazing by the lessee. Trees overhanging the stopbank have been trimmed to minimise shading. The over-ramp at this location has also been upgraded by extending the floodway batter to lessen stock damage.

Tokomaru River, Mangaore Stream and Mangapukuatea Stream

- 77. All of the floodgates were inspected and cleared of any debris and herbicide spraying was undertaken as required.

Kara Stream

- 78. At the top boundary of the Scheme, a 20 metre length of stopbank erosion was repaired and riprap lined. The stopbank required topping up and re-shaping to marry into the existing structure.

Stoney Creek

- 79. Repairs were completed on an area of stopbank at Garland Joe's property at river distance 3.5 km, where overtopping had previously occurred.

Kiwitea Stream

80. A programme of pole planting was completed in the Kiwitea Stream below the Kimbolton Road Bridge to the confluence of the Oroua River. A total of 298 willow poles were machine planted to fill gaps within existing planted areas.

Scheme Drains

81. An inspection of all Scheme drains was carried out and machine cleaning of three lease land drains was completed on the right bank at river distances 40 km, 58.5 km and 60 km. A total length of 1,490 m of channel was cleaned.
82. A culvert inlet wall through the Duck Creek stopbank on the Davis property was also repaired with concrete blocks.

Self Help Monitoring And Response Groups (SHMRG)

83. A Self Help Monitoring and Response Group has been set up for the Lower Manawatu Scheme area. This group is an informal group which has been established to monitor flood levels, communicate information to Horizons Regional Council and to respond as directed during widespread major flood events. This group will be an officially recognised group with the Horizons Regional Council Emergency Operations Centre (EOC).
84. The SHMRG is made up of 16 members (Group Leaders), each of whom is responsible for a designated area of the Scheme. Each of these Group Leaders is responsible for liaising with, and giving direction to their upstream and downstream neighbours and communicating with Horizons Regional Council.
85. The groups will be mobilised by the Operations Advisor at the Emergency Operations Centre (EOC) during widespread major events when specific flood warning levels are reached. The specified flood warning levels are the 50-year return period flood for the Manawatu River; a 20-year return period flood in the Oroua River (until completion of the upgrade programme following which warning will be at the 50-year return period); while for the Linton Main Drain, Tokomaru River, Kara Creek and Mangapukatea Stream, warning levels will be based on a combination of rainfall and river level information.
86. A meeting of the Group Leaders was held on 9 September 2009. Of the 16 group leaders only six attended and four apologies were received. An information pack was handed out to each member. This pack included such information as flood emergency contact numbers, SHMRG Protocols and Guidelines, descriptions and maps of individual responsibility areas, and a map showing the locations of depots where materials have been stored for use in an emergency. An Information pack will be forwarded to those who did not attend the meeting.

Vegetation Management

87. Vegetation clearance works were restricted to mulching willow to 0.5 m height fronting the native plantings on the left bank above Fitzherbert Bridge, at distance 78.8 – 79.1 km and on protection plantings upstream of the Teachers College rockwork on the right bank at distance 79.5 - 80.0 km. Mulching willow in this manner not only controls the height from a visual perspective, but also encourages thicker growth and the formation of a dense, low layer of bank protection with minimal effect on channel capacity and roughness. With regular mulching the native plantings on the left bank can easily be viewed from the right bank.

88. During inspections for follow-up spraying or mulching, a very heavy infestation of horsetail was noted on two beaches at 63 – 65 km left bank (Whitelocks). This weed also appeared in smaller patches on two other berm areas on the Funnell lease land at 46 km and at 44.5 km. An attempt will be made during the coming spray programme to control the weed at these sites.

Vegetation Management – Palmerston North City

89. Issues have arisen with various groups in relation to the clearance of vegetation, being willow in particular from areas along the river banks and berms within the city. There is a perception that vegetation clearance is compromising both erosion protection and visual amenity. Meetings are presently being arranged with these groups to explain the purpose of both vegetation and general channel maintenance works within the City.

Secondary Stopbank – Palmerston North City

90. The five-yearly Inspection of the secondary inland stopbank bordering the Palmerston North Golf Club between Ruamahanga Crescent and Ruahine Street was completed in August/September. The inspection was scheduled to cover all properties on or bordering the bank in accordance with the recommendations of a report on the secondary stopbank prepared in July 2005.
91. The work involved a property by property inspection, noting any changes to structures or new structures on the bank, any excavations affecting the bank, and any damage to the bank. A draft report has been prepared and a final report will be completed for action and filing by the end of September.
92. The inspection covered asset numbers 204341 to 204348, which have been allocated to the inland bank.

LOWER MANAWATU SCHEME – RURAL UPGRADE PROJECT

Taonui Basin – Kopane Bridge

93. A Resource Consent pre-hearing meeting was held on 6 August 2009 and was well attended by affected landowners. This has been followed by a number of meetings with individual landowners to resolve issues generally relating to specific concerns about flood mitigation works and compensation.
94. Prior to lodgement of the application for Resource Consent, HRC's contention was that any reduction in the value of properties affected by the diversion of additional flood water into the Taonui Basin would be limited to the average production losses arising from very infrequent inundation. A number of landowners have, however, held firmly to the belief that the proposed works would result in more significant losses to property value. That position has subsequently been supported by a valuer engaged by HRC. His work has indicated significant reductions in property value, primarily related to the injurious effects of changes in zoning from flood-free to floodable in the 1% AEP flood event. On the basis of that advice, offers of compensation that address both production losses and injurious effect, have now been made to a total of 41 property owners. Letters advising details of compensation offered were sent out on 28 August 2009.
95. New legal documentation has been prepared to reflect the changed compensation details. In all cases, the payment of compensation will require notations on property titles that highlight the flood risk and protect Council from future claims for flood damage arising from the upgrade works.

96. Investigations undertaken following the pre-hearing have identified an area of land (part of Basin C) that was previously included in the additional ponding area, that can in fact be excluded with minimal physical works and without having significant effect on the ponding level of the greater Taonui Basin. It is considered that a total of five properties can be removed from the list of affected properties as a consequence and evidence will be presented to the hearing in this regard.

Oroua River – Kopane Bridge Replacement

97. The Design and Documentation contract awarded to GHD Ltd for the proposed new bridge and road approaches at Kopane has been substantially completed. Construction drawings and contract documents have been reviewed by HRC and returned to GHD for incorporation of final amendments.
98. Draft Resource Consent conditions have been received in respect of the separate consent for the bridge construction and it is expected that a consent will be granted shortly. Nevertheless, the tendering process associated with the bridge project will not be progressed further until the more critical consent application for diversion of floodwaters has been heard.
99. The Property Group is continuing to work with affected parties where land acquisition is required for the road realignment. Some resistance is being experienced from two landowners who are seeking legal opinion over the compensation amounts being offered for injurious affection, largely as a result of the impact on their properties of a substantially raised adjoining road formation.
100. Advice has been received to the effect that the recently released National Land Transport Programme did not include additional funding for replacement of the Kopane bridge, as recommended in the Regional Land Transport Programme. It is understood that the previous undertaking of the Manawatu District Council to contribute \$0.5 million to the project stands, and formal confirmation of that position has been sought.

Manawatu River – Staces Road Stopbank

101. Investigations undertaken following the February 2004 floods confirmed that the existing Staces Road stopbank would need to be raised to provide the 1% AEP rural flood protection standard. Project works to upgrade this stopbank involve raising 1,230 m of existing stopbank and constructing 300 m of new embankment. Draft design work has been completed with the volume of fill required calculated as being approximately 5000 m³.
102. The work will encroach on four properties and a consultation process with the affected parties has commenced with agreement being reached with one landowner to date. An application for Resource Consent has been drafted and is expected to be lodged by 12 October 2009.

LOWER MANAWATU SCHEME - CITY REACH PROJECT

Centennial Drive – Fitzherbert Bridge Rock Lining

103. Delayed restoration on areas associated with the rock lining contract has resumed. The restoration should be completed by the second week of October weather permitting.

Enhancement Element

104. The contract work to construct an architecturally designed river access structure immediately downstream of the Fitzherbert Avenue bridge has been substantially completed. The lower level step that was excluded from the contract and is below the lowest of summer flows will be re-assessed during the summer and a decision made as to whether or not its construction is practicable or indeed whether it is required. Two sections of the second lowest steps are currently in progress as an extra work, and these will be completed shortly so long as the river remains below the 800 mm level (measured at Teachers College recorder site). If not this work will have to be completed at a later date during low flows.
105. Following completion of the river access structure, it will be tied into the existing upstream rock lining and protected at its downstream extremity by the placement of approximately 900 tonnes of rock. Finally site reinstatement, involving landscaping, grassing and tree planting will be undertaken.
106. A site information board has been erected alongside the old river training groyne exposed during construction of the rock lining immediately upstream of the bridge.

Napier Road Raising

107. Following numerous meetings with New Zealand Transport Agency (NZTA) agents and difficulties experienced with the siting of a road 'hump' that will act as the flood barrier on State Highway 3 in the vicinity of the Napier Road Drain, NZTA have given verbal approval for the project to proceed. Written confirmation has been promised along with the design plans and estimates for the works. Once these undertakings have been confirmed, negotiations will be finalised with the adjacent land owners. These land owners on either side of the road have verbally agreed to allow structures, comprising a combination of short concrete walls in the vicinity of the state highway and earth stopbanks for the majority of the flood embankment length, to be constructed on their respective properties.
108. Subject to reaching formal agreement with all the parties concerned, it is proposed to undertake the highway raising work during the approaching summer months. One of the reasons that NZTA has supported the proposed works is that alterations to the highway formation are required to give access to a new industrial site to the north of the highway and those works can be undertaken in conjunction with the road raising. There is also an opportunity with the current proposal to rationalise the amount of flood protection work that the industrial site developer was required to undertake himself as a condition of consent and to obtain some contribution to scheme costs as a result.

Ruamahanga Reserve – Proposed Rock Lining

109. Survey has been completed and drawing preparation is underway for a proposed length (195 m) of rock lining at the confluence of the Napier Road Drain and the Manawatu River. Negotiations are progressing with PNCC with regard to a serious erosion problem they are experiencing at the Napier Road Drain outlet. The proposed lining will benefit PNCC and a contribution to costs is being sought accordingly. It is anticipated that consent applications will be lodged for this work in early October.

Staces Road

110. Further to item 8 (Report No. 09-107) presented to the July meeting of the Committee, it has now been confirmed that there are 27 houses, office blocks or workshops on the Aokautere flood plain. Of those, 13 houses will flood to a depth of 400 mm or more regardless of whether or not the Palmerston North works proceed. Five

will not flood at all in either case. The other nine are marginal. Typically the works will add up to 150 mm to the flood depth at these houses.

111. The effects on each particular property have now been confirmed and a combined landowners' meeting was held on 2 August 2009, followed by a number of meetings with individual property owners. Good progress has been made with the design of mitigation measures to a minimum of the 1% AEP standard in respect of the two most affected houses and it is anticipated that agreement will be reached in relation to those shortly. Subject to that agreement, physical works will be undertaken during the approaching summer months.

KIWITEA STREAM SCHEME

112. Flood protection assets on the Kiwitea Stream are in a relatively robust state given the fairly young age of this Scheme. Scheduled maintenance works, primarily involving willow layering and pole planting, were undertaken in early September 2009 throughout the length of the Scheme.
113. A total of 585 m of willow layering was carried out on numerous properties and 1,216 one metre willow poles were planted.
114. Two small tied tree bank protection jobs were undertaken on the Williamson property at river distance 8.4 km. Concrete riprap protection was also re-adjusted on the Thurston property at river distance 0.9 km on the left bank. The removal of beach debris and live wattles was undertaken over the full length of the Scheme.

NORTHERN AREA

GENERAL

115. Weather conditions were generally cold in July and generally mild to warm in August-September. Rain events occurred at regular intervals, maintaining average flows in many of the rivers.
116. Two meetings of the Rangitikei River Control Scheme Review Project Team occurred during the reporting period. On 20 August 2009 the stakeholder group held its first meeting, with representatives from iwi, Fish & Game, the Scheme Liaison Committee and other interested parties.
117. This meeting lead by the Design team was to present findings to date in respect of investigations into channel management aspects of the scheme. The basics of river design/management were discussed and an indication was given of the likely future clear channel width and management philosophy.
118. Another meeting with these stakeholders is planned for later in 2009, where some other issues including gravel management will be addressed.
119. Relating to the Rangitikei Scheme Review is an application for an aerial spraying consent for the control of vegetation on the river berm and beaches. As a pre-requisite to lodging a consent application, information has been prepared for sending to all riparian land owners within the scheme area.
120. Staff met with a group of Taringamotu River riparian landowners on 24 September 2009. Concern was expressed as regards the general condition of the river channel and the need for some form of pro-active channel management. Some initial investigation was

undertaken on the Taringamotu River some years back under the 'wider rivers' investigation provision. It was intended to revisit that investigation in 2010-11 and to present findings to interested parties. However in view of the obvious interest in a comprehensive approach to the present channel instability and associated erosion problems, that work should be initiated within the current financial year. To that end, it is proposed to review the earlier work and report to the committee on a proposed investigation/consultation timetable in December.

RANGITIKEI RIVER CONTROL SCHEME

121. During the reporting period the 4 m flood warning trigger level was reached on five occasions, with one event reaching 4.8 m and another on 24 July 2009 reaching 5.6 m. No serious damage arising from these events has been observed to date.
122. A river survey and river bank inspection was undertaken from Rewa to Scotts Ferry as part of the Rangitikei Review. A couple of new erosion sites were noted along with some slumping of rock works.
123. Works completed during the period include planting of approximately 15,300 poles at 15 sites; tree layering of 1,250 metres over two sites; repairs to the stop bank at Flockhouse; 3 km of fence repairs; beach clearing over a 1 km stretch at Campion Rd; noxious weed spraying along all the stop banks; pruning of production blocks of pines and macrocarpas and repairs to rock linings at Hastings and Wilson's, totalling 200 m. 420 tonnes of concrete rubble was stockpiled at Hastings and Howard's for future repair work. An inspection of all floodgates was undertaken on receipt of each of the flood warnings referred to above.
124. Work involved in upgrading the secondary stopbank at Scott's Ferry was completed in July with some minor fencing works undertaken. The local community has expressed its appreciation for this item being elevated in terms of priority and completed to a high standard.
125. Stage 1 of the Tangimoana stopbank upgrade project is still suspended, and works are envisioned to recommence at the beginning of November once soil moisture conditions improve.
126. During September Council staff undertook the construction of a concrete wall over the Vector gas main at Tangimoana, similar to the walls on the Oroua River. This wall is 22 m long and 1.1 m above the ground. The expected cost is approximately \$20,000. This was seen as an opportunity to develop civil project supervision skills in the younger staff of Northern Operations and they performed well beyond expectation.
127. Preliminary works have been undertaken in relation to Stage 2 of the Tangimoana stopbank. The majority of the survey has been undertaken, however a further extension of approximately 400 m of survey is to be undertaken to facilitate investigation of concerns of flooding outflanking the downstream end of the proposed stopbank. This survey is expected to be finished by the end of the first week of October. Design heights have been finalised by the Design Team Manager.

POHANGINA-OROUA RIVER CONTROL SCHEME

128. River flows in the Oroua and Pohangina Rivers have been 'normal' during the reporting period, with no river warning levels recorded.
129. As noted previously, some increasing erosion damage has occurred around the 7 km mark on the right bank. Willow planting has been undertaken and channel maintenance works are proposed at this site during summer low flows. A subsidised erosion

protection work was pursued with the landowner, however agreement around funding was unable to be reached.

130. Discussions are progressing with three property owners at Pohangina with a view to them contributing to erosion protection works that should ideally be undertaken to address damage suffered in May.

131. Gravel extractions have been recorded as follows for the month of July:

- Pohangina - 3800 m³
- Oroua - nil

At the time of writing complete figures for August had not yet been received.

132. A total of 5,930 willow poles were planted at nine sites on the Pohangina River. Tree layering totaling 100 m was also undertaken at three sites and channel clearance work was completed at five sites.

133. On the Oroua River, layering (200 m) was undertaken at the Hoggard and Silk properties. There were six sites where channel clearing works were completed, and 2,750 willow poles were planted at McGinty's, Manvilles, Miers, Smyths and Milns.

UPPER WHANGANUI RIVER MANAGEMENT SCHEME

134. Asset inspections were undertaken and all details were entered into the Asset Management System (AMS).

135. An assessment of gravel management requirements within the scheme reach for the 2009-10 allocation year was undertaken. It has been concluded that there is only a minor amount of gravel requiring extraction for river management purposes at this stage. There have been no significant floods over the past year to move gravel into the Scheme reach and accordingly the benefits of extraction over the past three or four years are still being maintained. Hinengakau Development Trust (HDT) will be advised of the minimal extraction volume for them to allocate in accordance with agreement reached in July 2008.

136. Gravel allocations for last year were extended on request of HDT into July. Final extraction volumes for the year were as follows:

- Marsack Beach: 8,000 m³
- Hikumutu Beach: 10,000 m³

137. Contract documentation for a previously tendered but deferred rock lining construction work at Turaki Street has been updated and contract award has been confirmed with Jilesen Contractors for the sum of \$108,820 exclusive of GST.

MATARAWA FLOOD CONTROL SCHEME

138. All Scheme dam inlets and outlets were cleaned and sprayed. Some tree obstructions were cleared from the stream channel.

139. On the Mateongaonga Stream 700 native plantings have been blanked

TUTAENUI FLOOD CONTROL SCHEME

- 140. All Scheme dam inlets and outlets were cleaned and sprayed and general channel maintenance work was undertaken.
- 141. Discussions were held with consultants regarding a proposed new supermarket development alongside the Tutaenui Stream in Marton. Substantial rock lining works are proposed to ensure the integrity of stream banks on the site boundary and the possibility of the scheme assuming ownership of those assets upon completion is being considered. There is also an opportunity to achieve improved channel capacity through the reach concerned without cost to the scheme.

MAKIRIKIRI FLOOD CONTROL SCHEME

- 142. A general inspection of the Makirikiri Scheme was undertaken in August, when some noticeable bank erosion on the outside bend of the stream at the confluence with the upstream end of the spillway, and the development of a large scour hole at drop structure No.3, were observed.
- 143. Work undertaken over the reporting period involved a 300 m section of stopbank repairs on Richard Redmayne's property. The work was required to repair stock damage which occurred over a number of years under previous ownership.
- 144. Work was also completed on Bob Major's property, including removal of gravel build-up and a log at drop structure one. Repairing the erosion on the river bank at the top end and replacement of the concrete rubble at the bottom of drop structure No. 3 was also undertaken.
- 145. Minor repairs were also undertaken on two sections of stopbank where stock tracking had worn the crest of the stopbank down below design level. A small section of drain leading to one of the floodgates was machine cleaned where silt had built up over time and fallen trees were cleared.

POREWA FLOOD CONTROL SCHEME

- 146. Most dams have been inspected by the Area Engineer and Scheme Manager over the period and a priority list of maintenance works has been established.
- 147. All Scheme dam inlets and outlets were cleaned and sprayed during the period.

PAKIHI FLOOD CONTROL SCHEME

- 148. Deer fencing was erected around a recently repaired section of the Wallace/Pearson dam, with the co-operation of the land owner concerned.

WHANGAEHU MANGAWHERO RIVER MANAGEMENT SCHEME

- 149. A detailed assessment was undertaken of edge vegetation condition and management requirements from Haunui Road to the Kauagaroa Bridge on the Whangaehu River.

LOWER WHANGANUI RIVER SCHEME

- 150. The New Zealand Historic Places Trust (NZHPT) has approved Horizons Regional Council's application for an authorisation to modify, damage or destroy archaeological sites, pursuant to the Historic Places Act 1993 and there were no appeals received.

151. The Gilbert Street Rock Lining contract has been completed ahead of the programme and to the budget. A total of 6,500 tonnes of rock was placed along 400 m of river bank at the downstream end of Gilbert Street. Good communication between Wanganui District Council (WDC) and Horizons resulted in WDC taking advantage of our contractor to upgrade a stormwater outlet during the works. No complaints were received from the public and it has been noted that workers from the adjacent factories are now taking their lunch sat on the rock lining.
152. In a variation to the above contract, the rock lining at the upstream end of the AFFCO plant where the Balgownie footpath ends, was upgraded. A total of 875 tonnes of rock was placed along 75 m of river bank. The rock lining was required to provide sufficient berm width to place the stopbank at this location. A pumpstation data cable was uncovered during the works and, in consultation with WDC, this was re-laid between two new barrel sumps.
153. The archaeologist visited the site at the beginning of the works to brief the contractor on the archaeological site management plan, and occasionally during the contract to inspect the excavations. No artefacts were unearthed during the works.
154. All preparatory bank protection works have now been completed. The design for the flood protection works is underway with a view to commencement in December 2009.
155. The landscape drawings required by the consent have been prepared by MWH and are currently being reviewed by HRC and WDC.
156. The test pits and borehole cores for the geotechnical investigation required by Vector Gas at the end of Karoro Road have been completed. The report by the consultant is due at the end of September.
157. On-going delays are being experienced in obtaining approval from On-Track for the location of some flood protection work with the Wanganui to Castledliff railway corridor. A meeting has been arranged with Senior On-Track staff in Wellington on 2 October 2009 in an endeavour to resolve outstanding issues and obtain formal approval.

LOWER WHANGANUI VEGETATION MANAGEMENT PROGRAMME

158. The river has experienced 15 first level flood warning events over the period, with two events exceeding the 6 m level on 24 July and 1 September respectively. Neither of the latter events caused anything but minor delays on the Balgownie Flood Protection works.
159. A works programme for the 2009-10 year was compiled and was presented to WDC officers.
160. Vegetation management works, mainly involving vegetation clearance, were undertaken at a number of sites. In particular, mulching of bamboo, spraying of weeds, and planting of 100 flaxes was completed along Somme Parade.
161. On Papaiti Rd, willows were cleared to stockpiles over a 350 m section of river bank. 100 flaxes were planted on a slip site.
162. At Upokongaro on the right bank 450m of shrub planting was blanked.

HAUNUI AND FOREST ROAD DRAINAGE SCHEME

163. No activities have been undertaken in these two drainage Schemes over the period.

ENVIRONMENTAL GRANT WORK

164. During the reporting period a 30% Environmental Grant subsidy was approved for willow congestion clearance from the Pakihikura Stream, downstream of the Mangatieka Stream confluence, on the property of John and Pauline Blakie.
165. Some remediation work has occurred on Mark Sinclair's property on the Hautapu River, including the planting of 150 flaxes and the erection of a temporary electric fence to keep stock away from the river bank and newly grassed areas.

EASTERN AREA

GENERAL

166. While weather conditions between July and September were relatively unsettled, the month of August was recorded as being one of the warmest for a long time. The highest floods during the period were recorded on 5 and 6 July 2009 for all South Eastern Ruahine streams and the Upper Manawatu River upstream of Ngawaparua. For the Mangahao, Mangatainoka, Makakahi Rivers and Upper Manawatu River at the Upper Gorge the largest flood event was on 24 July 2009. The Makakahi River recorded its third highest flood since mid 2005 with the Hamua stage height being 5.84 m. Notwithstanding these many flood events, only very minor flood damage has been observed. The damp and warm weather has provided ideal planting and growing conditions.
167. On 24 September 2009 the Taranaki Region experienced the heaviest snowfall in decades with depths varying from 20 mm to 400 mm.
168. Liaison Committee meetings have been held for the Akitio, Eastern Manawatu, Mangatainoka, South Eastern Ruahine and Upper Manawatu-Lower Mangahao Schemes with good attendances and informative discussions. Reports were provided on works completed to date and associated expenditure, and a programme of the proposed works for the remainder of the financial year.
169. Work has commenced on the 2008-09 Annual Report for all Eastern Schemes.
170. During the period a number of requests for advice have been received in relation to engineering, resource consent, drainage and flood level information.
171. All Eastern Scheme inspections and completed works details have been entered into the Asset Management System along with associated expenditure details. Works programmes for 2009-10 have also been completed for all schemes and forwarded to Horizons Regional Council Compliance Team, Fish & Game and the DOC, in accordance with resource consent and River Works Environmental Code of Practice requirements.
172. Rating Maps have been prepared for the three larger Eastern Schemes, namely the Mangatainoka, South Eastern Ruahine and Upper Manawatu-Lower Mangahao Schemes. These will assist staff with understanding the rating systems and addressing the many rating queries that need explanations.
173. Two health and safety audits have been completed on contractors working on the South Eastern Ruahine and Upper Manawatu Schemes. The audits showed that contractors are using safe work practices and are managing work site hazards.

AKITIO SCHEME

174. An aerial inspection with the Liaison Committee Chairman revealed that the spraying work over the past two seasons has produced some very good results.
175. The following day was the Scheme Liaison Committee meeting where a report was given on the aerial inspection. While the committee are very pleased with the spraying results they are reticent to spend money on tree removal. It is still early days but the sprayed willow does appear to be breaking down more effectively than originally expected.
176. Nevertheless some willow removal work will be necessary and this will commence early in the new-year with further aerial spraying in March 2010.

EASTERN MANAWATU SCHEME

177. The Liaison Committee meeting held in September was well attended with works programmes and budgets presented. Explanations were provided on the methodology of work including the spraying programme and willow removal. Recently the local iwi representative on the committee died suddenly and staff sent a letter of condolence to the member's family. While the committee decided not to immediately replace the iwi representative it did welcome a staff member from the Tararua District Council (TDC).
178. Work completed during the period included the removal of 350 m of willow congestion from inside bends downstream of the Weber Road bridge and 300 m of willows from the Ben Nevis area. Inspections of last years spraying programme indicate that the spraying work has been very effective.

IHURAU AND TAWATAIA - MANGAONE SCHEMES

179. No work has commenced on either of these Schemes to date.

MANGATAINOKA SCHEME

180. A programme of willow layering over recent years has resulted in the development of some very good edge protection and consequently less planting work is now required. The reduced planting programme completed this year has comprised 6,525 willow poles planted at 13 sites, complimented with the planting of 845 native species at eight sites.
181. The Liaison Committee was updated on proposed Scheme activities for the current financial year including the maintenance, capital and flood damage works programmes. A consultant is currently preparing a design river alignment for the total length of the Mangatainoka River within the Scheme area as recommended by the Scheme audit. That will provide a useful guide for future river management. Preparation of contract documents for a large rockwork job downstream from the Kamo Bend area is in hand.
182. It is proposed to apply for a resource consent for aerial spraying of vegetation on the beaches of the Mangatainoka and Upper Manawatu Rivers. Re-growth on beaches has been prolific in recent years and ground spraying has been slow and costly, largely on account of access difficulties. It is expected that an aerial spraying programme will be more effective and efficient.

SOUTH EASTERN RUAHINE SCHEME

183. Works were completed on seven of the Scheme's streams and included planting 8,250 willow poles and 750 native trees, layering 38 km of willows, 5.6 km of channel clearing, 60 m of tree bank protection work, repairing seven flood gates and erecting 550 m of fencing for protection of plantings.

184. The capital works identified in the Scheme Review have now been substantially completed and the works budget has dropped from \$325,000 two years ago to \$200,000 for the current financial year.
185. The presentation to the Liaison committee meeting included the works programme and budget, works completed to date, inspections and communication with ratepayers, and difficulties experienced with progressing the Covenant Agreements with property owners in the MangaAtua and Raparapawai gravel reserve areas.

UPPER MANAWATU – LOWER MANGAHAO SCHEME

186. Drier ground conditions in the northern area of the Tararua District has enabled good progress with the planting programme and removal of over-sized trees in the Hopelands and Oringi areas on the Upper Manawatu River. 3,925 willow poles have been planted at eight sites along with 1,005 native trees/plants at seven sites. Also 1400 m of over-sized poplars and willow trees have been removed and burned to not only address trees falling in the river but also to increase channel capacity. On the Mangahao River 475 willow poles and 325 native trees were planted at six sites and 1 km of Scheme drains were mechanically cleaned.
187. The Liaison committee expressed that they are very pleased with the progress that is being made with the management of the Scheme and its maintenance programme.

TOTARA RESERVE PROJECT

188. Planting work has been carried out as recommended in the Gary Williams' Amended Report (2009) with 550 native trees planted in the back water area and 3,000 shrub willows planted within and downstream of the avulsion area. This planting work will assist in the strengthening of protection for indigenous forest trees. In addition a small amount of debris clearance from beaches was completed.
189. It has been noted that previous beach and channel clearing work has contributed to the development of more homogenous meander alignments, thereby mitigating against further bank erosion problems.

SOUTHERN AREA

GENERAL

190. Periods of heavy rainfall have generated additional work during the period, particularly in relation to the clearance of weed from the inlet screens at a number of pumpstations.
191. A large number of requests were received between July and September for advice in relation to drainage and rating issues.
192. A meeting was held with parks and reserve staff from Horowhenua District Council (HDC) to discuss the Kimberley Reserve. As a result of the meeting HDC and a local contractor have agreed to look into the option of obtaining a consent to extract gravel from the reserve that will assist with Channel Management and HDC will be writing to Horizons seeking the development of a management plan and its inclusion within the scheme.
193. Staff members have been involved with several projects including the Wellington Regional Council Rivers Engineering staff visit, Makerua Drainage Scheme Rating review, One Plan map clarifications and providing information for Council's auditors.

OHAU-MANAKAU SCHEME

194. A meeting was held with Francis Catley to discuss the resource consent application that has been prepared in respect of proposed stopbank upgrade and berm lowering work on the lower Ohau River. As a consequence of the meeting outcome, it has been decided that the application, now lodged, will be processed on a limited notification basis. Landowners adjacent to the proposed work will now have until 29 September 2009 to submit on the application.
195. Inspection of all rivers within the Scheme has been completed and a planting programme prepared. During these inspections a number of minor erosion sites were identified on the Ohau River and Waikawa and Manakau Streams. Repair works have subsequently been undertaken at five sites.
196. Sections of willows have been removed from the right bank of the Kuku Stream upstream of the State Highway as part of a program to replace all of the willows with local native trees. Working with the Environmental Management group (GEM) and the local iwi, the proposal is to replace the removed willows with native species and to fence the area off. Once the natives are tall enough to provide some shade to the stream, the remaining willows will be removed and the remainder of the stream bank will be planted up in natives.
197. The main focus during the period has been on completing the planting programme. Approximately 2,000 willow poles and wands and 500 natives have been planted at various sites on the Ohau River and Waikawa Stream.
198. Several areas of blackberry upstream of Kircaldies Bridge on the Ohau River were sprayed to prevent the blackberry spreading into protection planting areas.

MANAWATU DRAINAGE SCHEME

199. Several roadside slips along the Upper Aorangi drain were repaired using concrete riprap.
200. Staff members were again required to clear weed build up on the Rangiotu Floodgates.
201. A total of 3.0 km of Scheme drains were machine cleaned during the period.

MAKERUA DRAINAGE SCHEME

202. Kingston No.1 pump was withdrawn during the period following reports that the pump was not operating. Visual inspection indicated that there was a problem with the shaft. Once the pump was dismantled it was found that the shaft had snapped just below the stator. A new shaft has been built and fitted and the pump has since been reinstalled and commissioned.
203. A new winch unit was fitted to floodgate T4 to help with the removal of weed from the culvert.
204. A fresh in the Tokomaru River washed out the bank upstream of the high flow channel allowing water from the Tokomaru River to by pass the drop structure in the high flow channel and flush gravel into the Linton Main Drain. Rock was carted to the site and placed in the gap between the drop structure and the remaining bank. Gravel was then removed from the Linton Main drain to lower water levels.
205. A total of 1.8 km of Scheme drains were machine cleaned this period.

KOPUTAROA DRAINAGE SCHEME

- 206. The pump at Koputaroa No.4 Pumpstation is due for servicing this year and in preparation for this a hatch has been installed in the roof of the shed.
- 207. A large slump on the B1 Drain caused by water running off the track to Koputaroa No.1 Pumpstation was repaired using concrete panels placed behind driven railway irons.
- 208. A new bench mark has been installed on the Koputaroa Stream near Tavistock Road. The purpose is to provide a datum for the monitoring of the stopbank crest height which had recently been lowered.
- 209. A meeting was held with members from DOC and Horizons' Environmental Management and Consents departments to discuss proposed work on the Koputaroa Wetland. The proposed works would increase the water levels in a ponding area alongside the Koputaroa Stream, reducing its ponding capacity in the area by approximately 5%. DOC have agreed to consult further with the adjacent landowners to the proposed wetland, seeking their written support for the project. Once this has been done, a decision will be made as to whether or not a resource consent is required for the works.

MOUTOA DRAINAGE SCHEME

- 210. Letters have been sent to all Scheme ratepayers advising them of the proposal for a new permanent pump at Bowlers, as provided for through the 2009-19 LTCCP. Indicative rates assessments were also provided, based on the proposed funding mechanism.
- 211. A formal indication of support or otherwise for the proposal was sought from the direct beneficiaries. Although there has been full support from all of those beneficiaries up until now, two of the smaller beneficiaries are now questioning the benefit they would receive from the proposed pump and are opposing the proposed apportionment of the direct benefit share of rates required.
- 212. A meeting has been held with the parties opposing the proposed split to discuss their concerns and to better understand the level of benefit that they would gain from the new pump. Further discussions are planned with all of the direct beneficiaries in an attempt to get this project back on track. It is now anticipated that an amended funding arrangement and proposal to proceed with the new pump installation will be presented to the Committee for approval at its December meeting.
- 213. In the meantime, Harrison Grierson Consultants Limited have been engaged to provide construction drawings, particular specifications, schedule of quantities and construction cost estimates for the proposed new pumpstation. These outputs are due for review in early November 2009.
- 214. New catwalks have been installed at both Cooks and Diagonal pump stations to improve access around the pumps.
- 215. Maintenance work has been undertaken on the access track to both Pleuger and Kerekere Road pumpstations.

TE KAWAU DRAINAGE SCHEME

- 216. A total of 2.3 km of Scheme drains were machine cleaned during the period.

HIMATANGI DRAINAGE SCHEME

- 217. A total of 1.0 km of Scheme drains were machine cleaned during the period.

WHIROKINO DRAINAGE SCHEME

218. A total of 1.0 km of Scheme drains were machine cleaned during the period.

ENVIRONMENTAL GRANT WORKS

219. A new proposal for grant assisted works was approved in respect of channel clearance works on the Pakihikura Stream at Vinegar Hill. In addition, approval has been given in respect of 100% grant assistance for remedial works proposed in the Hautapu Stream at Hihitahi, in response to an unsatisfactory outcome from channel clearance works undertaken earlier in the year.

220. The status of all projects that have been approved and/or will come to charge during the 2009-10 year is shown in the following table.

Name	River	Type of work	Date Approved	Work status	Estimated/ actual works cost (\$)	Value of Grant
John Blaikie	Pakihikura Stream at Vinegar Hill	Willow management	September 2009	Yet to be commenced	\$11,500	\$3,450
HRC Operations Group	Hautapu Stream	Environmental enhancement works	September 2009	Underway	\$20,000	\$20,000

RECOMMENDATIONS

221. That the Committee recommends that Council:

- a. **receives** and acknowledges the information contained in Report No. 09-152;
and
- b. **acknowledges** that a Schedule of Works Completed is available for inspection.

A D Cook

GROUP MANAGER OPERATIONS

A Significant decision? If Yes	No
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 7
Date: 07/10/2009
Report No: 09-153
File No: PRD 6 04

LOWER MANAWATU SCHEME - RURAL UPGRADE PROJECT OROUA RIVER WORKS/TAONUI BASIN IMPACTS

PURPOSE

1. This item is to update the Committee on progress with the planning and consenting aspects of proposed major works on the Oroua River at Kopane.

FINANCIAL IMPACT

2. There is no immediate financial impact arising from this item. The funding for all works proposed under the Lower Manawatu Scheme (LMS) Rural Upgrade Project is provided for in the 2009-19 Long-term Council Community Plan (LTCCP). Nevertheless, recent developments with regard to proposed compensation payments to affected parties could potentially increase LMS Rural Upgrade Project Estimates.

BACKGROUND

3. The effect of the proposed upgrade works at Kopane is to divert additional flood waters into the Taonui Basin, in an event of 1% Annual Exceedance Probability (AEP) or greater. A resource consent is required and as part of the application, the Operations Group as applicant is required to identify adverse effects and mitigation options and to seek agreement with affected parties in that regard.
4. The Committee has received periodic update reports on this major project and has provided guidance on how adverse effects should be mitigated. Further background information can be obtained from reports to the Committee in April 2007, June 2007, August 2007, November 2007, April 2008, August 2008, March 2009 and July 2009.

COMMENT

5. An application for resource consent to divert additional floodwaters into the Taonui Basin was lodged on 15 June 2009. The application was notified and submissions closed on 2 August 2009. A total of 44 submissions were received.
6. A pre-hearing meeting was held on 6 August 2009 and that was well attended by submitters.
7. One-on-one facilitated meetings were held with a number of submitters on 7 August 2009 to discuss specific property issues and concerns. A number of similar meetings, without the assistance of a facilitator, have been held subsequently.
8. Most of the discussion has centered around the expectation for compensation in respect of perceived production losses and reduction in property value as a consequence of property inundation in large and rare flood events. Submitters have strongly advocated that the proposed mitigation/compensation proposals did not fairly address the adverse effects.

9. At the time of lodging the consent application, our intention was to mitigate or offset adverse effects by:
 - undertaking physical works to mitigate additional effects of ponding (430 mm depth and 467 hectares extent) on buildings;
 - making lump sum payments in lieu of physical works in exceptional cases only;
 - mitigating effects on production by constructing new gravity drainage works that would maintain the present five-day pond extent;
 - offsetting effects on production arising from inundation for periods less than five days through benefits to be obtained from new gravity drainage works during the more frequent ponding events; and
 - contributing a substantial sum to community drainage works (probably a large pump) to offset the detriment arising from the storage of floodwater in the present Taonui Basin (note this is not strictly a requirement in relation to the current application).
10. On the basis of earlier advice received, it was the applicant's contention that if there was to be any reduction in property value arising from the additional ponding, then that would equate to the production losses to be either mitigated or compensated for as described above.
11. More recent advice from valuation and agricultural economics professionals that we have engaged has been that the adverse effects arising from inundation for periods of less than four days would not be fully addressed by the measures described above. Furthermore we have been advised that there is also an entitlement to additional compensation in respect of injurious effects associated with reduction in property value, primarily as a consequence of re-zoning land from flood-free to floodable in the District Plan and making notations on titles to that effect.
12. Accordingly a revised compensation model has been developed that recognises both production losses for periods of inundation less than five days and for reduction in property value. Compensation for production loss is based on the discounted present-day value of the damage that would be suffered in approximately two flood events over a period of 100 years. Compensation for reduction in property value has been based on 'before and after' assessments of value for a number of sample properties.
13. Compensation offers, in accordance with that model, have been calculated for a total of 44 owners of property that fall within the 467 hectare 'fringe' ponding area and details were mailed out on 28 August 2009. A breakdown of the 41 owners' situations is as follows:
 - Ten landowners who have buildings in the increased 'fringe' ponding area are entitled to mitigation works as well as compensation.
 - Thirty one landowners who have land but no buildings inside the increased 'fringe' ponding area are entitled to compensation
14. An additional seven owners have buildings inside the present ponding area and are therefore entitled to physical mitigation works but no compensation.
15. Constructive discussions are progressing with a number of owners and it is anticipated that agreement will be reached in a number of cases before the consent hearing scheduled for 4-6 November 2009. While some owners have expressed dissatisfaction with the proposed mitigation/compensation measures and are advocating for increased payments, staff are confident that a very fair if not generous package has been offered and are taking a firm stance around the offers as advised. Inevitably there will be a number of cases where agreement will not be reached prior to the hearing.

16. Difficulty has been experienced in gaining an acceptance on the part of those who will suffer some adverse effect, of two important issues, being:
- the very low probability of inundation of the fringe ponding area and consequently the likelihood that a 'normal' property market would not factor that risk into property values; and
 - the very substantial benefits to be received by all present and proposed Taonui Basin property owners from the LMS Rural Upgrade Project. Not surprisingly, those concerned are focussing on the detriment and not recognising the very real offsetting benefits.
17. The changed circumstances around mitigation and compensation have necessitated the revision of all associated legal documentation. New documents including a Deed of Compensation, Deed of Settlement, Memorandum of Encumbrance, Memorandum of Priority, Letter of Instruction, and explanatory covering letter, have been prepared accordingly.
18. Following the pre-hearing meeting, further investigations were undertaken to confirm the need to divert floodwater into the area to the south of State Highway 56 and in the vicinity of Riverbank Road. This area is referred to as Basins C and D in earlier reports. It was confirmed that the volume of water that would be stored in Basin D was such that if that area was excluded, then the impact on the remainder of the ponding area would be substantial (the ponding area would be increased by 40 hectares and the ponding level by 70 mm) and extremely difficult and costly to mitigate.
19. However the depth of ponding in Basin C would be relatively shallow and the total volume stored would not be great. Furthermore, only minor works are required to keep flood waters out of that area. It has been concluded that excluding Basin C would have a negligible effect on ponding levels over the greater Taonui Basin (within the margin of computation error) and accordingly we will propose in our evidence to the consent hearing that it be excluded.
20. A separate application was lodged in respect of consents required for activities associated with the replacement of the Kopane Bridge. Draft conditions for this consent were released on 25 September 2009. Land purchase negotiations are progressing with two landowners still seeking legal opinion on compensation amounts being offered for land acquisitions.
21. Planning for the physical works part of the Kopane Bridge project is well advanced. Bridge and approach road design work and contract documentation has been completed and reviewed by Design and Projects staff. The intention is to delay seeking registrations of interest from experienced contractors until a decision in respect of the more substantive application to divert floodwaters has been advised.

RECOMMENDATIONS

22. That the Committee recommends that Council:
- a. **receives** the information contained in Report No. 09-153.

A D Cook

GROUP MANAGER OPERATIONS

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 8
Date: 07/10/2009
Report No: 09-150
File No: PRD 5 16

LOWER MANAWATU SCHEME – CITY REACH PROJECT UPDATE ON DESIGN AND CONSENT ISSUES

PURPOSE

1. This report is to update the Committee and Council on progress on the investigations and consultations that are required before consent applications can be lodged for the Palmerston North City Reach Project.

FINANCIAL IMPACT

2. There is no funding impact arising from the recommendations included in this item.

BACKGROUND

3. In December 2006 Council approved a programme of works to the value of \$11.5 million to allow Palmerston North's flood protection to be upgraded to withstand a 4,500 cumec flood in the Manawatu River. This flood has an estimated annual probability of 0.2% (0.2% Annual Exceedance Probability [AEP]) or one chance in 500 of occurring in the next 12 months. The programme has subsequently been revised and the budget increased to \$12.4 million through the 2009-19 Long-term Council Community Plan (LTCCP).
4. As advised to Councillors in July (Report No. 09-107), adverse effects of the proposed work have become an issue. We intend to prevent floodwater entering Palmerston North, but that water, if it cannot flow through Palmerston North, has to go somewhere else instead. In principle, the "somewhere else instead" must experience an adverse effect, which then has to be quantified to see whether it would be minor; if not, then mitigation measures need to be considered. Areas that could potentially experience adverse effects are widespread (as described in detail in the design report attached to Report No. 09-107).
5. Initially, the view was held that the rarity of the event was sufficient to enable the adverse effects to be classified as minor, even if they were not insignificant on the rare occasions that they occurred. There are precedents for this view. However, recent experience suggests that very rare events are not necessarily minor on account of their rarity. The experiences of Environment Canterbury with the Waimakariri Flood Protection Project seem to confirm this.
6. The stopbank from Ruamahanga Crescent to Roxburgh Crescent was upgraded in the 2006-07 and 2007-08 construction seasons. This was the highest priority work in the project, and has appreciably improved the city's security. Consents were obtained for the work, on the basis of consultation with immediate affected parties. Wider consultation was not undertaken on the basis of widespread but rare exacerbation of an existing flood hazard.
7. Palmerston North's actual standard of protection before 2006 was around 4,000 cumecs. Therefore it should be noted that while substantial areas are floodable in a 4,000 cumec event, neither the recently completed nor proposed works in any way exacerbate this flooding.

8. Consents now need to be sought to complete the project, and the widespread effects will be taken into account, including the effects of work already completed.
9. Some investigations have now been carried out, and some of the adverse effects are now well quantified. They could, potentially, in some cases, be more than minor, albeit with a very low probability of occurrence in any given year. In other cases, more investigations are needed.

INVESTIGATIONS AND CONSULTATION PROGRESS

NAPIER ROAD STOPBANK

10. A new stopbank is to be constructed between the high terrace to the north of Napier Road and the existing stopbank at Ruamahanga Crescent. It has now been confirmed that this stopbank creates no adverse effects in terms of increased flood depths. There are some other types of adverse effects for property owners whose land will be occupied by the stopbank, and also for the roading authority. The raising of Napier Road by approximately 550 mm is required to return the Manawatu River stopbanks into high ground.
11. Agreement has recently been reached with New Zealand Transport Agency (NZTA) that the design levels for the road raising meet its safety standards. Agreement with the landowners is only verbal at present. Negotiations to construct the stopbanks on the north side of the state highway and the south side down to the proposed new culvert at the Napier Road drain will continue as soon as NZTA confirms by letter and produces plans and estimates and conditions of the state highway requirements. We anticipate receiving this information by the end of September. Discussions with the private landowners and the developer of the new industrial estate that is presently under construction have been favourable.
12. At the present time it is intended to include the Napier Road stopbank in one City Reach consent application, however given the apparent negligible effect of this component of work on flood levels, the option of obtaining a separate consent to allow the work to proceed this financial year, exists. A decision will be made in this regard once landowners' negotiations have been concluded.

STACES ROAD – AOKAUTERE

13. The Staces Road-Aokautere floodplain area will receive some adverse effects in terms of increased flood depths. This is offset in places by the benefits from a stopbank to be constructed to the rural standard (3,700 cumecs) upstream of Staces Road.
14. It has now been confirmed that there are 27 houses, office blocks or workshops on the floodplain, 13 of which will flood to a depth of 400 mm or more regardless of whether or not the Palmerston North works proceed. Five will not flood at all, with or without the Palmerston North works. The other nine are marginal. Typically the works will add up to 150 mm to the flood depth at these houses.
15. The effects on each property have been confirmed and a combined landowners' meeting held, followed by individual meetings. Subsequent to the meeting, property-specific details have been mailed to all affected owners and individual consultation is ongoing. Further survey has been completed at the two most at-risk houses and options for protection from the 100-year flood (1% AEP) for these houses is being considered. The property owners concerned are entitled to that standard of protection under the Lower Manawatu Scheme (LMS) rural upgrade programme and are rated accordingly.

16. Discussions are progressing on the basis that Horizons Regional Council is, at most, required to mitigate the incremental effect of between 50 and 100 mm of additional flood depth that will result from raising the right bank stopbank. A number of affected houses are already subject to flooding and we have no responsibility in that regard. Accordingly if owners do wish to raise their standard of protection above the agreed 1% AEP rural standard, they would in most instances be expected to meet a significant portion of the cost involved.

TURITEA SCIENCE CENTRE AREA

17. The Turitea Science Centre is, at present, quite floodable in a 4,500 cumec event, and the proposed Palmerston North works will make that worse by about 100 mm. It is difficult to mitigate the incremental effect, but a complete flood protection solution is available, and would probably be valuable to the Science Institutions. The cost of a preliminary proposal is estimated at \$1.24 million. This could be carried out as part of the upgrade project. The suggested funding mechanism is that these Institutions become Special Project ratepayers.
18. An initial combined meeting has been held with the managers of the Science Centre organisations, to inform them about their flood risk, and then to obtain their views on the possibility of a project to provide full protection against a 4,500 cumec flood. The initial response was positive and justifies further investigation, firming up of cost estimates and development of funding options and impacts. A further meeting has been requested in November.

Longburn

19. The effects at Longburn have been approximately assessed, and it is clear that there are no flooding issues for Longburn during a 1% AEP (3,700 cumec) flood, which is the LMS rural standard. However, it is also clear that during a 4,500 cumec flood Longburn would experience serious flooding, with or without the Palmerston North works. The works would however provide some incremental exacerbation.
20. This is the main area where extra investigation is needed. We need a set of inundation maps for Longburn that show the flood levels in the 4,500 cumec flood before and after the City Reach works. This will involve complex MIKE21 2-dimensional modelling. This is programmed following completion of the evidence for the Taonui Basin Hearing (due 28 October) and is expected to be completed by late November.
21. In order to keep momentum going on the Longburn investigations, a GIS-based model has been completed that confirms the ground level at the centroid (geometrical centre) of each building in the floodable area. Site inspections to determine floor heights above ground level have also been completed for the 712 buildings. It is stressed that not all these buildings may be in the flood zone and the number affected may be much fewer than the 712 buildings.
22. Once the flood modelling is complete, the next step will be to formulate mitigation options, followed by discussions with affected property owners.

CONCLUSIONS

23. Assessing the effects due to the City Reach works and identifying mitigation options for this very rare flood is a major task. There are no adverse impacts possible up to a flood size of around 4,000 cumecs (being Palmerston North's actual standard of protection before 2006) and thus the potential impacts from a larger flood are of very low probability.

At this stage it is envisaged that a consent application could be prepared and be ready to be lodged by mid-December.

24. In the meantime, staff will work with affected parties with the objective of identifying practicable mitigation options and agreeing appropriate contributions to the cost of any works that owners wish to proceed with.

RECOMMENDATIONS

25. That the Committee recommends that Council:
- a. **receives** and notes the contents of Report No 09-150; and
 - b. **notes** that consultation is proceeding with parties potentially affected by the Lower Manawatu Scheme City Reach Upgrade Project works.

P L Blackwood
MANAGER INVESTIGATIONS & DESIGN

A D Cook
GROUP MANAGER OPERATIONS

A Significant decision? If Yes	No
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 9
Date: 07/10/2009
Report No: 09-149
File No: PRD 4 08

MAKERUA DRAINAGE SCHEME

PROPOSED CHANGES TO SCHEME AREA AND TARGETED RATING SYSTEM

PURPOSE

1. The purpose of this item is to report on the outcomes of the submissions hearing on the proposed changes to the Makerua Drainage Scheme rating system.

FINANCIAL IMPACT

2. Changes to the Makerua Drainage Scheme rating system will not take effect until the 2010-11 financial year. The changes will not impact on the General rate requirement for the Scheme.

BACKGROUND

3. The Original Makerua Drainage District (Scheme) was established by the Makerua Drainage Board under the provisions of the Land Drainage Act 1908. The Scheme was modified over time from a purely gravity drainage system to include a large number of pumping installations. The boundaries of the Scheme would have been extended as required in the early days of the Scheme as new areas were developed and improved drainage was required.
4. In 1989, the Makerua Drainage Board functions were assumed by the new Manawatu-Wanganui Regional Council under the provisions of the Local Government Reorganisation Order 1989 and responsibility for the management of the Scheme was transferred from the Board to the Council.
5. A comprehensive review of the Scheme was undertaken by the Council and adopted on 19 December 1995. A new classification was then developed and the subsequent differential rating system was adopted by the Council, by way of Special Order under the provisions of the Rating Powers Act 1988, on 18 June 1996.
6. When the management of the Makerua Drainage Scheme was transferred to the Regional Council in 1989, the provisions of the Reorganisation Order prevented the Council from extending the boundaries of the Scheme. When the new rating system was developed in 1996, this restriction had only a minor impact on the new rating system in that it prevented the full area benefiting from the pumping and drainage works in the Speirs-Kingston drainage area being included. Legal advice obtained at that time did not identify a solution to this problem. The 1996 rating system was consequently adopted recognising this restriction.
7. Two changes to the Scheme works and rating system now proposed again run into the restriction imposed by the Reorganisation Order. The first change arises from the construction of a new culvert under State Highway 57 just south of the Opiki turnoff at Makerua where major road works have recently been completed. This new culvert significantly improves the drainage in the Speirs-Kingston drainage area to the east of State Highway 57 in an area that falls outside the existing Scheme boundary. Whilst the additional area to be added to the Scheme is only 41 hectares, without the ability to rate

the properties benefiting from the new culvert, the works would not have proceeded. Owners of properties within the extension area acknowledged the benefit they will receive and the justification for their inclusion in the Scheme.

8. The second proposed change involves the introduction of a Contributor Rating Category in the Scheme. This change would shift the eastern boundary of the Scheme to include an additional area of approximately 7,000 hectares. This would take into the Scheme, the hill country lying to the east of the Tokomaru Stream and Linton Main Drain that contributes flow to the various drainage and pumping compartments in the Scheme.
9. As part of the analysis undertaken to calculate the effect of these changes, the accuracy of the existing rating system was assessed. This assessment was undertaken by analysing the Scheme expenditure in 18 of the different sub-areas and comparing that to the current level of rating in those respective areas. The original assessment to determine the relative levels of rating involved the preparation of detailed estimates of Scheme expenditure on drain maintenance, culvert and floodgate maintenance and long-term replacement; and pump station operation, maintenance and long-term replacement.
10. Not surprisingly, differences were identified between the originally estimated and the actual expenditures incurred in the respective categories over the past 11 years. Flood damage, additional pumping installations, changing expectations of ratepayers, increased costs of different components of the Scheme and significant changes in the cost of power contributed to these differences.
11. A legal opinion was obtained from Simpson Grierson in 2004 in regard to the Council's powers to extend the boundaries of the former Sluggish and Oroua Drainage Districts, which also came under the management of the Council by way of the Local Government Reorganisation Order 1989. At that time we proposed to amalgamate those Schemes to form the Te Kawau Scheme. The legal advice indicated that Council is probably able to establish, expand, or abolish drainage Schemes under the powers of general competence conferred in Section 12(2) of the Local Government Act 2002. However, we were advised that the safest course was also to rely on the power to revoke the declaration of a Drainage District, which under Section 15 of the Interpretation Act, is included in the power to declare a land drainage area under Section 504 of the Local Government Act 1974.
12. It has therefore been proposed that the existing Makerua Drainage Scheme be abolished and a new Scheme be established. This will result in the existing Scheme, with its existing tightly defined boundary being abolished and a new Scheme established with an expanded boundary, defined by the boundaries of the new differential categories.
13. A third change to the rating system was also proposed that would group all the drainage rating categories to the east of the Tokomaru Stream and Linton Main Drain into one drainage category. This would result in all the properties to the east of the Tokomaru Stream and Linton Main Drain being rated for gravity drainage benefit at the same level. The pumping and capital works categories for some areas would remain unchanged.
14. The proposed changes to the Makerua Drainage Scheme area and rating system were endorsed for the purposes of ratepayer consultation by the Committee at its meeting on 13 May 2009 and subsequently by Council.
15. The proposed changes to the rating system would result in the following changes to the total rate collected from each rating category.

NAME	CATEGORY	AREA	Rate required for each category	
			Existing rating system	Proposed adjusted rating system
			2009-10 (As struck)	2009-10 (Indicative)
OPIKI DR	O1	4,083	\$116,815	\$94,383
	O2	1,217	\$5,080	\$11,249
LINTON MAIN DRAIN DR	L1	229	\$4,110	\$2,884
	L2	320	\$3,011	\$1,613
MANAWATU GRAVITY DR	G1	141	\$443	\$637
MANGAORE DR	M1	219	\$3,808	\$3,591
	M2	128	\$898	\$840
KINGSTON DR	K1	369	\$10,223	\$13,265
BIRNIE COOMBS DR	B1	309	\$7,253	\$4,510
	B2	129	\$1,171	\$754
CENTRE DR	C1	97	\$3,058	\$2,384
	C2	144	\$1,832	\$1,418
ROWLANDS DR	R1	122	\$4,009	\$2,737
MABINS DR	T1	222	\$6,485	\$4,331
OPIKI PUMPING	PO	3,503	\$73,047	\$91,891
MANGAORE PUMPING	PM	215	\$11,042	\$16,862
KINGSTON PUMPING	PK	359	\$23,783	\$24,985
BIRNIE COOMBS PUMPING	PB	132	\$9,344	\$14,685
OPIKI CAPITAL	CO	3,503	\$76,501	\$72,673
MANGAORE CAPITAL	CM	215	\$9,709	\$9,222
KINGSTON CAPITAL	CK	359	\$11,324	\$10,756
BIRNIE COOMBS CAPITAL	CB	132	\$5,585	\$5,306
INDIRECT BENEFIT	IN	8,018	\$31,712	
CONTRIBUTOR EAST	EC	8,380		\$9,393
CONTRIBUTOR OPIKI	OC	6,016		\$19,865
Total			\$420,233	\$420,233

CONSULTATION

16. A comprehensive newsletter was sent to all new and proposed ratepayers setting out the proposed revised rating system.
17. Indicative rate assessments were sent to nearly all ratepayers affected by the changes to the rating categories and to the ratepayers who were not previously included in the rating system for the Scheme. Small urban properties in Tokomaru were not sent Indicative rate assessments.
18. A ratepayer meeting was held on 21 August 2009 where proposed changes to the rating system were explained.
19. Landowners were invited to make submissions on the proposed changes to the Rating System by 2 September 2009.

SUBMISSIONS RECEIVED

20. A total of seven written submissions were received. All submissions were acknowledged and submitters were provided with a summary of submissions received, and a copy of the officer's report on those submissions and a copy of the Hearing Committee Agenda item.
21. A Special Hearing Committee comprising Councillors Meads (Chair), Guy and Bailey, sat on 14 September 2009 to hear submitters elaborate on their submissions.
22. Minutes of the hearing are attached at Annex A.

DELIBERATIONS

23. The Committee deliberated on a number of matters raised by submitters, as set out in the Submissions Hearing agenda, and on other matters raised at the hearing.

- **Changes to the rating differentials.** The committee discussed the proposed changes to the rating differentials required to ensure the rating system fairly reflects the costs and benefits derived from the Scheme.

Recommendation 1: That the differentials in the Makerua Drainage Scheme rating system be amended as per the table at Paragraph 24.

- **The extension of the Scheme Boundary.** The committee acknowledged the need to extend the Scheme Boundary to allow for the extension of the Speirs-Kingston rating area and the addition of the contributor rating area and noted changes to rating legislation that now made this possible.

Recommendation 2: That the existing Makerua Drainage Scheme be dis-established and re-established under Section 504 of the Local Government Act 1974 and Section 15 of the Interpretation Act 1999.

Recommendation 3: That the new Scheme Boundary be extended to include all land that drains to and through drainage channels and pump stations managed as part of the Makerua Drainage Scheme.

- **The extension of the Speirs-Kingston rating area.** The committee agreed that the Rating area of the Speirs Kingston drainage and pumping area be extended to recognise the benefits derived from the construction of the new culvert beneath State Highway 57 at Makerua.

Recommendation 4: That the Speirs-Kingston drainage, pumping, and capital rating category areas be extended to include all properties benefiting from Scheme works.

- **The addition of the Contributor Rating Categories.** The Committee discussed the introduction of two contributor rating categories and the areas that should be included within these categories.

Recommendation 5: That two new rating categories be introduced to enable rates to be collected from all properties in the enlarged Scheme area in recognition of their contribution to the need for the Scheme.

- **Amalgamation of the rating area to the east of the Linton Main Drain and Tokomaru Stream.** The Committee noted the concerns of landowners affected by the changes to the levels of rating that would arise from amalgamating all the

drainage rating categories for the area to the east of the Linton Main Drain and Tokomaru Stream and decided that this change would not be made.

Recommendation 6: That the present differentials applying to drainage categories for the area east of Linton Main Drain be retained.

- **The maintenance of the Tokomaru Stream.** The Committee noted the concerns of ratepayers in regard to the impacts on pumping costs by elevated water levels in the Tokomaru Stream caused by less than ideal maintenance of the Stream and agreed that the Lower Manawatu Scheme needed to be reminded of its responsibility to maintain the Tokomaru Stream Channel.

Recommendation 7: That the Lower Manawatu Scheme Manager be reminded of the need to effectively manage the Tokomaru Stream Channel so as not to adversely affect Makerua Drainage Scheme drainage.

- **Capital Rating Categories.** The committee sought clarity on the purpose of the Capital rating categories. It was explained that they were established to fund the repayment of loans taken out to undertake capital works associated with the benefits derived from pumping and not works associated with gravity drainage.

Recommendation 8: That it be made clear in the rating system reports that the Capital Rating categories are to fund capital works associated with pumping benefits and not gravity drainage benefits.

- **Contributor Rating Information.** The Committee raised concerns about the level of information and explanation associated with the introduction of the new contributor rating categories.

Recommendation 9: That a Newsletter explaining Contributor Rates be included with the 2010-11 rate demands.

ALTERATIONS TO RATING DIFFERENTIALS

24. The following table sets out the final changes to the rating differentials, as recommended by the Hearing Committee

CHANGES TO THE MAKERUA DRAINAGE SCHEME RATING DIFFERENTIALS				
Section of Scheme	Rating Category	Main Differential		Sub differential (No change)
		Existing	Proposed	
Opiki Drainage	O1	38.44%	32.78%	100%
	O2			40%
Linton Main Drain Drainage	L1	2.24%	1.40%	100%
	L2			40%
Manawatu Gravity Drainage	G1	0.14%	0.20%	
Mangaore Drainage	M1	1.49%	1.38%	100%
	M2			40%
Kingston Drainage	K1	3.22%	4.12%	
Birnie Coombs Drainage	B1	2.66%	1.63%	100%
	B2			40%
Centre Drainage	C1	1.54%	1.18%	100%
	C2			40%
Rowlands Drainage	R1	1.26%	0.85%	
Mabins Drainage	T1	2.05%	1.34%	
Opiki Pumping	PO	23.03%	28.51%	
Mangaore Pumping	PM	3.48%	5.23%	
Kingston Pumping	PK	7.50%	7.75%	
Birnie Coombs Pumping	PB	2.95%	4.56%	
Indirect Benefit	IN	10%		
Contributor east	EC		2.91%	
Contributor Opiki	EO		6.16%	
Opiki Capital	CO	As required to fund capital loan		
Mangaore Capital	CM	As required to fund capital loan		
Kingston Capital	CK	As required to fund capital loan		
Birnie Coombs Capital	CB	As required to fund capital loan		

RECOMMENDATIONS

25. That the Committee recommends that Council:
- adopts** the Proposed New Rating System, amended in accordance with recommendations of the Hearing Committee, as set out above; for inclusion in the Draft 2010-11 Annual Plan;
 - requests** that appropriate provision be made in the Rating Impact Statement in the Draft 2010-11 Annual Plan, for the Makerua Scheme rates in accordance with the Proposed new Rating System;
 - notes** recommendations 7 to 9 requiring action as appropriate; and
 - instructs** the Chief Executive to advise all submitters of the outcome of the submissions hearing process.

A D Cook

GROUP MANAGER OPERATIONS

ANNEX

- A. Minutes of submissions hearing

Minutes of the Submissions Hearing Committee Meeting for the Makerua Drainage Scheme Proposed Rating Area Change and Targeted Rating System held at Horizons Regional Council, Regional House on Monday 14 September 2009, 10.00 am.

PRESENT: Cr D Meads (Chair), Cr L Bailey, Cr M Guy

IN ATTENDANCE: John Philpott, Consultant
John Foxall, Area Engineer
Kelly Standish, Secretary

PRESENT: Hugh Moleta
John Williams, Ian August
Adrian Noaro
Ken Anderson
Alistair White
John Whitelock
Kevin Russell

The Chair (Cr Meads) welcomed submitters and opened the meeting at 10.12 am. Cr Meads then introduced the Panel members, staff and consultants present and thanked submitters for arriving early to go over some of the issues as quickly as possible. Cr Meads explained this was a non-statutory hearing and a relatively informal hearing

OTAURO FARMS LTD, HILTON FARMING CO LTD, AUGUST HOLDINGS LTD, IJ AND M AUGUST, VELVALEEN FARM LTD (MR J WILLIAMS AND MR I AUGUST)

Mr August spoke to the group's submission, emphasising real concern about the proposed increase in rates. Mr August said Horizons should not be introducing drainage schemes that are too expensive for ratepayers and felt that although rate increases are small, they seem to always be increasing and never decreasing.

Mr Williams also spoke to the group's submission and emphasised concerns about rate increases. He said that he was already facing a 22% rates rise for other services from Horizons this year and believed further rate increases were unnecessary.

He said he supported the new rating system and believed properties on the eastern side of the Linton Main Drain should be paying into the scheme as their water came under the railway line during flooding and affected other people's land.

Cr Meads asked Mr Williams if he thought the Mangaore pump had been put to good use. Mr Williams confirmed that the one time it had been needed to date it had done its job well.

Cr Guy asked Mr Williams if it was correct that his rates had increased by \$6 per hectare of land, and Mr Williams confirmed this. Cr Guy then asked Mr Philpott why the proposed level of rates had been suggested as the group represented by Messrs August and Williams would be disadvantaged. Mr Philpott explained that the uniform drainage rate option arose out of preliminary discussions with Cr Meads. If the rates for all the eastern area drainage categories had been similar, it would have been viable to bring the eastern area into one rating category; however, he said the eastern area drainage systems were in fact quite different and he therefore believed that the rating categories should remain separate.

Cr Meads asked Mr Foxall if managing the different drainage areas with different rating levels was particularly difficult. Mr Foxall explained it was manageable.

MR HV MOLETA

Mr Moleta outlined his submission and confirmed he agreed in principle with the change to the rating system.

However, he was concerned that the rating split between drainage and pumping had been made on a historical basis and said this should be reconsidered as a certain amount of the pumping was required because the gravity drainage system was not being maintained properly. Pumps had been installed on Ashley Road and Boundary Drain to solve the problem with gravity drainage and the low flow of drainage at Boundary Drain – not at the request of the ratepayers. Mr Moleta said he believed it had been deemed easier to put in a pump rather than clear out the drains and questioned whether this was a fair cost to put on the people benefiting from the pumping.

Mr Moleta explained that Akers Drain often had a lot of weed in it, preventing access to the culvert and making it necessary to keep cleaning the drain. However, this wasn't being done and instead a pump was being put in. He said this should be a cost to the whole Scheme.

Mr Moleta said the wording of the Hearing document appeared to suggest this was a Scheme review and if this was the case it could be assumed that the Council had come to the conclusion that all drainage was considered good and no further consideration had been given to issues of over-drainage, particularly the design of some drains which were very deep and narrow. If this was a Scheme review then these issues needed to be considered and possibly money should be being spent on these issues rather than on new pumps. Mr Moleta also highlighted that there was excess pumping capacity at Boundary Drain and perhaps something needed to be done to get more water there.

Cr Meads asked Mr Philpott and Mr Foxall to confirm whether this was a full Scheme review. Mr Philpott explained that the review was initially limited to ensuring that the benefits derived from the new culvert under SH56 at Makerua East were taken into consideration in the rating system. He also confirmed that the review of the rest of the Scheme was limited to determining that the level of rating fairly reflected the level of expenditure in the various rating areas and that brief was not to review the Scheme in its entirety.

Mr Foxall explained that an audit of the Scheme management would be carried out in the future and Cr Meads confirmed the overall management of the Scheme could be reviewed at that time.

Cr Meads asked Mr Foxall and Mr Philpott about the split between pumping and drainage, and who paid. Mr Philpott said that attributing some of the pumping costs back onto the drainage cost would not produce a very big change.

Cr Guy asked Mr Philpott if he believed Mr Moleta's view on the drainage and pumping split was correct. Mr Philpott replied that most of the siltation in the Linton Main Drain and Tokomaru Stream was a natural process, therefore the cost of pumping should lie with those who benefited from the pumping. If some of the siltation etc was caused by development work being carried out, there would be some argument for allocating some of the eastern area Contributor Rate to offset the Opiki area pumping.

Committee members thanked Mr Moleta for his time and for the matters brought forward.

MR ADRIAN NOARO AND MR KEN ANDERSON

Mr Noaro handed out information further to his previous submission to the committee and staff present. He then outlined the key points of this submission.

Mr Anderson said excluding the Tokomaru Stream from the Scheme did not seem logical because the Tokomaru had a major effect on the Linton Main Drain.

Mr Philpott explained that when the Tokomaru Stream level rose more pumping was required. However, this was due to a natural process and wasn't caused by the additional run-off from the developed land to the east of the Linton Main Drain and Tokomaru Stream. Because it was considered a natural process and would happen regardless, the catchment of the Tokomaru Stream shouldn't be rated to offset any additional pumping costs. Mr Philpott also explained that when the bush in the high country was cleared more water would end up in the Tokomaru Stream, however both the Tokomaru and Mangaore Streams flowed into channels that weren't maintained by the Scheme and the additional run-off (Contributor Rating) was very minor.

Cr Meads asked how the split of 5 percent for drainage and 10 percent for pumping from the Contributor Rating had been reached. Mr Philpott said that the drains were required to be the size they are and maintained to a high standard to provide good drainage at low flow times; therefore additional run-off did not affect drain maintenance costs whereas pumping costs were affected by additional run-off.

Mr Philpott said the different figures for Eastern and Opiki Contributor areas were due to the cost of the works undertaken in each of those areas.

Mr Noaro asked why they had been separated. Mr Philpott explained the impacts from both were quite different and he possibly had over-allowed for the impacts of the Tokomaru River.

Mr Anderson asked why the Tokomaru catchment was not included in the Contributor Rating area. Mr Philpott explained that the Tokomaru and Mangaore Streams channels were not maintained by the Scheme and there was therefore no cost to the Scheme. Mr Anderson noted that the Tokomaru Stream backed up the Linton Main Drain and affected that area. Mr Philpott agreed that happened, but said the impact of the additional contribution was small.

Cr Guy asked what percentage was being collected from the Contributor Rates and Mr Philpott replied that the level of the Eastern and Opiki Contributor Rates was based on 5% of drainage costs and 10% of pumping costs in each of those areas. He said a lot more money was being spent on the Opiki area and as a result the Contributor Rates were higher on that side.

Cr Meads thanked Mr Noaro and Mr Anderson for their submission.

MR ALISTAIR WHITE

Mr White asked which had occurred first – the deforestation in the hills or pumping in Opiki. He also asked how much deforestation had been done since pumping was put in place in 2002.

Mr White said he believed contributors were being asked to increase their payments to subsidise others, to increase the value of their properties.

Mr Philpott explained that the Local Government (Rating) Act 2002 did not specify any date or time for the effects of deforestation or change in use of the land to be applied through

rates but was based on how a property contributed to the need for works, regardless of when the work needed to be done or when deforestation occurred.

Cr Meads explained there was also some case law which now allowed councils to impose Contributor Rates.

Mr White asked whether, as the farmers on the flat land now needed the pumping, had they not changed the land use themselves. He also commented that farmers such as himself were losing value in their properties due to rate increases, without any benefit to their property, while the value of the land at the bottom of the Scheme was increasing due to pumping and benefiting from the contribution of those on higher land.

Cr Guy explained the Contributor Rating percentage was reviewable so it could change in the future.

Cr Meads explained as the costs to the Scheme moved so too did the cost to the contributors. The Council was under intense pressure to prevent rates from increasing and therefore rate increases were kept in check.

Mr White also queried whether it was fair to base the Contributor Rating on a percentage as contributors were being asked to pay more without receiving any extra benefit. Mr Philpott explained the percentage was reviewable every year via the Long-term Council Community Plan (LTCCP).

Mr White also asked if contributors were consulted when the Scheme was established. Cr Meads explained they were being brought in now and therefore were being consulted now.

Cr Guy asked how big Mr White's property was. Mr White replied that it was 180 hectares and had sub-surface drainage in place. Cr Guy suggested that the enhanced drainage system on Mr White's land was affecting the rate and volume of run-off and that there was a possibility of that drainage system being improved in future. Therefore, wasn't Mr White contributing to the problem below his land. Mr White conceded there may be a benefit but perhaps not to the extent being rated for.

MR KEVIN RUSSELL

Mr Russell said he felt the information provided in the Newsletter was insufficient for someone who was new to the Scheme. He would have liked to have seen information on volumes of water, impact of clearance on higher land and the impact that had on the scheme. He also felt more background should have been provided. Mr Russell said most farmers on elevated land felt they shouldn't have to pay as they did not receive any benefit.

Mr Russell said that as everybody benefited from River and Drainage Schemes, everyone should pay a share of the cost. No one owned the water and therefore no one person should be responsible for water travelling over land, as they had no control over that.

Mr Russell believed a benefit was being created by farmers for the whole community and ultimately the whole of New Zealand; therefore it was unreasonable to burden a select few.

He said Central Government should collect the money required as a tax and then pay it to Regional Councils to continue looking after all waterways, not just those within Schemes. He gave the example of the upper Mangatainoka which flooded recently and caused a lot of damage further downstream; however no work was done on this part of the river as it is not a part of a Scheme.

Mr Russell said people in town could afford to, and should be paying more. He believed the Schemes were inequitable and gave the example of a person he knew in town who was only paying \$55 in rates.

Cr Meads said the committee would take these issues on board, particularly the suggestion that Newsletters should be designed for people being brought into a Scheme. He said there some very valid points made which had been raised several times previously.

Cr Guy queried whether the person in town Mr Russell referred to was only paying \$55 for their total rates? Mr Russell said those rates only related to the Lower Manawatu Scheme.

Cr Guy asked Mr Russell how big his farm was. Mr Russell replied that it covered 95 hectares, although most of the farm wouldn't be rated as part of the Scheme.

Committee members thanked Mr Russell for his time and for the matters he had brought forward.

MR J WHITELOCK

Mr Whitelock asked how many hectares were actually being included in the Scheme as different figures appeared to have been put on different documents.

He said the recommendations being put forward seemed wrong and suggested a recommendation should be added that said a total catchment scheme should be pursued by the Council.

Mr Whitelock emphasised his belief that contributing water should be included in the Scheme.

He also commented that communication with the shareholders could be improved and those people new to the Scheme perhaps lacked a good understanding of the proposal and believed the Council would do what the Council wanted to do regardless of the feedback from ratepayers.

Mr Whitelock said he knew of neighbouring blocks whose rates differed substantially, and he did not believe this was fair.

Cr Meads asked Mr Philpott to respond to Mr Whitelock's question about the area covered by the Scheme.

Mr Philpott explained that the Newsletter was shown to the Scheme Liaison Committee and following that meeting there was a change to the area of land before the document was sent to ratepayers. The error related to the Eastern Contributor rating area, which was stated as 5,579 hectares when it should have said 8,380 hectares. However, he said the rates per hectare were correct at \$1.12.

Cr Meads said another paragraph could have been added to the Newsletter explaining the background of the Scheme for the benefit of the new people being brought into the Scheme.

Cr Guy asked Mr Whitelock if he was proposing a total catchment scheme incorporating the entire Manawatu. Mr Whitelock confirmed he was and outlined two benefits of that approach – making the community at large aware of the importance of these issues and all contributing. Mr Whitelock said such a programme would take considerable time to apply.

Cr Bailey commented that the wider Region was already making a substantial contribution to River and Drainage Schemes. She asked whether Mr Whitelock would like to see this proposal added to the existing layers of rating or used instead of the current system. Mr Whitelock replied he was not in a position to answer that.

Cr Bailey also asked Mr Whitelock if he would be supportive of audit/review of the Scheme at the earliest time possible. Mr Whitelock said some preliminary work would provide guidelines for additions or otherwise to the Scheme.

Cr Meads said Horizons was tending to head towards whole catchment management, however this had yet to be defined.

Committee members thanked Mr Whitelock for his time and for the matters he had brought forward.

Cr Meads suggested using the remaining 15 minutes of the meeting to discuss the idea of whole catchment management further.

DISCUSSION

Mr Philpott said he believed Schemes as works entities needed to be separate from their rating system, because works were very different between different schemes. He also commented that the benefits provided by different schemes could be quite different.

He thought the Indirect Benefit and Contributor Rating categories could work in a total catchment scheme; however he believed there was real value in keeping the schemes separate.

Mr Anderson explained he supported a whole scheme but believed there must be some benefit for people with crippling rates that were rising year after year, and he did not think there should be a lot of money spent a whole without much benefit.

Mr White said getting work done in specific areas could be much harder if other areas were unhappy about the work being suggested.

Cr Meads said Horizons had experienced that exact problem recently and as a result, some changes were made to the Lower Manawatu Scheme.

Cr Guy commented that a wider total catchment would be used for other issues rather than just river and drainage issues in a practical sense, the idea being to encourage people to have total catchment ownership. Cr Meads said he did not believe all river and drainage schemes could be combined and still continue to work.

Mr Whitelock said community interest could be great and he would not want extra rates imposed on people but rather would like to see the system streamlined.

Mr Russell said he did not support the Contributor concept at all. He believed that work done to blocks of land benefited the landowners, however the true benefits extended to the wider community and the entire country in general.

Cr Meads explained the Council did attempt to address these benefits with the Indirect Benefit rating.

Cr Guy advised submitters that Scheme reviews were paid for by General Ratepayers and not by the Scheme itself.

Mr Noaro asked if there would just be a flat rate if a total catchment scheme was adopted. Cr Meads explained it would be unlikely and it was more likely that there would be one scheme containing a lot of differentials.

Mr Russell said that unless one flat rate was introduced there would be no point in going ahead with the exercise, as the wider community benefited greatly from work done on river and drainage schemes.

Cr Bailey commented to Mr Whitelock that there may be some marginal benefit in terms of equity but it would be unlikely to make the system more simplistic.

Mr Moleta said that Central Government used to fund these schemes but it had gone to the other extreme and perhaps now needed to come back to the centre somewhat.

Cr Meads thanked all submitters for attending and adjourned the meeting at 12.00 pm.

The meeting reconvened at 12.48 pm to discuss Written Submissions.

The Committee noted Mike and Anne Candy's submission was taken into consideration.

DELIBERATIONS

The committee briefly discussed the changes to the expenditure in the various parts of the Scheme and the need to adjust the differentials between rating categories to ensure the level of rating reflects the future level of expenditure in the various components of the Scheme

The committee agreed to proposed changes to the rating differentials and recommended the differentials in the Makerua Drainage Scheme rating system be amended as per the table at Paragraph 24.

The committee discussed bringing the Kingston-Speirs area into the Scheme and some of the historic constraints on what could and could not be done within the Scheme. The committee agreed a recommendation be put forward to disestablish the Makerua drainage Scheme and re-establish the Scheme with the inclusion of the enlarged Kingston-Speirs direct benefit area and contributor areas.

The committee recommended that the existing Makerua Drainage Scheme be dis-established and re-established under Section 504 of the Local Government Act 1974 and Section 15 of the Interpretation Act 1999.

Mr Foxall joined the deliberations at 12.54 pm.

There was discussion about combining the six different rating areas on the eastern side of the Tokomaru Stream and Linton Main Drain into one large area. The committee noted that there had been no support for the idea but there had been opposition from ratepayers in the Mangaore area due to the resulting increase in their rates.

The Committee recommended that the present differentials applying to drainage categories for the area east of Linton Main Drain be retained.

The Committee also recommended that the new Scheme Boundary be extended to include all land that drains to and through drainage channels and pump stations managed as part of the Makerua Drainage Scheme.

The Committee also recommended that the Speirs-Kingston drainage, pumping, and capital rating category areas be extended to include all properties benefiting from scheme works.

Concerns regarding the percentage split in rating for drainage and pumping were discussed. Mr Foxall confirmed that some of the drains were only cleaned to enable water to reach pumps and in other areas pumps were used because the drainage was not working properly due to insufficient maintenance. Therefore there was a crossover in benefit from drainage and pumping.

Mr Foxall explained that pumps were installed at Akers Road and Boundary Drain so they would not impact on the drainage benefits immediately downstream of the state highway.

Discussion took place regarding the Contributor and Indirect Benefit and Pumping categories. Mr Philpott explained that the Indirect Benefit had been removed from the O1 category and the OC category had been introduced to account for the Contributor Rating.

Cr Meads asked if reducing the Pumping category to recognise the impacts of additional pumping because of higher water levels in the Linton Main Drain and Tokomaru Streams, and putting rates back onto the Drainage category, would make much difference to the rates. Mr Philpott explained it would make very little difference because the additional costs were small.

Mr Foxall reiterated that there were differences in pumping helping drainage and vice versa throughout the Scheme. He confirmed that the Lower Manawatu Scheme (LMS) paid for the Tokomaru Stream to be cleaned out to improve drainage and that this offset any additional pumping cost of contributor run-off into the Tokomaru Stream. Cr Meads queried if cleaning of the Tokomaru was regularly done by the LMS as it was responsible for it. Mr Foxall said it could be better.

The Committee agreed to recommend that the Lower Manawatu Scheme Manager be reminded of the need to effectively manage the Tokomaru Stream Channel so as not to adversely affect Makerua Drainage Scheme drainage.

Capital and Pumping categories were discussed. Some confusion had been expressed regarding what Capital referred to and the committee noted that it referred to capital infrastructure, which related to pumping and not drainage. Mr Foxall said that most of the capital works in the Scheme could be associated with pumping, except for floodgates which previously had been paid for out of maintenance budgets.

Discussion also took place around CO, CM, CK and CB categories and what they were paying for. Mr Foxall explained these were servicing loans.

Mr Philpott suggested the possibility of writing a Rating System Management Report as a solution to be given to the area engineer in order to help with management of the rating system.

The Committee agreed that it must be made clear in the rating system reports that the Capital Rating categories are to fund capital works associated with pumping benefits and not gravity drainage benefits.

Discussing the Contributor Rating category, the committee noted that some submitters were very unhappy with it. Cr Guy commented that some submitters appeared to recognise by the end of the meeting that they would be receiving both benefit and contributing to the need for a Scheme.

Discussion took place regarding the extra hectares that contribute to the Tokomaru Stream water levels but did not contribute to the scheme. Mr Foxall explained the Tokomaru Stream did not contribute much to the need for pumping and the only time it had a significant effect was when the Manawatu River was also up, preventing water flowing freely downstream.

The committee recommended that two new rating categories be introduced to enable rates to be collected from all properties in the enlarged Scheme area in recognition of their contribution to the need for the Scheme.

Cr Bailey said she would prefer to see any further Contributor Rating issues dealt with by a wider review of all Schemes, not just one.

She also commented that some of the submitters could be appointed to represent the Contributor ratepayers on the Scheme Liaison Committee. ***Cr Meads confirmed he would approach someone to join the committee in order to keep contributor debate alive.***

The committee noted that a full Scheme audit for the Makerua would take place in 2011-12 and that the various issues raised could be addressed through that process.

Discussion took place about the submitters' suggestions of a Total Catchment Scheme, and specifically about Mr Whitelock's request that a recommendation be included suggesting a Total Catchment Scheme be considered. The Committee agreed to bring the idea to Council and noted that it had merit for future consideration, however it would not be included as a recommendation as this review was not the appropriate time to discuss that matter.

Cr Bailey commented that there was concern about the new people being brought into the Scheme not being provided with enough information and the suggestion was made that this be noted and amended.

The Committee agreed to recommend that a Newsletter explaining Contributor Rates be included when next year's rate demand is sent out.

The Committee agreed with the recommended modification to the rating differentials to reflect the actual Scheme expenditure over the past 11 years and the future programmed works.

SUMMARY OF RECOMMENDATIONS

- a. That the differentials in the Makerua Drainage Scheme rating system be amended as per the table at Paragraph 24.***
- b. That the existing Makerua Drainage Scheme be dis-established and re-established under Section 504 of the Local Government Act 1974 and Section 15 of the Interpretation Act 1999.***
- c. That the present differentials applying to drainage categories for the area east of Linton Main Drain be retained.***
- d. That the new Scheme Boundary be extended to include all land that drains to and through drainage channels and pump stations managed as part of the Makerua Drainage scheme.***

- e. ***That the Speirs-Kingston drainage, pumping, and Capital Rating category areas be extended to include all properties benefiting from Scheme works***
- f. ***That the Lower Manawatu Scheme Manager be reminded of the need to effectively manage the Tokomaru Stream Channel so as not to adversely affect Makerua Drainage Scheme drainage.***
- g. ***That it be made clear in the rating system reports that the Capital Rating categories are to fund capital works associated with pumping benefits and not gravity drainage benefits.***
- h. ***That two new rating categories be introduced to enable rates to be collected from all properties in the enlarged Scheme area in recognition of their contribution to the need for the Scheme.***
- i. ***That a Newsletter explaining Contributor Rates be included when next year's rate demand is sent out.***

The meeting closed at 1.48 pm.

A Significant decision? If Yes	No
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 10
Date: 07/10/2009
Report No: 09-151
File No: PRD 5 35

LOWER MANAWATU SCHEME RATING PROJECT

PURPOSE

1. The purpose of this item is to present for Councillors' information, the final report on the development of a new rating system for the Lower Manawatu Scheme (LMS).

FINANCIAL IMPACT

2. There is no funding implication arising from the recommendations contained in this item.

BACKGROUND

3. In June 2008, following an extensive development and review process, Council adopted a Draft Rating Proposal for the LMS, for the purpose of stakeholder consultation.
4. A full non-statutory consultation process was conducted, culminating in the receipt of submissions.
5. A Special Hearing Committee sat in November 2008 and following deliberations, presented its recommendations to Council in February 2009.
6. Council adopted the rating system proposals, amended in accordance with 18 Hearing Committee recommendations, for inclusion in the Draft 2009-19 Long-term Council Community Plan (LTCCP).
7. A small number of submissions were received on the rating proposal through the LTCCP process and following further deliberation, Council made one further change to the proposal in respect of the differentials between the nine direct benefit rural flooding rating categories, in the interest of reasonableness and fairness of rating impact.
8. With the subsequent adoption of the LTCCP in early July, Council has confirmed the new rating system and it has been applied in the collection of scheme rates for 2009-10.

COMMENT

9. The substantive rating report initially adopted by Council in June 2008 has now been amended to incorporate information on the consultation and development process followed since that time, and to record changes made through both the non-statutory and statutory LTCCP processes. Copies of the amended report will be made available to Councillors at the meeting.
10. A second more concise report has also been prepared to assist in the effective and efficient management of the new rating system going forward. Certain changes will occur over time which will need to be recognised within the new rating system in order that it continues to fairly and equitably reflect benefits received from, and contributions to the need for scheme works and management.

11. The second 'System Management' report has been designed to guide future scheme managers in undertaking periodic reviews of, and making amendments to, the rating system. Copies of this report will also be made available to Councillors.

RECOMMENDATIONS

12. That the Committee recommends that Council:
 - a. **receives** and notes the contents of Report No. 09-151.

A D Cook

GROUP MANAGER OPERATIONS

ANNEXES

- A Report – Lower Manawatu Scheme –Development of a New Rating System (With updates following consultation and adoption by Council) – July 2009 (this Report will be made available to Councillors at the meeting).
- B Report – Lower Manawatu Scheme Rating System – System Management

A Significant decision? <i>If Yes</i>	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 11
Date: 07/10/2009
Report No: 09-148
File No: OFS 6 02

ENVIRONMENTAL GRANTS – LAND ACTIVITY

PURPOSE

1. This report is in response to Members' questions relating to Environmental Grants (E-Grants) targeted at the Land Activity and whether funding should be reduced, withdrawn entirely, or directed at other higher priority activities.

FINANCIAL IMPACT

2. There are no adverse financial impacts associated with this report and its recommendations.

BACKGROUND

3. The scope of the E-Grant activity and its financial support should now be well understood as it has been the subject of a number of papers to Council. However, a number of queries have been raised regarding the funding of E-Grants, and specifically the land component. These queries are primarily twofold:
 - i. In light of the significant financial support now evident in the Sustainable Land Use Initiative (SLUI) activity, should land E-Grants be reduced or fully withdrawn; and
 - ii. Would Land E-Grant funding be better targeted at other high priority environmental projects such as the non-regulatory water quality activity.
4. Currently one-third, or approximately \$125,000, of the total E-Grants budget is targeted at land erosion projects. These grants target erosion "hot spots" and commonly involve erosion protection using space planting or pole planting techniques. A number of the E-Grant projects fall outside traditional hill country catchments, in particularly fragile coastal environments.
5. Last year E-Grants (land) funded 87 individual projects at a cost to Council of \$121,162. The total investment when actual landowner costs were included was \$403,873. Not surprisingly (as the E-Grant protocols work on a fixed grant rate), this investment equated to an average grant rate of 30%. As requested by Council, details of the Land E-Grants and other E-Grants supported by Council will be the subject of a more detailed Post-Operational Report scheduled for early November 2009.

COMMENT

6. While SLUI has steadily increased its investment over the past few years, it should be noted that its funding is targeted at a very specific sub group of regional properties, ie. they must be hill country properties in erodible landscapes and more than 4 ha in size. Therefore, SLUI potentially involves approximately 3,000 of the Region's 6,000 farmers and as its success grows it will incentivise change on 1,500 of these properties spanning the next 10-15 years. There still remains a significant number (4,500) of our farming community, both within SLUI catchments and elsewhere, who are reliant on support from our Regional Land and E-Grant (land) activities.

7. Unlike SLUI, the Land E-Grant activity targets all land types and all landowners by focusing on erosion “hot spots”, or on areas where issues are (a) clearly obvious and (b) are relatively simple and pragmatic to address in a technical sense. In essence, the E-Grants (land) support a relatively large group of regional ratepayers in a relatively cost effective manner, while fulfilling a need that is currently well supported and fully subscribed.
8. Historically, the E-Grant activity targeted at land projects has planted 8-10,000 poles per year, afforested 20-100 ha per year, and erected 5-10 km of protection or retirement fencing.
9. Outstanding concerns regarding E-Grants (land) appear to relate to questions of affordability. In response to this concern the following can be highlighted:
 - i. All activities (not just E-Grants) are required to review their budgets annually and answer questions of affordability and cost.
 - ii. Budgetary changes or savings generally translate to projects of lower priority for Council or the community.
 - iii. The Land Activity in general is generally ranked highly as a key organisational priority.
 - iv. While E-Grant funding could be seen as a prime target for cost reduction, it is important to also consider labour implications as a result of any reduction in support costs.
10. The considerable investment in Horizons’ poplar nurseries would also be compromised if land E-Grants were to be withdrawn.

RECOMMENDATIONS

11. That the Committee recommends that Council:
 - a. **receives** this Report No. 09-148; and
 - b. **notes** the current E-Grant financial review process and the high priority status of land activities within the organisation; and
 - c. **recommends** that E-Grant (land) budgets remain unchanged for the 2009-10 operational year.

C C Mitchell
GROUP MANAGER ENVIRONMENTAL MANAGEMENT

A Significant decision? If Yes	N
Do recommendations meet Significance Policy (contained within the LTCCP)	

Item No: 12
Date: 07/10/2009
Report No: 09-147
File No: ELM 6 00

SUSTAINABLE LAND USE INITIATIVE (SLUI)

PURPOSE

1. This report is to update Members on progress on Council's Sustainable Land Use Initiative (SLUI).

FINANCIAL IMPACT

2. There are no financial impacts associated with this report.

PROGRESS TOWARDS TARGETS

3. The 2009-10 target for completing Whole Farm Plans (WFP) is 100 WFPs. Of these, 75 (75%) will be completed by our main contracted supplier, LandVision Ltd, and the remainder by CPG (formerly Soils Suitability Assessments Ltd). As at the end of August 2009, LandVision had mapped six properties and CPG two properties. Table 1 summarises progress toward WFP development.

Table 1: Whole Farm Plan Development

Whole Farm Plan Development				
	2006-07	2007-08	2008-09	2009-10
Farms Mapped	46	89	80	8
Draft Completed	46	89	80	6
Completed	45	89	80	1
Copy to Landowner (Active)	45	88	80	1
TARGET	40	80	80	100
CUMULATIVE (WFPs Completed)	45	133	213	214

4. Implementation generally begins the year following the completion of the WFP. The SLUI programme budgets on implementation taking at least five years to complete. Table 2 summarises implementation progress to date.

Table 2: Implementation Progress

Implementation Progress			
	2006-07	2007-08	2008-09
Total Active WFPs	45	133	213
Works Programmes Planned		45	178
Works Started			
Annual Works Progressing			
Projects Completed (Jobs)			

5. To date this year, the three individual implementation projects completed have had a grant cost of \$13,800.

ACTIVITY SUMMARY

6. The Ministry of Agriculture and Forestry (MAF) Afforestation Grant Scheme (AGS) is progressing well, with potential over-subscription in both the MAF and Regional Council funds. The next round of applications to both schemes is this month.
7. Staff have been preparing funding applications for this round and we have four applications to go to the MAF fund for 220 ha (these are Council Joint Ventures (JV)) and 12 SLUI applications to the Regional Council fund for 452 ha.
8. The planting season is nearing completion with all but one forestry block completed. Staff have given advice and assistance with planting on numerous pole jobs and 13 forestry blocks.
9. One loan and forestry agreement has still to be signed. One new agreement is proposed for planting completed this winter. This is a much smaller agreement, and most forestry planting has been picked up through the AGS.
10. A spreadsheet to manage priority assessment is continually updated for proposed farm plans. A priority list has been prepared for the 100 WFPs to be produced in 2009-10. This list has targeted 75 plans in high priority catchment areas and 25 over the hill country at large. Of the 47 plans confirmed to date, 34 are from the priority catchment areas. LandVision has started 2009-10 mapping, with six plans mapped and 23 provided to work on. CPG has completed mapping two properties and have another three available.
11. Development of the SLUI database continues, with version five now being tested. To date, all WFP contact details, maps and financial details regarding works have been loaded. Loading the physical locations of these works is continuing.
12. Staff have began talks with a number of landowners regarding "managed retirement" and retirement of marginal land areas.
13. The June 2009 report to MAF was forwarded in late August once final year-end accounts were completed. MAF have responded requesting further information.
14. A SLUI Advisory Group meeting was held in late August with discussion including carbon seminars for February, updating and more information about SLUI to go on the Council website, circulation of the Business Health Summary (as presented at the July 2009 meeting of the Catchment Operations Committee), and the process for the next Hill Country Erosion Fund (HCEF) application.
15. Delivery of 2008-09 Whole Farm Plans to landowners has been completed and staff have been entering into discussions with landowners on the plans and work programmes. To date, 55 of the 80 landowners have either started or agreed to start a work programme.
16. Staff attended a meeting of landowners at Pongaroa where One Plan, animal pest programmes and SLUI were discussed.

RECOMMENDATIONS

17. That the Committee recommends that Council:
 - a. **receives** the information in Report No. 09-147.

C C Mitchell
GROUP MANAGER ENVIRONMENTAL MANAGEMENT

ANNEX

- A SLUI Overview Map