

HURUNUI DISTRICT COUNCIL MINUTES



Meeting Council
Time and Date 9.30am, 23 March 2017
Venue Cheviot Trust Hotel, 43 Hall Street, Cheviot.

Members Present Mayor Winton Dalley (Chairperson), Councillors Nicky Anderson, Marie Black, Vince Daly, Dick Davison, Jason Fletcher, Julia McLean (until 4.23pm), Geoff Shier and Michael Ward.

In Attendance Hamish Dobbie (Chief Executive Officer), Judith Batchelor (Manager Regulatory Services), Jason Beck (Manager Support Services), David Edge (Manager Infrastructure Services – Assets), Dan Harris (Manager Infrastructure Services - Delivery), Audrey van der Monde (Manager Public Services), Paul Wylie (Recovery Team Manager) and Graham Sutherland (Council Secretary).

Apologies Cr Fiona Harris.

THAT THE APOLOGIES BE ACCEPTED.

Anderson/Black

CARRIED

Affirmation Mayor Dalley read the affirmation as attached to the Council agenda.

Conflict of Interest Declarations Cr Black and Mayor Dalley declared conflicts of interest with respect to the presentation from the Hurunui Water Project and noted that this was just a discussion item and information update at this stage with no decisions to be made.

Recording Device A recording device was used for the purpose of the accuracy of the minutes.

Urgent Business

- Late report – Hurunui/Kaikoura Earthquakes Recovery (Unreinforced Masonry Buildings) Order 2017. The Council was informed that this report was considered at the Finance, Audit and Risk Committee meeting on 16 March and recommended to the Council for adoption. It was omitted from the agenda in error.

THAT THE COUNCIL ACCEPTS THE LATE REPORT AND AGREES TO CONSIDER IT AT THIS MEETING.

Daly/Ward

CARRIED

- **Leave of Absence**

THAT LEAVES OF ABSENCE BE APPROVED FOR MAYOR WINTON DALLEY AND COUNCILLORS ANDERSON, DALY, DAVISON, FLETCHER, SHIER AND WARD, WITH SPECIFIC DATES PROVIDED TO THE COUNCIL SECRETARY FOR RECORDING.

Black/Shier

CARRIED

1. Minutes

THAT THE MINUTES OF THE COUNCIL MEETING HELD ON 23 FEBRUARY 2017 ARE CONFIRMED.

Anderson/Davison

CARRIED

Matters arising

- Mayor Dalley noted the discussion on agenda page 14 regarding the fluoridation bill and said he and the Chief Executive Officer presented an oral submission the previous day by teleconference. He explained the issues that were highlighted through the submission.
- Cr Davison noted the urgent business item on agenda page 16 regarding providing the Chief Executive Officer authority to give approval for sports clubs funding applications and asked if there were any updates. It was noted that those groups are still working through the process with no recent progress to report. The Chief Executive Officer said some work was going on regarding land owned by the Presbyterian church in Waiau to be used as temporary housing.
- Cr Anderson asked if there was any progress regarding an earthquake debrief. It was noted that some councillors had discussions with Brennan Wiremu who was asked to contact councillors and collate their feedback on the earthquake event and Civil Defence response. However, some councillors were still to have their discussion. The Manager Public Services said this process was about gathering individual councillor feedback and not to conduct a joint councillors session.
- Cr Black referred to the approval of new membership of the District Licensing Committee and commented that previous member Michael Malthus did a sterling job during his term. She said it would be appropriate for the Council write a letter of thanks and advise him that if the Council had a policy change in future it may wish to call on experienced people like him, despite not being an elected member. Mayor Dalley agreed that the Council needed to grow more councillors into the role, but it was sensible to not lose touch with experience that had been built up by previous members.

THAT THE COUNCIL WRITE A LETTER OF THANKS TO MICHAEL MALTHUS FOR HIS EXCELLENT SERVICE ON THE DISTRICT LICENSING COMMITTEE AND TO ADVISE THAT SHOULD COUNCIL POLICY CHANGE, THE COUNCIL MAY WISH TO CALL ON HIS SKILLS AND EXPERIENCE AGAIN.

Black/McLean

CARRIED

2. Forward Programme

The Forward Programme for 2017 was provided for councillors' information.

THAT THE INFORMATION BE RECEIVED.

Davison/Fletcher

CARRIED

3. Mayor's Diary

The Mayor's diary arrangements for the preceding period were provided.

THAT THE INFORMATION BE RECEIVED.

Davison/Fletcher

CARRIED

4. Council's Working Groups/ Projects Status Report

The Council considered the table of working groups and projects and noted progress with each.

- Cr McLean referred to an update on the Amberley Pool project given to the Finance, Audit and Risk Committee and said there was now a process underway for exploring all options, from revamping the existing pool to a

completely new one. She said this would go to the Amberley Ward Committee and then the Council for approval. The Chief Executive Officer noted that there is work to do on this as the Council made a decision three years ago on the basis of information provided at the time, so if the Council wants to move in a different direction, it would need proper investigation. Cr Davison noted that the presenter made the point that the group was a fundraising committee but did not have responsibility for anything else. He said the Council needed to ensure the local community was engaged and there was agreement regarding what it was asking for.

- Cr Black advised that the Together Hurunui governance group had been appointed and this was an important stake in ground for the project.

THAT THE INFORMATION BE RECEIVED.

Davison/Fletcher

CARRIED

5. DECISION ITEMS

5.1 Council's Draft Budget 2017-2018

The Manager Support Services advised that the Council held its budget workshop on 4 March 2017 and a number of adjustments had been made to the initial budgets that were presented to the Council. There was a need for the adjusted budgets to be confirmed so they could form the basis of the Annual Plan consultation document.

The Manager Support Services identified the key issues of earthquake funding and debt and the proposed 71% Financial Assistance Rate (FAR) subsidy from the New Zealand Transport Agency (NZTA) for roading repair work. He said the Council would know more regarding this level of subsidy by the end of the month. He said this was discussed in the recent workshop and the proposed internal debt for earthquake recovery of \$7.7M incurs interest costs, so there were additional holding costs.

The Manager Support Services noted the rural fire changes and further information was needed about Council involvement from 1 July, when the new Fire and Emergency New Zealand (FENZ) structure becomes operational. He said he did not allow additional budget for this at this stage. In response to a question from Cr Daly, the Manager Support Services said the Council previously had a 50% funding split between rural fire and Civil Defence and Emergency Management (CDEM) but it was now 100% in CDEM. He said the costs of rural fire would be spread throughout the organisation on a pro-rata basis. The Chief Executive Officer said the net position is that the Council now has a whole person for the CDEM function but with general rates funding this. The Manager Support Services said the rural fire rate was based on capital value of rural properties so there would be a relatively substantial drop in rates for some rural properties.

Mayor Dalley asked if there were any other potential recoveries through civil defence and the Chief Executive Officer said officers were confident the Council will get other recoveries like welfare costs, but cannot provide detail yet. He said there may be water scheme cost recoveries through insurance or the Local Authority Protection Programme. The Chief Executive Officer said officers were also talking to the Ministry of Business, Innovation & Employment about the costs of two extra building officers and an extra planner and they are considering that.

Mayor Dalley asked what was expected to be the worst case maximum of the earthquake recovery and with no other hidden costs on top. The Manager Support

Services said the total shortfall over time should be \$2.6M when taking into account timing assumptions and insurance pay-outs, but there may be some possibly inaccurate assumptions involved. The Manager Support Services said the internal debt forecast level should be around \$5.3M residual debt related to earthquake costs.

Cr Davison said that for clarification if the Council gets no increase on the 71% FAR and no other pay-outs, the earthquake debt will be \$5.3M at the end of the next financial year. The Manager Support Services said bridging work was spread over the next two years and the budget shortfall at end of 2019 would likely be \$6.2M because of further roading work. In response to a question from Cr Davison, the Manager Support Services said the Council would not have the full picture of the extent of the bridge work programme until 2020. The Chief Executive Officer said there were still some variables like social recovery costs, which was budgeted for next year but if support was needed on an ongoing basis, there would be costs to that.

Cr Davison said the Council was effectively trying to set the budget with uncertainty on debt levels, but by June it will know more about the 71% FAR rate at least. The Manager Support Services said part of this process is to develop a feedback document and there should be a lot better information at the next meeting when that is approved. Once more was known, the Council can approve its budget and filter additional information into the consultation process. Cr Shier commented that the Council's treasury policy document is to be reviewed soon and that may have a positive effect on debt management.

The Manager Support Services discussed the refuse activity and the continual deficits due to overestimated bag sales. To remedy this there was \$140,000 related to collection, refocused from transfer stations, funded by general rates and \$90 per ratepayer for collection, as well as more for Hanmer Springs glass collection. Cr Fletcher noted the addition of 50% to the refuse collection rate and wondered how the Council would sell this to residents when it reduced the rate and was now putting it up again. Mayor Dalley said there was an element of success in the story, in the lowering of waste volumes in the district, so it was bad news in terms of increased rates, but good improvements in culture and behaviour. The Chief Executive Officer said the total cost to ratepayers was originally \$280 and this was moved down to \$44 plus the cost of bags. He said this approach did not work as bag use dropped drastically, but it was still a win, as the net improvement for ratepayers is still significant and there were a lot of different aspects to waste management costs.

The Manager Support Services noted the proposal to remove the Targeted Tourism Rate for long term rentals which would affect 90 ratepayers paying that rate. In terms of the budget, there is the standard forecast 4% increase in the Targeted Tourism Rate with no specific adjustments and the Council could discuss this further. In response to a question from Cr Fletcher about timing, Mayor Dalley said it was a big discussion and he was reluctant to commit resources until there is a better direction on industry involvement and leadership in this area. He said his own view was that the Council needs strong policy direction on finding a way forward and that given everything else on the Council's plate at the moment, perhaps it was wise to wait until the Long Term Plan process next year. Cr Fletcher agreed that the Long Term Plan was an appropriate time to do this and officers were asked to note this.

The Manager Support Services noted that the proposal from the Hurunui Water Project for the Council to purchase shares would have an effect on interest rates given it would be debt funded, but a decision had not been made on this matter yet.

The Manager Support Services spoke about the roadside construction budget and in particular the work planned on footpath trip hazards. He said each ward committee and the Community Board will be reviewing reports on the matter and there was still some uncertainty around the numbers. He said the Council would proceed with what was budgeted for and decisions about work to be undertaken will come through in due course. The Council can fund this in arrears if need be. He said this was deferring the decision but the Council had enough issues to deal with currently. Cr Fletcher said he would rather sweat the risk than spend money on footpaths when the community has other spending priorities. He said he felt local communities were being pushed on this matter and it was significant funding when there were other priorities. The Chief Executive Officer said there had been desire from communities to assess footpaths and it was now a matter of what to do with the information that has come out of that process and what work they want done. He said the Council also has responsibility under Health and Safety legislation and this needs to be looked at seriously, scrutinised across the whole district and for the Council and communities to make a decision acceptable to all.

The Manager Support Services discussed the Council's debt position and said it would have \$37M debt by the end of June 2018. He said the rates set as described and level of growth leads to a 6% increase, as consulted on in the LTP and the lever to ensure this level is debt management and depreciation. Cr Fletcher noted the rate of depreciation funding was higher than set in the LTP and there could be a lower rate increase if the Council stuck to this. Mayor Dalley said the number will change around as the Council gets close to budget approval and this was used as a relief valve area. Cr Fletcher suggested that with differences in depreciation, the Council could go to the community with a 5.8% increase rather than 6%. Mayor Dalley said that holding at 6% is a fantastic result given the recent earthquake, as the Council could go to 10% in order to meet its costs. He said lowering the increase would load further years as the Council was aiming to get back to 3% increases eventually. The Chief Executive Officer said the Council also needed to be careful about under depreciating its assets.

The meeting adjourned at this stage for the Council to be introduced to the new Roading Service Delivery Manager. Morning tea was then taken between 10.30am and 10.55am and following that the Council received the presentation from the representatives of the Hurunui-Waiapu Zone Committee. The meeting returned to this item discussion following that item.

The Manager Support Services said the Council in the LTP identified 125 properties in the district to treat as indicative properties, to reflect the range of rate increases, with current rates and the budgeted strike. In response to a question from Cr Fletcher, the Chief Executive Officer said it would be difficult to further differentiate within those categories as there were many unique factors and variables once you got down to individual properties. The Manager Support Services said another factor to consider for the current year was the revaluation of the district roll which applies to rates from 1 July 2017. He said there was a significant increase was in the rural sector, so there may be larger increases in those areas.

The Manager Support Services said there was an increase in sewer and in the refuse rate that affects people in townships, except for Amuri, so this is a significant part of the increase. The Chief Executive Officer said there was also an adjustment for the rural fire levy. Mayor Dalley said the sewer increase was signalled through the LTP and the refuse rate change was due to a readjustment.

Cr Davison asked if the Council could send out an accompanying letter when it sends out rates notices in July to explain why some rural rates were going up based on the revaluations, particularly for those impacted by the adjustment following the Amuri Irrigation Company revaluation process. The Chief Executive Officer said it may be difficult for officers to explain this clearly but the Council could ask QV to provide an explanation to go out. It was agreed that officers will ask QV for an explanation to include for ratepayers on the issue of the Amuri Irrigation Company. The Manager Support Services reminded the Council that there was a normal objection process to the roll revaluation and the Council previously agreed to extend this period due to the impacts of the November 2016 earthquakes.

The Manager Support Services said another issue was the level of fixed charges that apply to rating. He said that under legislation, excluding for sewer and water, the Council can go to 30% for fixed charges. He said if the Council went to the 30% limit, then everybody would pay and would see substantial increases in townships. He said that at the moment there was a \$100 Uniform Annual General Charge (UAGC) and the Council has the ability to adjust that, for those increases for particular properties, which would have more rates paid by fixed charges and less by capital changes. Cr Davison noted that the fixed rate charge on agenda page 9 was quoted at \$134.87 but the Manager Support Services said this was an error and should read \$100 fixed charge and the rates per dollar should read .00005888.

The Manager Support Services said if this was set at \$134 for example, the Council would have needed a negative rate increase to counter this in some instances. Cr Davison asked if the Council should leave it at \$100 in the draft document and consult about whether to go to \$105 or \$110. He said leaving it untouched may not be a good idea when the Council has adjusted other things accordingly. The Manager Support Services said it could be similar to what was predicted in the LTP and he would have to do more work on the impacts of this being set at \$110 as it would have flow through effects. He said increasing fixed charges disadvantages lower value properties and Mayor Dalley noted that this has been a philosophical discussion over time, but the Council was just asking for some adjustment to see its effects.

THAT THE DRAFT BUDGET IS ADOPTED, WITH AMENDMENTS AGREED IN THE MEETING AND USED TO DEVELOP THE CONSULTATION DOCUMENT FOR THE 2017-2018 ANNUAL PLAN.

Davison/Black

CARRIED

5.2 Draft Fees and Charges 2017-2018

The Manager Public Services advised that every year, Council Officers review the Council's fees and charges for the following year and make recommendations to the Council on proposed changes. Council's Committees and the Hanmer Springs Community Board will have an opportunity to provide feedback on the proposed fees and charges, as do members of the public, before the Council confirms the final charges in June 2017.

The Manager Public Services said the Public Services and Regulatory Committees discussed the fees and charges relevant to their delegations and had been incorporated. Cr Daly said the Infrastructure Committee also discussed its fees and there were no changes from discussions, however he noted there was a proposal that refuse bags go from \$2.50 to \$2.60 and this was left on the table until the discussion today about the level of the refuse rate. Cr Black suggested that it be left at \$2.50 as the Council agreed to increase the other revenue stream for refuse. Mayor Dalley said the discussion at the last meeting was about clawing this back over time.

Cr Black noted the application for Swimming Pool Act exemption at \$145 per hour should be deleted on page 56.

Cr Fletcher noted the charges for replacement glass bins for Hanmer Springs and asked if it was set up at the library for getting replacements. The Manager Public Services said bins would not be stored there, but she would check and confirm the arrangements directly to Cr Fletcher.

The Manager Infrastructure Services - Assets noted that on page 29 the proposed fee for road inspection before and after temporary road closure events would be charged at \$135 per hour, which would come out of the bond provided.

THAT THE COUNCIL ADOPT THE PROPOSED FEES AND CHARGES SCHEDULE FOR 2017-18, SUBJECT TO AMENDMENTS NOTED IN THE MEETING AND INVITE PUBLIC SUBMISSIONS.

Shier/McLean

CARRIED

**5.3
Canterbury
Museum
Draft Annual
Plan 2017-
2018 –
Referral
Period**

The Manager Support Services advised that the Canterbury Museum has provided its Draft Budget for the 2017/2018 year. The Museum's budget for 2017/2018 will be formally presented to the Council at its meeting on 27 April and a copy of the Museum's Annual Plan will be distributed at that point. A draft copy of the budget was provided to Council staff to assist in the preparation of the Council's budget and to ensure that the budget for the District's contribution to the Museum's operating levy was consistent with the Museum's information.

The Museum requested that the Council confirm in writing that the period for the contributing local authorities to make a submission to the Museum's Annual Plan be from 17 March to 28 April 2017. The Council traditionally makes a submission on the Museum's Annual Plan and the timeframe is consistent with previous years.

THAT THE COUNCIL AGREES THAT THE REFERRAL PERIOD FOR THE 2017/2018 ANNUAL PLAN FOR THE CANTERBURY MUSEUM BE 17 MARCH TO 28 APRIL 2017 AND THAT THE MUSEUM BE FORMALLY ADVISED.

Davison/Anderson

CARRIED

**5.4 Glenmark
Ward
Committee
Membership**

The Council Secretary provided a report requesting that the Council approve the specific membership of the Glenmark Ward Committee, including two additional members. Mayor Dalley commented that there was a lot of enthusiasm evident at the meeting and he supported approving the additional members as it would not make sense to lose members who were keen to work for their communities.

Cr Black noted a correction to the spelling of one of the members' name.

THAT THE COUNCIL APPROVE THE MEMBERS OF THE GLENMARK WARD COMMITTEE AS DETAILED IN THE REPORT.

Daly/Ward

CARRIED

**5.5 Hurunui
District Social
Recovery Plan**

The Earthquake Social Recovery Manager provided an overview of the Hurunui District Social Recovery and the Social Recovery Plan for discussion by councillors. The Social Recovery Manager presented the plan and said this was an overview and it was important to note that the recovery team did not intend to be around forever, but would not withdraw before the job was done. She said this was a live document

and needed to be able to address new needs as it goes through the process. Cr Ward said he found the report and plan very informative and comprehensive and congratulated the Social Recovery Manager on her good work.

Cr Davison noted this plan was centred around families, with different aspects and agencies surrounding families with support. He agreed there would be families that need support and they would get it, but he was also concerned about the drift of families out of Waiau. He said the Council needs to ensure that families do not have to go through too many agencies and they may need a navigator to make that work. Cr Davison said if the area loses families, the district will lose a lot of people. The Social Recovery Manager agreed that they want families to feel supported and part of the recovery process and at the moment the recovery team was leading from the front on this issue, but then will step aside when they are confident that there will be one role across organisations working through this and providing support.

Cr Black noted the discussion on page 57 about enabling communities to participate in recovery planning. The Social Recovery Manager said they were providing the opportunity to engage, but there was not a lot of engagement by the community yet. Cr Black said it would be important to make sure they know they are an active part of the recovery process. The Chief Executive Officer said the Council and Government was asking a lot of communities at the moment and in the psychosocial area they can help to ease the burden, but the Council would need to step back eventually and let communities move on themselves.

Cr McLean asked for an update on the money available for business support and economic recovery. The Earthquake Recovery Manager said the wages support subsidy was extended to 30 April 2017 but would then cease. He said the Government has made a \$1M allocation for the three council areas affected by the earthquake, so the Hurunui would only get a percentage based on individual business needs. He said this would be a business grant and there would be funding advisers available through the Ministry of Business, Innovation & Employment (MBIE). The Chief Executive Officer said businesses would need to be in serious strife to be eligible. Mayor Dalley said this might be about managed exit rather than managed support and if businesses decide that they cannot survive without the subsidy then they may shut down. He said this was a hard choice for some businesses as they might close but when the highway reopens they may not have the opportunity to reopen and it would be harder for other businesses to start up to fill the gaps.

Cr Daly asked if the Social Recovery Manager was linking effectively with local medical centres and the Social Recovery Manager said this was part of the process and she would ring around them again to ensure they are getting what they need. Cr Anderson asked if schools and PTAs were being engaged appropriately and she understood there was some Ministry of Education assistance for addressing mental health needs in schools. She said it was really important that someone was available in schools and the Social Recovery Manager agreed that this was important and said if the District Health Board and schools were not providing this support then she would examine how to plug those gaps.

Cr McLean asked about progress with temporary housing and the Earthquake Recovery Manager said MBIE and the temporary accommodation service were active and local people were engaged to go door knocking in Waiau to ascertain need. He said 10 families need temporary accommodation at this stage and not one of them had registered with this process. He said the supply of relocatable houses was close

to being finalised and site inspections were being undertaken. He said they were trying to get these in place as a matter of urgency.

Cr Black said she would appreciate information regarding who does what and who to talk to for particular recovery matters. She said this would be useful if she gets a call so she knows who to refer people to. Mayor Dalley said the right hand column about the lead organisation needed more definition as to what it means and a clear gateway explained. The Social Recovery Manager said the challenge is the breakdown in roles and appointments being made, for example there was a local navigator appointed through Te Puni Kokiri and all this happened without the Council knowing about it. Cr Daly asked if there was a navigator available to help people with forms and applications and said councillors need the names of people doing these things. Cr Black said a one-page resource to direct people along the right pathway would be valuable. This was noted by officers.

Cr McLean asked if the Council had good communications with insurance companies and EQC. The Chief Executive Officer said he had been talking on a regular basis with insurers and Mayor Dalley said he also had many discussions with insurers and the temporary accommodation service. Cr McLean asked if councillors could pass on stories coming out from the community to the Chief Executive Officer. He said that was acceptable as long as they were factual situations, not third party stories. He said he was happy to feed in accurate information to the relevant agency, but it was important that it was correct information.

Cr Black commented that the Together Hurunui framework was sitting in the recovery process, but it was in place before the earthquake and she wanted to ensure that the Together Hurunui connector roles were separate and operated on a business as usual approach for this community led project, not integrated into the recovery process.

THAT THE COUNCIL RECEIVES THE SOCIAL RECOVERY PLAN FOR INFORMATION AND DISCUSSION AND AGREES THAT FUTURE PROGRESS AGAINST THE PLAN IS REPORTED TO THE PUBLIC SERVICES COMMITTEE.

Black/Ward

CARRIED

**5.6 LATE
REPORT:
Hurunui/
Kaikoura
Earthquakes
Recovery
(Unreinforced
Masonry
Buildings)
Order 2017**

The Policy Planner provided a report that was presented to the 16 March 2017 Finance, Audit and Risk Committee meeting seeking a recommendation to the Council that the Chief Executive Officer be authorised to execute the Unreinforced Masonry Buildings Fund Agreement proposal attached as appendix 1. The Finance, Audit and Risk Committee agreed to forward this recommendation. It was noted that since that report, the Council's building officers have confirmed the URM Order in Council only applies to two buildings in Hurunui. The cost of Council contributions to the Fund will therefore be a maximum of \$16,666.67.

Mayor Dalley asked if the identified buildings meet the high traffic criteria. The Chief Executive Officer said three possible buildings were put forward and two were deemed to meet requirements. In response to a question regarding whether private owners could contest the criteria, the Chief Executive Officer said the streets were specified in the regulations and they would have to test this with the government.

THAT THE COUNCIL AUTHORISE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE UNREINFORCED MASONRY BUILDINGS FUND AGREEMENT PROPOSAL.

Davison/McLean

CARRIED

Public Forum

The agenda business adjourned at 12.00pm to hold a public forum for local constituents to speak to the Council about any issues they wished to discuss.

- Sue Coll spoke about the Cheviot craft centre building and said they had taken out the fireplaces and now have to use electric heaters which leads to a \$800 per year power bill. She said they want to install a log burner and make the building user friendly so elderly people can come over and enjoy the facility. She said this needs a resource consent as it is on the heritage list and they just recently found this out. Sue Coll said there were impending deadlines for funding applications and they wanted to get this in place for winter, however they appeared to encounter hurdles along the way.

The Team Leader Property said that officers were aware of this matter and had picked up at the PIM stage that it was considered a heritage site, which is why resource consent is required. She said she was not sure why it was not picked up earlier but officers would be trying to get this resolved as soon as possible and there would be no consenting costs charged to the craft centre. Sue Coll reiterated that they cannot do funding applications until building consent was issued. Mayor Dalley noted that even if the consent was fast-tracked, they were unlikely to get building and resource consent in time for funding applications in April. Cr McLean asked if there was any way the Council could assist the process, perhaps by saying the consents were in process and pending, but Mayor Dalley said there was no guarantee they will get the consent and the Council would not want to raise any false hope. The Chief Executive Officer said there may be conditions that impact on the project and said the Council will give this attention and get it done as quickly as possible.

Cr Daly noted that there were many community buildings in the district that were on reserve land, so it might be sensible to let user groups know that they have to consider other things if they want to do anything to their buildings. Mayor Dalley said many community groups may not understand many of these processes and the Council needed to ensure there were flags for laypeople in these processes.

- Jamie McFadden thanked the Council for the public forum opportunity and said he had a couple of things to raise. He said he was involved with the rural advocacy network group, which was a local group of farmers addressing issues that affect rural communities, which came from concern over compliance issues and ECan in particular. Jamie McFadden said there had been no assessment of the cumulative effects of compliance on landowners and it was a concern, given farmers had faced droughts and earthquakes so there was another level of anxiety, stress and negative feeling associated with compliance being imposed. He said some farmers were exiting the industry and compliance was quoted as an issue contributing to that. He was worried that the community was losing its traditional hill country farming families and would lose stewardship principles and move towards a corporate model. He wanted to make the Council aware of this as a local issue.

Jamie McFadden's second point was to highlight maps of farms of the Acheron and Brooksdale runs, which were done in the 1970s and based on catchment board plans. He said many families proudly kept them as they contained a lot of information like vegetation along waterways, plantings and were often done in consultation with the local catchment board. He said they were used as a tool for making things happen on the ground and there was no compliance element, but it got things happening. He said this approach would be more appropriate for hill

country farming, while he said the current compliance framework of the Hurunui Waiau Rivers Regional Plan was more appropriate for dairy farmers. Jamie McFadden said there was a huge cost in compliance and auditing and those processes were not held in same regard as these plans. Isla McFadden spoke to the Council about the history of her family's farming blocks and said the catchment plans proved very valuable as those blocks were developed in different ways and always reflected how people were working with the land and what they wanted to achieve.

Mayor Dalley thanked the McFaddens for their comments and said it highlighted that people do a lot of work on their land for the benefit of the natural environment, voluntarily and with pride and it informs the argument about the need for regulation. He said not all people are responsible landowners but there is an obvious tension between regulatory and voluntary approaches. Cr Davison said a group of landowners can give assurances that they will achieve these environmental things and one way to ensure that they will organise and discipline themselves is through collective irrigation projects that have the power to turn off water. Dryland farmers do not have the same irrigation processes, but need to find ways to convince authorities that they have that discipline and that there is a benefit in the self-management approach.

- Denise Cleghorn addressed the Council and wanted to know that civil defence arrangements were in place for any events that may take place in future and said that the post-earthquake process in Cheviot was not up to standard. Cr Daly noted that there was now a new local controller for Cheviot and he was being introduced to local people and there would be a public meeting about this soon. Denise Cleghorn said they need to learn from the lessons from the earthquake, particularly around the zone and local sector roles. Cr Davison said local people need to get engaged and involved in their own emergency planning. Mayor Dalley said the country did not regularly refresh people's minds about how to work in a disaster, as there were often long periods between emergency declarations and a lot of institutional knowledge is lost in the intervening periods. He said there was a high requirement of local communities to look after itself.

Denise Cleghorn also spoke about the Spotswood Hall chimneys and said the local community was not sure yet what had to be done and until it did, it could not apply for funding. It was agreed that contacts would be provided for funding providers so clarification can be sought about appropriate processes.

Mayor Dalley thanked the public for coming to talk to the Council.

The meeting adjourned for lunch at 1.00pm and reconvened at 1.36pm.

**Presentation
from the
Hurunui
Water Project**

Alex Adams, Chief Executive Officer, and Chris Pile, Project Manager, Hurunui Water Project, were in attendance to speak to the Council.

Mayor Dalley and Cr Black noted conflicts of interest in this matter but acknowledged that it was only for information update purposes at this stage so they would not withdraw from the meeting.

Alex Adams introduced Chris Pile and said he would be taking over as Chief Executive Officer soon, as Alex Adams retires from the position. He said the main objective of the presentation was to update the Council about progress with the project and discuss the shares available, which were being offered to the Council to purchase.

Alex Adams provided a summary of the consented scheme and the economic analysis done. He said there was consented change to land use and it was now looking at the same scheme gross area but with less dense irrigation. He said it was important to note that it was a storage based scheme being proposed, using B and C block water only, under the minimum flow regimes, so it must have storage to make it work. Alex Adams said that within the 58,000 hectare area, farmers were surveyed and it was determined that they only want 21,000 hectares irrigated and that is the reason for a reduced area. He said farmers were looking at less demand and nutrient limits mean there are restrictions on what can be done. Alex Adams said it would be a modern scheme, with strict controls, using the matrix of good management and good processes from the start and the Project would have an environmental imperative and need to leave additional water in the river when there are freshes, as they flush periphyton growth.

Alex Adams explained the company shareholding structure, how this changed recently and explained the current basis of funding for the project. He noted that there were currently 1190 shares available, which was held as treasury stock and represented 5% shares of the company. He said local farmers had gone up to over 60% shareholding so it has moved back to a cooperative based company. In terms of value, Alex Adams said normally shares get more expensive at the later stage as the risk reduces but they would be available at the same value that farmers paid at \$400, which means the total cost would be \$476,000 to the Council, should it decide to invest.

Alex Adams said there was still good support remaining for the company from shareholders and said the main focus of the irrigation would be on enhancing land use rather than conversions to dairy. In terms of timing, there was work now on the design of the scheme and working out how to best provide economic water storage and distribution. The company was looking for design and construction contracts and wants to achieve some irrigation by the 2020-21 season. He said it would be in the order of \$200M for the 21,000 hectares of land irrigated. He said those numbers suggest it was expensive water, but not overly so compared to other schemes. It was noted that the original 7.5million shares entitled access for water based on an agreed ratio, but there may have to be some rewriting of the constitution as irrigation companies were now working at litres per second rather than on a per hectare basis. He said a report to shareholders suggested that it was no longer an irrigation scheme but water delivery scheme and this required a move in thinking from hectares to litres per second. In response to a question from Cr Davison, Alex Adams said the shares on offer to the Council were only ordinary shares, with no water rights attached.

Alex Adams said he thinks this is a good investment for the Hurunui District Council for reasons that were not only economic and he highlighted a study regarding the Waitaki District Council's investment in 2006 in the North Otago Irrigation Company, where the review showed the positive effects in the district. The Chief Executive Officer was asked to get a copy and circulate this to councillors.

With respect to timing, Alex Adams said the funding from shares would be needed by mid-year as it was operating on debt funding at the moment and needed some equity. He said the company also needed to demonstrate that its community and leaders in the community want this project to happen, so it was about confidence as well. He said he was therefore urging the Council to commit this share placement in its LTP and he said he was happy to provide any more detail the Council may require. In response to a question, Alex Adams explained the governance arrangements of the company and said the Board was made up of founding members as well as a strong

number of independents with wide skills, so it can demonstrate it is a good board with a mix of farmer and independent directors.

The Chief Executive Officer said the Council had previously discussed investment in economic development in the district and this was an opportunity to invest in agricultural development. He said there may not necessarily be a direct return but the community stands to get substantial benefit. The Chief Executive Officer said the Council would make the purchase as an informed investor following due diligence, but noted there was no prospectus. He said the purpose today was to present information about the shares available for purchase.

Cr Davison said it would be sensible to get external advice and asked if the Council could have access to the crown irrigation scrutiny that had been undertaken. Alex Adams said he could give the relevant contact to the Chief Executive Officer for reference. Cr Davison said the Council was a public body and would have to defend any decision it makes and have all necessary information available.

The Council thanked the presenters and said the Chief Executive Officer would seek further information and the Council would then have an opportunity to consider this offer prior to agreeing to its Annual Plan.

6. DISCUSSION ITEMS

6.1 Annual Report for the Hurunui-Waiiau Zone Committee

The Council Secretary provided a report prepared by ECan officers that presented to the Council the annual report for the Hurunui-Waiiau Zone Committee. Hurunui-Waiiau Zone Committee Chairperson John Faulkner and Zone Facilitator Ian Whitehouse were in attendance to present the report to the Council. John Faulkner thanked the Council for the opportunity and for the ongoing support of the Council. He thanked Mayor Dalley and Cr Daly for their continued valuable contributions and also thanked Cr Anderson for her role as observer and back-up to Cr Daly, commenting that it was important to spread the knowledge and understanding of the work of the Zone Committee.

John Faulkner outlined the Canterbury Water Management Strategy vision to enable present and future generations to gain the greatest social, economic, recreational and cultural benefits from our water resources within an environmentally sustainable framework. He said this was simple and straightforward, but the process was like standing on shifting sand and Zone Committee's role was to keep on top of this. He said that the effects of the November earthquake make this harder and would change its focus for a time.

John Faulkner spoke about the key achievements of the Committee and the flow-on benefits of the process as discussed below:

- The establishment of the Science Stakeholders to bring the science and understanding together and agree on how to derive an accurate assessment of river health and water quality.
 - The rural advocacy work led by people like Jamie McFadden, as they do a lot of good work and promote important issues. He wanted to thank those people for their work and suggested the Council should thank them as well.
 - The Hurunui Landcare group, which was about people in the community that show leadership in driving environmental standards and which came out of the meeting in Waikari some years ago that attracted 360 dryland farmers objecting to changes to nutrient limits. He said these people were contributing on a voluntary basis, giving a lot of time and energy to the work.
-

-
- The Amuri Irrigation Company taking a huge lead role in nutrient management with a third of their farms being audited. He said AIC still has leverage over environmental protection and were achieving good results.
 - The Cheviot irrigators group was established as a nutrient management collective and as time goes on there is increasing awareness and acceptance by landowners of nutrient issues.
 - The proposed plan change in 2018 is now looking at an alternative approach with a targeted review to look at issues deemed faulty and to address those. He noted that a formal plan change process was very expensive, approaching \$2M and it may be better to spend that money on the ground.
 - Improvement at the Waipara river mouth through a multi-party approach and the success of that was an indication of how to deal with other problems, like the St Anne's lagoon for example, the future of which will depend on how people work together.
 - The recent public and media debate regarding river margins and this also needs a multi-party approach, including getting the government agency LINZ on board too as it was selling off margin lands.
 - Increases in North Canterbury farmers coming on board and dealing with the Zone Committee on things like the 10% rule. John Faulkner said a survey taken regarding awareness of the Canterbury Water Management Strategy showed that North Canterbury rated highest and this was probably because faults in the plan have prompted people to engage with the Committee.
 - The AIC piping scheme was a positive for water use efficiency and may see some results in improving water quality and efficient land use.
 - The Hurunui Water Project consent and progress towards this becoming operational and the Amuri Irrigation Company increase in land use consent for irrigated land.
 - The Committee had been pushing hard for an integrated approach with the big three operators in the zone (Ngāi Tahu Farming, AIC and HWP) but he was not sure where this will end up, as all have their own commercial drivers.

John Faulkner said that with respect to CWMS targets, the Zone Committee was a little bit short on iwi involvement and this needs to be resolved and the Committee was trying to encourage further involvement from Te Rūnanga o Kaikōura.

John Faulkner said that in summary, collaboration and consensus was a great way to go and to get buy in from people, but at some point someone has to make decisions and the Zone Committee may be near that point and may need to be brave and show leadership. John Faulkner advised that there had been a change in governance for the Committee in that James McCone stepped aside as deputy Chairperson and Ben Ensor stepped in, as the balance of dairy and dryland farmers was considered important in terms of external perceptions, despite the Committee being united behind the previous Chairperson and Deputy.

In response to a question from Cr Fletcher about a lack of applications to the Immediate Steps Biodiversity Programme, John Faulkner said it was because the Zone Committee is taking a more targeted, strategic approach with flagship projects, rather than smaller projects. Mayor Dalley said it may also be a reflection of some landowners not wanting to deal with authorities and having to come up with a portion of funding themselves. Cr Fletcher said he may have a community project in mind and would consider preparing an application.

Mayor Dalley said the Zone Committee recently visited earthquake-affected properties to see damage to land and develop an understanding of what landowners are facing in terms of future land-use, which was a valuable, eye-opening exercise. Mayor Dalley thanked the Zone Committee representatives for the presentation, for their good work and for keeping the Council informed.

THAT THE INFORMATION BE RECEIVED.

Daly/Fletcher

CARRIED

6.2 Update from the Public Services Committee

The Council considered the report from the Public Services Committee meeting on 9 March 2017. Cr Black as acting Chairperson, spoke to the report and summarised the items and discussion. In particular, she highlighted the projects agreed for the disbursement of the landfill levy and agreed fees and charges for waste for 2017-18. The Committee also received an update from the Hurunui Tourism Board.

THAT THE INFORMATION BE RECEIVED.

Ward/Shier

CARRIED

6.3 Update from the Regulatory Committee

The Council considered the report from the Regulatory Committee meeting on 9 March 2017. Cr Black spoke to the report and summarised the items and discussion. In particular, she highlighted changes to swimming pool processes and a lengthy discussion regarding the dog probationary owner classification, after which the Committee decided to uphold the status of classification. The Committee also received an update from the District Licensing Committee.

THAT THE INFORMATION BE RECEIVED.

Ward/Shier

CARRIED

6.4 Update from the Infrastructure Committee

The Council considered the update from the Infrastructure Committee meeting on 16 March 2017. Cr Daly spoke to the report and summarised the items and discussion. In particular, he highlighted that officers were requested to come back to the Council with a report about providing secretarial support to the local water advisory groups. Officers noted that this would come back to a subsequent Council meeting.

THAT THE INFORMATION BE RECEIVED.

Ward/Shier

CARRIED

6.5 Update from the Finance, Audit and Risk Committee

The Council considered the update from the Finance, Audit and Risk Committee meeting on 16 March 2017. Cr Davison spoke to the report and summarised the items and discussion. He noted that the Committee considered the normal financial reports and also reviewed the Audit New Zealand management report. He said the Committee discussed the matter of resourcing and capacity of the Finance Team and there would be a report coming to the Council with an independent view of the matter and recommendations to resolve this.

Cr Davison noted that the Committee gave approval of a request for leniency in awarding roading contracts outside of normal tendering processes to address earthquake-related work. The Committee also received the monthly Health and Safety report, as well as the Health and Safety annual report.

THAT THE INFORMATION BE RECEIVED.

Ward/Shier

CARRIED

7. INFORMATION ITEMS

Nil.

8. PUBLIC EXCLUDED

PUBLIC EXCLUDED SESSION

THAT THE MEETING MOVE INTO PUBLIC EXCLUDED SESSION AND THE GENERAL SUBJECT OF THE MATTERS TO BE CONSIDERED WHILE THE PUBLIC IS EXCLUDED, THE REASON FOR PASSING THIS RESOLUTION IN RELATION TO THE MATTERS AND THE SPECIFIC GROUNDS UNDER SECTION 48 (1) OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR THE PASSING OF THIS RESOLUTION ARE AS FOLLOWS:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under s48 (1) for passing this resolution
Item 8.1 Minutes of the 23 February 2017 Meeting	The minutes contains information withheld to enable the Council to carry on, without prejudice or disadvantage, negotiations; and to enable the Council to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1)(a)(i) & Section 7(2) (h) & (i).
Item 8.2 Counter Offer – 31 Grierson Ave, Amberley Beach	The report contains information withheld to enable the Council to carry on, without prejudice or disadvantage, negotiations.	Section 48(1)(a)(i) & Section 7(2)(i).
Item 8.3 Hanmer WWTP Disposal to Land	The report contains information withheld to enable the Council to carry on, without prejudice or disadvantage, negotiations.	Section 48(1)(a)(i) & Section 7(2)(i).

McLean/Black

CARRIED

THAT THE MEETING RESUME IN OPEN SESSION AND THAT THE MATTERS DISCUSSED IN PUBLIC EXCLUDED SESSION REMAIN CONFIDENTIAL, EXCEPT FOR THOSE MATTERS APPROVED FOR RELEASE.

Black/Ward

CARRIED

Meeting Ended

The meeting ended at 4.56pm.

The next ordinary meeting will be on 27 April 2017.
