

Report No.	21-89
Information Only - No Decision Required	

CLIMATE RESILIENCE PROJECTS

1. PURPOSE

- 1.1. The purpose of this item is to update members on progress with delivering the Flood Protection Climate Resilience Projects.

2. EXECUTIVE SUMMARY

- 2.1. In April 2020, Horizons along with other regional councils and unitary authorities submitted a list of flood protection shovel ready projects for central government funding consideration. Approval in principle was announced in July, with each project confirmed by Council (including the local share contribution) in August; central government confirmation was subsequently received in September / October.
- 2.2. Although the projects represent welcome investment in flood protection by central government that investment comes with a substantial challenge – the delivery timeframe. Accordingly, at the November 2020 Audit, Risk and Investment Committee meeting, it was agreed that staff provide regular updates on delivery of the projects.
- 2.3. At this early stage delivery is behind the programme contained in the funding agreement, noting that this picture (personal communication with Kānoa - Regional Economic Development & Investment Unit staff (formerly Provincial Development Unit)) is a universal one across the sector. There are a range of reasons for that, primarily shaping the delivery team and building momentum – bringing consultants on board, scoping the project elements and bringing the external resource on board needed to undertake the work. With new leadership the Projects team has re-evaluated its delivery of the Climate Resilience Projects, creating and implementing detailed project plans for the Climate Resilience Programme and for each project. Despite the fact that we are well into winter and the weather this time of year is not generally conducive to undertaking project work, the Projects team has been able to award multiple supply and construction contracts. This has resulted in significant expenditure in the last quarter of the 2020/21 financial year.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 21-89.

4. FINANCIAL IMPACT

- 4.1. There is no direct financial impact associated with this item.

5. COMMUNITY ENGAGEMENT

- 5.1. Whilst no consultation is considered necessary with this particular item, community engagement and consultation will be critical in terms of the successful delivery of the Climate Resilience Projects. To this end detailed communication strategies are being developed as part of the project plans.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. Two significant risks relating to this programme have been identified - the risk of extended community engagement causing delays to the programme. Should this risk be realised construction of works programmed for the 2021/2022 summer construction season would be delayed until the 2022/2023 construction season with serious flow on effects for project delivery.
- 6.2. The other significant risk concerns delay to the consenting process. In particular the Foxton flood mitigation project could experience significant delays should the Minister decline to refer the project to the expert consenting panel as part of the fast track consenting process. This risk is largely around the engagement required as part of the fast track consenting process. With the communication strategy in place the likelihood of this risk is considered to be low. However, the consequences would be significant resulting in missing the 2021/2022 summer construction season.

7. CLIMATE IMPACT STATEMENT

- 7.1. This item reports on progress with project delivery but as previously noted the projects themselves will improve the resilience of the Lower Manawatū Scheme, the Rangitikei Scheme and the town of Foxton to the effects of climate change (more frequent floods, sea level rise).

8. BACKGROUND

- 8.1. Early in the COVID-19 lockdown central government sought options from infrastructure owners for providing economic stimulus through infrastructure investment. River managers from around the country compiled a single 'sector' application – a national compendium of shovel ready flood protection projects totalling \$299.2M; in June central government approved a grant of \$211.5M. Horizons' component of that application totalled \$35.9M with a grant amount of \$26.9M.
- 8.2. The success of that application is a direct result of the efforts the sector has been making to engage with central government around co-investment in flood protection; the value-add flood protection infrastructure provides to the national economy, how vulnerable transport links and other key lifelines are without it and the instances where central government benefits but the operating costs often fall on a relatively small ratepayer base. That dialogue also emphasises the future challenges with a changing operating environment, principally the need for investment to improve resilience in the face of climate change.
- 8.3. The investment made by central government is under the banner of 'shovel ready' emphasising the urgency of the spend to achieve that economic stimulus and accordingly the projects have a nominal three year delivery timeframe. That necessitates close / particular management of issues that have the potential to extend delivery timeframes. The November 2020 meeting of the Audit, Risk and Investment Committee considered a management plan addressing that discrete set of risks.

9. FOXTON FLOOD MITIGATION

- 9.1. This project is separated into three parts - Stage 1 addresses the capacity / integrity issues related to Kings Canal along the eastern edge of the town, Stage 2 the modifications required to convey floodwater into / through the Whirokino basin, and Stage 3 pumping floodwaters out to the Foxton Loop. It differs to the other three projects in that the benefit is in part tied to completing all of the project elements. Stage 1 provides some benefit but the full benefit is realised with Stages 2 & 3.
- 9.2. Pressures on project management resource (the prioritisation afforded to Lake Horowhenua boat ramp construction, and the resignation of the last Projects Team Leader)

11 August 2021

has resulted in some delays. The lead time of some elements (resource consents, land purchase) adds to the challenges with this project, as does some vocal local opposition.

- 9.3. Design for Stage 1 is complete (barring design changes that may be requested by project partners) with design for Stage 2 nearing completion. Modelling work for Stage 3 has commenced. The project has an element of property purchase that does impact the critical path (the sequence of events that defines the completion date). Those are the footprint for the Cook Street wetland, the Duck Creek wetland and the new pump station. All three negotiations are underway although delays in receiving valuation assessments has resulted in some delays.
- 9.4. Consenting is also a critical path matter - a consultant planner has been employed to assist. That includes the use of the fast-track provisions and assuring compliance with the new National Environmental Standard.
- 9.5. A relatively simple measure that will speed up construction work (and help the expenditure profile early in the project) is to have materials ordered and delivered in advance – contractually materials supplied by the Principal (Horizons). Those materials include the large box culvert units that will replace some of the small pipe culvert crossings of Kings Canal and the sheet piling that will be incorporated into the rebuilt Kings Canal stopbank.
- 9.6. Construction of the box culverts has been commenced by local civil engineering contractors Riverside Construction who tendered the lowest price and also met many of the social procurement objectives of the Climate Resilience Project with Kānoa - Regional Economic Development & Investment Unit. A small amount of vinyl sheetpiling has been purchased to trial driving in local conditions prior to confirming the supply contract for the sheetpiling materials.
- 9.7. Noting that representatives from Ngāti Raukawa and the **Horowhenua District Council (HDC)** meet fortnightly with the delivery team to ensure a collaborative approach to project delivery.
- 9.8. Whilst existing funding for this project was based on an estimated project cost of \$9.2M more recent cost estimates, based on increasingly detailed design and current market rates, have resulted in a current project estimate of \$11.2M. Horizons and HDC co-funding would be \$2.23M and \$2.46M respectively. Horizons portion being funded \$1.63M from the Foxton East Drainage Scheme and \$0.6M from the Whirokino Drainage Scheme. HDC have \$0.504M in their LTP this year with the remainder yet to be secured.
- 9.9. Existing funding from Kānoa - Regional Economic Development & Investment Unit is \$4.5M. River Management's Projects team is currently seeking reallocation of an additional \$2.025M from the cancelled Kumeroa Quarry project to the Foxton Flood Mitigation project.
- 9.10. A letter was received on 18 June 2021 from Charlotte Muggeridge of Harness Henry (purportedly representing the Whirokino Scheme landowners). This letter threatened a judicial review of the decision making process behind Council's selection of the fast-track consenting process for this project. The reasoning behind this request is that Council is using the fast-track process to avoid consultation. Clearly this is not the case and a response stating this was sent on Council's behalf by Dave Randal of Buddle Finlay on 6 July 2021.

10. PALMERSTON NORTH

- 10.1. A contract for the **Closed Circuit Television (CCTV)** inspection of all pipeline penetrations of the city's stopbanks by contractor Intergroup Limited is close to completion. This is a key resilience element – stopbank failure is often linked to soil / structure interface (Edgecumbe). Intergroup will accurately ascertain the condition of those pipelines with any issues identified flagged to the asset owner for rectification (most are **Palmerston North City Council (PNCC)** assets).

11 August 2021

- 10.2. Gasworks Drain Improvements – works involve removal of approximately 100 large poplars shading the stopbank at the north end of the bridal path. This will facilitate the planting of native shrubs and construction of new pathways. Options assessments have been completed for the Bisley Street retaining wall, Belvedere Crescent stopbank improvements, and Albert Street scour remediation works. An ecological assessment has been completed for the Bisley Street retaining wall sub project.
- 10.3. Other work underway as part of this project include engaging with consultants Tonkin and Taylor to produce an options assessment for the Tremaine Avenue gabion basket replacement.
- 10.4. Working alongside PNCC with pegging of the proposed Kakatangiata stopbank realignment to assist landowners to visualise the proposed works. Survey and design of repair at Cecil Street on the Mangaone Stream is to commence within the next two weeks.

11. LOWER MANAWATŪ SCHEME

- 11.1. Work on the Lower Manawatū Scheme Climate Resilience Project has advanced well during this reporting period. Rock supply to Foxton Beach has commenced for the approximately 400m rock armouring to protect the existing stopbank. Procurement is in its final phases to appoint a contractor to undertake the construction of this rock armouring, which is expected to be completed by September.
- 11.2. Several projects are also progressing through their respective design phases. Design has been undertaken for a new rock lining at Te Matai Road on the Manawatū River upstream of Palmerston North City. Staff are currently working in partnership with PNCC to progress this work, as it will support PNCC's development of a shared pathway between Ashhurst and the city, as well as increasing the resilience of the stopbank network.
- 11.3. A constructive workshop was held with representatives from Iwi, DoC, and Horizons' Freshwater team to look at developing plans for the Makererua Swamp. This wetland area is adjacent to the Tokomaru River and Waterfall Creek and there is a strong desire to enhance the area whilst increasing the resilience of the infrastructure assets at this location.

12. RANGITIKEI

- 12.1. The Rangitikei River Enhancement Project is now in full swing, with channel widening work being the main stay of work, completing 50ha of noxious weed control via aerial spraying, and 18.4ha of exotic vegetation removal. As well as 1ha of amenity enhancement, 0.3ha of drainage enhancement (undertaken in partnership with the Rangitikei Scheme), and 1.5km of gravel management along the Tutaenui Stream.
- 12.2. Evaluation of land ownership and lease agreements, along the Rangitikei River corridor below Bulls Bridge, has been completed, along with concept drawings for the project.
- 12.3. Positive discussions have been had with Ngāti Apa to develop a partnership on the project. A plan is being drafted identifying key areas that Ngāti Apa could assist the project including; plant establishment crews, plant nursery opportunities, fencing crew opportunities, cultural design, plant species selection, Wetland / Drain water quality monitoring, and the co-design of pathway locations and river access points etc.
- 12.4. A community meeting was held in Scotts Ferry to discuss the planned repair to the rock lining, the community was supportive of the project and repair job. Work to procure the rock supply is underway, along with the access track to the stock pile site.

11 August 2021

13. COMMENT

- 13.1. The River Management Projects team are in the process of co-ordinating a high level programme hui with Iwi to begin building a solid relationship towards a collective undertaking. We are also preparing a workshop to provide insights on ways that we can meet social procurement objectives associated with these projects.
- 13.2. Craig Grant, Jon Bell, and Shaun Edwards attended the **River Managers' Special Interest Group (RM SiG)** Climate Resilience Programme workshop where Kānoa - Regional Economic Development & Investment Unit emphasised the importance of delivery of the programme and the focus from central government on achieving good social procurement outcomes.

14. TIMELINE / NEXT STEPS

- 14.1. The project will continue as planned until scheduled completion in 2024.

15. SIGNIFICANCE

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

Shaun Edwards
PROJECTS TEAM LEADER

Craig Grant
ACTING GROUP MANAGER RIVER MANAGEMENT

ANNEXES

There are no attachments for this report.