

Report No.	19-51
Decision Required	

ADDITIONAL DRAW ON POHANGINA-OROUA SCHEME RESERVES

1. PURPOSE

- 1.1. To obtain Council approval to increase the combined draw on reserves for the Pohangina-Oroua Scheme in the current financial year from \$200,000 to \$350,000.

2. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 19-51.
- b. authorises a total combined draw on reserves for the Pohangina-Oroua Scheme for the current financial year of \$350,000.

3. FINANCIAL IMPACT

- 3.1. In accordance with policy, the draw on reserves will be funded 80% from the scheme's reserve and 20% from Council's reserves. The non-scheme component of that draw will be apportioned as appropriate between the Infrastructure Reserve and Council's general reserve, reflecting the mix of flood damage and other work.
- 3.2. The scheme's closing reserves balance for the 2017 - 18 financial year was \$593,498; if the recommendations in this report are adopted the maximum draw will be \$280,000 (80% of \$350,000). That would conservatively (not allowing for any contributions budgeted for) put the closing balance at the end of the financial year at around \$300,000.

4. DISCUSSION

- 4.1. At the November 2018 meeting of Council's Catchment Operations Committee, reference was made (as it had been with the two preceding meetings) to the flood events that impacted both the Pohangina and Oroua Rivers in 2018. That item also noted the authorisation provided by the Chief Executive to the drawdown of reserves up to a value of \$200,000 (the maximum delegation held by the Chief Executive), to address a range of flood-related river management issues.
- 4.2. Last year's floods have, amongst other things, focused individual landowners on the importance of a robust riparian margin adjacent to their property; the level of demand for work in various forms has outstripped the approved budget. A component of this work is erosion protection and as such (particular to the Pohangina-Oroua Scheme) it requires a 60% contribution from the landowner.
- 4.3. Although that funding approach does have its advantages in regard to the mileage obtained from the operating budget, it does constrain the ability staff have to proactively manage river alignment. Not surprisingly staff are keen to continue the momentum that last year's floods have provided, ultimately improving the scheme's resilience.

26 March 2019

5. CONSULTATION

- 5.1. The proposal to make an additional draw on scheme reserves was socialised with those ratepayers who attended the Pohangina-Oroua scheme meeting on 22 March; meeting attendees overwhelming endorsed the proposal.

6. SIGNIFICANCE

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

Ramon Strong
GROUP MANAGER RIVER MANAGEMENT

ANNEXES

There are no attachments for this report.