

HURUNUI DISTRICT COUNCIL MINUTES



Meeting	Council
Time and Date	9.30am, 23 November 2017
Venue	Council Chambers, 66 Carters Road, Amberley.
Agenda	http://www.hurunui.govt.nz/your-council/meeting-calendar/ (Scroll to the applicable meeting on the calendar.)

Members Present Mayor Winton Dalley (Chairperson), Councillors Nicky Anderson, Dick Davison, Jason Fletcher (*from 11.19am*), Fiona Harris, Julia McLean, 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), Alex Taylor (Communications Officer), Audrey van der Monde (Manager Public Services) and Graham Sutherland (Council Secretary).

Apologies Councillors Marie Black and Vince Daly. Cr Fletcher for lateness.

THAT THE APOLOGIES BE ACCEPTED.

Shier/Ward

CARRIED

Affirmation Cr McLean read the affirmation as attached to the Council agenda.

Conflict of Interest Declarations Mayor Dalley noted a conflict of interest with respect to item 5.5, Potential Purchase of Hurunui Water Project Shares and said he would withdraw from the discussion and voting on this matter.

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

Urgent Business Cr Davison said he was concerned about the Council addressing the Hurunui Water Project Share Purchase matter later in the agenda, given the importance of the matter and that two councillors were potentially going to be absent (noting also that Mayor Dalley and Cr Black would not participate due to a conflict of interest). In response to a question, the Chief Executive Officer said there were no major implications for the Council to delay the decision as it was making a commercial decision and it was up to the Council how and when it makes its decision. Mayor Dalley noted that Cr Davison would be asked to chair the meeting when Mayor Dalley withdraws, so it would be up to the Council at that point.

THAT THE MINUTES OF THE COUNCIL MEETING HELD ON 26 OCTOBER 2017 ARE CONFIRMED, SUBJECT TO CR NICKY ANDERSON BEING NOTED AS PRESENT.

Harris/Ward

CARRIED

Matters arising

- In response to a question from Cr Harris, the Manager Support Services said the submission to the Remuneration Authority is due in mid-December and he would action this.
- Cr McLean asked if there was any update on the Amberley Domain river bank stabilising works discussed in the last meeting. The Chief Executive Officer said there was no new information and Cr McLean said it therefore has to go to the Amberley Ward Committee for consideration, possibly from the reserves contestable fund. Cr Ward said he did not think it was a contestable fund issue, rather a stormwater issue and the Council needs to reconsider how to deal with this and Dock Creek. He said more thinking was required regarding the problem and whether ECan works exacerbated the situation. Mayor Dalley agreed and said the lead authority should be the Regional Council. The Manager Infrastructure Services - Assets said that ECan river engineers did work near the Domain some years ago and destroyed an old gallery, which may be a contributor and he said it might be useful for him to have another conversation with ECan officers. Cr McLean noted the comments from ECan Cr McKay at the last meeting stating that no funds were available from ECan. Cr Davison said this seems unsatisfactory as the whole of the natural watercourse is managed by ECan, so it should have a plan which includes protection of adjacent areas. Cr Ward said they need a river rating group to cover the whole river. The Manager Infrastructure Services - Assets agreed to investigate the river rating area coverage and whether there was any funding that can be specifically targeted to improvements.
- Cr Anderson noted that the reference in the minutes to a constituent with water draining onto his land is specifically a post-earthquake matter.

2. Forward Programme

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

THAT THE INFORMATION BE RECEIVED.

Harris/Shier

CARRIED

3. Mayor's Diary

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

THAT THE INFORMATION BE RECEIVED.

Harris/Shier

CARRIED

4. Council's Working Groups/ Projects Status Report

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

- With respect to the Representation Review Working Group, it met the previous day and work was progressing. Cr Harris said it was a complicated process and the legislation had changed, so the Council is obligated to consider changes to bring things within the plus or minus 10% population threshold, otherwise the Local Government Commission would make a determination. She noted that this impacts a number of the district wards.

THAT THE INFORMATION BE RECEIVED.

Harris/Shier

CARRIED

5. DECISION ITEMS

5.1 Annual Report 2016-2017

The Manager Support Services advised that the Annual Report is required to be adopted by the Council by 31 October 2017, pursuant to section 98 of the Local Government Act 2002. The Annual Report is prepared by staff and audited by Audit New Zealand. The Annual Report will be adopted after 31 October; therefore, the Council will be in breach of the statutory deadline. This fact will be disclosed in the Annual Report itself. Despite missing the statutory deadline, the Council is still required to adopt the Annual Report. The updated Annual Report was discussed at the 16 November 2017 meeting of the Finance, Audit and Risk Committee.

The Annual Report provides information that assists communities to assess the performance of the Council. For this process to be effective, the information must be comprehensive and timely. Accountability is not achieved until the audited information is made available to ratepayers in a user-friendly form. The Council's Audit Director, Bede Kearney was in attendance to discuss the issues surrounding the qualified audit report.

The Manager Support Services noted that the latest version of the Annual Report document was circulated the previous day and there was a key change, covered in an amended page 36, which he tabled. He said this was to bring the financial effects of the November 2016 earthquake into one place, added into financial statements and then flowing back through the accounts.

The Manager Support Services said the Council would not be approving the Annual Report Summary document today, as it had a month to complete the Summary, which also needed auditing.

Cr Davison said there should be some recognition in the financial accounts of the earthquake recovery work done, at least a couple of lines that refer to the fact that there is value being added through the work being carried out. The Chief Executive Officer said this was difficult as the Council had not done any revaluation of assets but when the Council revalued next year, it will be in a position to sign off on the value of improvements. Cr Davison said perhaps there could be a comment then about an unquantifiable amount of value added due to repairs. Bede Kearney said the problem is that there was no way to quantify those aspects and whether value was added and also what the Council will spend in future, as there was money still to be spent.

Cr Davison said he realised how difficult this Annual Report process had been given the significant impacts of the earthquake and he thanked and congratulated all parties concerned. He said he understands the reason why the Council did not meet its deadline and was comfortable with the position.

Bede Kearney spoke to the Audit Report and explained that this was part of the Annual Report. He said it was qualified in two respects - non financial and financial. He noted the effects of the earthquake, impairment and extent of damage and said officers had made estimates based on a reasonable general approach at 10% of assets impairment. The other matter is the expenditure and it was not possible to classify it as reinstatement value. Apart from these matters, there would have been a clear audit opinion for the report.

Bede Kearney said that with respect to non-financial matters, the auditors did not have sufficient assurance about Customer Service Requests (CSRs) in the system, as results were showing that the number of requests went down and it was considered this was due to people not wanting to make unnecessary requests and giving priority to earthquake matters. He said the auditors were not able to get assurances around that and the particular reason is that mandatory measures work on the number of requests, so if something is broken, the Council may receive five requests for one break and will not put all those in. Otherwise Bede Kearney said everything else is unqualified and the rest of the reporting framework is fine. He said this was quite an involved process for the auditors, it had taken several meetings and there was a lot more information in the document. However, he was happy with where they got to and it was as good a result as possible given the circumstances.

Bede Kearney made a correction to a reference on the fourth page of the tabled Auditor's Report in that note 23 is on page 74.

THAT THE COUNCIL ADOPTS THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2017, IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2002, SUBJECT TO THE INCLUSION OF AN AMENDED PAGE 36 AS TABLED IN THE MEETING AND SOME MINOR CORRECTIONS AS NOTED BY OFFICERS.

Shier/Davison

CARRIED

This item was taken prior to the lunch break but recorded as it appeared in the agenda. The Council had a private discussion with the Audit Director with no officers present and then adjourned for lunch at 12.47pm. The meeting reconvened at 1.13pm.

5.2 Performance Measures for the Long Term Plan

The Manager Public Services advised that a key section of the Long Term Plan (LTP) is the Council's main activity groups. A requirement of the Local Government Act is to state how the Council will measure its performance. Many of the measurements are mandatory and set by central government. For the LTP, the Council's main activities (services) have been sorted into seven groups as below:

1. Water supply
2. Sewerage
3. Stormwater and drainage
4. Roads and footpaths
5. Public services (libraries, waste minimisation, property, reserves and emergency services)
6. Regulatory services (building controls, public health, liquor, animal control and resource management)
7. Hanmer Springs Thermal Pools and Spa

The first four groups are prescribed by the Local Government Act and are mandatory. These all have mandatory measurements which must be included in the LTP. The remaining three groups reflect the remaining primary Council activities. It is not a requirement (in fact it is discouraged), to include all activities if they are not substantial.

The Chief Executive Officer reiterated that how the Council measures the performance was its own approach and a measure like unsealed roading for example, is appropriate given 60% of Hurunui roads are unsealed. He said

sealed roads are a mandatory requirement, but unsealed is the Council's own. The Chief Executive Officer said the performance measures are fully audited and reported on in the Annual Report, so the Council has to demonstrate them as measurable.

Cr Shier noted that the Finance, Audit and Risk Committee receives regular reports on performance against the measures and there was some difficulty in reporting on them effectively and the Chief Executive Officer said some were unmeasurable, as for example the Council cannot know how much water use loss there was, as it knows how much is sold and how much it pumps, but not how much is lost.

Cr McLean said she was specifically concerned about water quality in Amberley and how the Council is going to get to the desired state of having reduced complaints about the water. She suggested that another aspect of measuring be online forums, as a way to measure dissatisfaction. The Chief Executive Officer said the Council may not be welcome to join some of the online forums and it had undertaken to provide a link for the Amberley water group forum so members could have up to date information. The Chief Executive Officer said that the Council makes all information available on its website and he noted that performance measures have to be auditable and CSRs for example are recorded and audited and that is the measure. He said it was recorded complaints however, not verified complaints. Cr Ward said this may be more of an issue of communications, in that lodging a complaint is the way to get information into the system regarding performance measures and some people may not lodge complaints if they think others are doing it or they may have spoken directly to their councillor. Cr McLean agreed that it comes down to communications and councillors need to encourage people to log complaints. The Chief Executive Officer said the Council does create channels for constituents to give feedback and tries to be open with information and provide opportunities like Snap, Send, Solve, which is very effective.

Mayor Dalley noted on page 33 that to lose no more than 20-30% volume of water was a rule of thumb councils use for water loss and generally councils aim for no loss, but it would not achieve this as there are water losses in any system. Cr Anderson asked if rural restricted water supplies were moving to meters and the Manager Infrastructure Services - Assets said there was a drive for this prior to the earthquake, but post-earthquake officers were trying to get a better idea across whole district and make assumptions of what water was used. He said there was a high cost for meters at every restricted supply point and the return on investment does not stack up, so there is some work to do on this in the LTP and Asset Management Plan (AMP) process. He said the Council has some flow meters which would be moving around the different schemes over the next three years.

Cr McLean discussed the condition of footpaths and asked if the Council should have an inspection frequency aim or was it enough to be reactive and rely on complaints. The Chief Executive Officer said the measure is data collected from audits and the Manager Infrastructure Services - Assets said inspections were done on an annual basis, with a full condition rating done every five years. He said the annual review would pick up trip hazards and that review covers 10% of the overall asset, as an inspection regime. In response to a question from Mayor Dalley, the Chief Executive Officer said the Council could add CSRs for

footpaths trip hazards, but it would be another element to be audited. Cr Ward said he would not want to run the risk of having too many performance measures and he said the inspection regime in place is sufficient, while other operational issues would be picked up anyway. The Chief Executive Officer said these are the baseline auditable results that the Council reports on, but it does not mean the Council ignores all other information coming through, which it will still act on.

Cr McLean discussed animal complaints and said the measure was reactive and asked what the Council was doing proactively. The Chief Executive Officer said this was a lag indicator and it was a matter of whether the Council was being successful if there are fewer incidents. He said the Council could record the amount of visits to schools and other education programmes, but would need to report to the auditors on those numbers. Mayor Dalley said the Council was proactive in this area but it was just not measured for reporting purposes and whether current programmes were effective was a matter to pursue at the Public Services Committee.

THAT THE COUNCIL ADOPTS THE PERFORMANCE MEASURES FOR THE LONG TERM PLAN 2018-2028, AS DETAILED IN THE AGENDA REPORT.

Ward/Harris

CARRIED

**Staff Long
Service
Recognition**

This item was deferred until the December Council meeting.

The meeting adjourned at 10.35am for morning tea and reconvened at 11.00am.

**5.3 Proposed
3Waters Bylaw
– Approval for
Consultation**

The Policy Planner advised that the Council is proposing to manage the Three Waters Services networks under a single bylaw. This is so the networks can be managed cohesively and comprehensively. The preferred option is that the existing Water Supply Bylaw and Wastewater Network Bylaw are revoked and replaced with a combined Three Waters Services Bylaw that includes revised sections on on-demand and restricted water supply and the wastewater network; and new sections on the stormwater and land drainage network and trade waste. The proposed bylaw was considered by the Infrastructure Committee on 16 November 2017, with a recommendation to the Council that the proposed bylaw is adopted for consultation. A report giving an update on the discussion at the Infrastructure Committee on 16 November 2017 was circulated following that meeting.

The Policy Planner spoke to the report and said the main provisions in terms of water supply were introducing backflow prevention devices but with separate policy regarding details for high, medium and low risk areas and types of devices. There was also provision for consumers to have three days water storage, which has been encouraged in the past, but the Council was making it a requirement now and allowing a 24 month transitional period to come up to specification. The Council was also proposing that there be no part units for water, but either full or half units, as the measuring devices were not sophisticated enough. The Policy Planner said the Council would work with existing users, as it did not want to be heavy handed about this.

In terms of wastewater, the bylaw would require an inspection chamber at the boundary so the Council can accurately measure what is going in and out.

Stormwater would also be managed under the bylaw, which sets out general principles and this would be worked through next week with the Infrastructure Working Group, so some elements may yet be revised. The Policy Planner said the Trade Waste Bylaw is new but it was common for councils to have this. She said the Council has had issues with substances in the system causing problems and there was a 24 month transitional period for introducing this as well.

The Policy Planner said this was considered a significant matter and there would be resourcing requirements with respect to the implementation, as officers would need to work with consumers while the requirements are phased in. In terms of external engagement, the Council has to follow the Special Consultative Procedure but there were greater requirements for the trade waste matter, which would need two months, so it was proposed to spread the whole consultation over two months, which was likely to begin in late January or early February 2018.

The Policy Planner addressed the recommendations and said the level of detail is a requirement of the Local Government Act and if there were any major changes coming out of the Infrastructure Working group discussions, they may need to come back to the Council for approval as well.

Mayor Dalley sought clarification about the resolution to revoke the existing bylaws now and yet it would not adopt the proposed bylaw until after the consultation. The Policy Planner said the Council has to make a decision to revoke, but it is only signalling its intention at this stage.

Cr Davison commented that over time the Council is required to improve the quality of drinking water and the cost may mean people fall off or may be forced to join local schemes. He said if a consumer followed all the rules and did everything required, but the scheme was at risk as there was not enough revenue, there may be cost pressure on the person at the end of a line. He asked what obligation was on the Council as supplier, where it may be difficult and too expensive to maintain supply. The Manager Infrastructure Services - Assets said officers had discussions with the District Health Board and looked at the option of supplying stock water only and the possibility of a point of entry system, but it cannot. He said once the Council provides water, it is locked in to supplying safe and drinkable water. He said people may drop out and make it unaffordable for those remaining and so the key is to keep it as an affordable scheme. Mayor Dalley said he thinks a guarantee of supply and contractual arrangements would be in the Council records somewhere and the Chief Executive Officer said the rationale of moving to district-wide funding of water provision is to prevent this sort of thing happening, so the Council can always afford to supply people on those at-risk schemes. Cr Davison said he takes some comfort in that response.

Cr McLean spoke about the consultation process and said it was great to engage people directly with letters, but she prefers information to be visual and relatable. She agreed that core groups of businesses need to be targeted but again it needs to be made relatable and visual to get them engaged. She also noted that Enterprise North Canterbury will be running a workshop with local businesses and the Council could get in on that and engage with those businesses. She said the Council should aim to do drop-in sessions as a proactive approach, as the aim is to get information out to as many as possible.

The 3Waters Asset Engineer noted that it was not just the bylaw and policy being developed but officers would have operational guidelines in behind as well. The Policy Planner said the consultation would be providing what was legally required, but officers would spend time on making it something people want to read.

Cr Fletcher arrived at the meeting at 11.19am.

Cr Shier noted on page 65, clause 2.8b under water storage, that it is not clear if it relates to restricted supplies or all rural and urban supplies. It was agreed to add a clarification to explain it was for those on restricted supply.

Cr Davison said it was sensible to have some encouragement for people on restricted supply to have some storage. The Manager Infrastructure Services - Assets said the Council has two different types of supplies and a critical mode in terms of network was that the on-demand supply has no backup, but in the same context, should the Council have three days' supply for all schemes. Cr Davison said there would be a big cost for this and the Manager Infrastructure Services - Assets said it was about security of supply and the Council needed to be in a position to better attend to this need. The Chief Executive Officer said the discussion about storage would be covered in the ongoing Asset Management Plan (AMP) process.

Mayor Dalley sought clarification of the sequence of the decision today, given work was still to be done on the policies. He noted that the Council still has to give intention to replace the existing bylaw and policies, but there may also be changes from the Infrastructure Working Group. The Policy Planner said any further changes should not change the content of the bylaw, just the associated policies, which were not statutory documents, so the Council can change those anytime. Mayor Dalley said he was comfortable that this was the first step with more steps to go. It was agreed that the Policy Planner would reconsider the wording of the recommendations and report back later in the meeting.

The Policy Planner provided amended wording to the recommendations and said that adding the words "opting" means the existing bylaws stay in place until a new one was adopted and there was additional wording to explain the Infrastructure Working Group process.

THAT THE COUNCIL:

- OPTS TO REVOKE THE WATER SUPPLY BYLAW 2014 AND THE WASTEWATER NETWORK BYLAW 2014 AND REPLACE THEM WITH THE PROPOSED THREE WATERS SERVICES BYLAW WHICH HAS SECTIONS ADDRESSING ON-DEMAND WATER SUPPLY AND RESTRICTED WATER SUPPLY, AND THE WASTEWATER NETWORK.
 - OPTS TO ADOPT NEW BYLAWS TO MANAGE THE STORMWATER AND LAND DRAINAGE NETWORK AND TRADE WASTE BY ADOPTING THE PROPOSED THREE WATERS SERVICES BYLAW WHICH INCLUDES SECTIONS ON THESE MATTERS.
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- INDICATES ITS INTENTION TO ADOPT THE PROPOSED BYLAW BY CONSULTING WITH THE COMMUNITY IN ACCORDANCE WITH LOCAL GOVERNMENT ACT REQUIREMENTS.
 - ADOPTS THE STATEMENT OF PROPOSAL AND SUMMARY OF INFORMATION FOR PUBLIC CONSULTATION IN ACCORDANCE WITH SECTIONS 83 AND 148 OF THE LOCAL GOVERNMENT ACT 2002, TO RUN FROM FEBRUARY TO APRIL 2018.
 - ADOPTS THE PROPOSED THREE WATERS SERVICES POLICY FOR CONSULTATION AT THE SAME TIME AS THE PROPOSED THREE WATERS SERVICES BYLAW.
 - AUTHORISES THE CHIEF EXECUTIVE OFFICER TO MAKE MINOR DRAFTING, EDITING AND/OR LAYOUT AMENDMENTS TO THE CONSULTATION DOCUMENTS PRIOR TO FINAL PRINTING AND PUBLICATION, IF NECESSARY.
 - NOTES THAT THE MATTERS OF STORMWATER AND LAND DRAINAGE AND BACKFLOW PREVENTION ARE TO BE WORKSHOPPED WITH THE INFRASTRUCTURE WORKING GROUP, AND THAT ANY MATERIAL CHANGES TO THE PROPOSED THREE WATERS SERVICES BYLAW OR THE PROPOSED THREE WATERS SERVICES POLICY WILL BE PRESENTED TO THE COUNCIL FOR CONSIDERATION PRIOR TO CONSULTATION.

Harris/Ward

CARRIED

5.4 Setting a Fee for Deemed Permitted Activities under the Resource Management Act 1991

The Policy Planner reported that the Resource Legislation Amendment Act 2017 (RLAA) is making a number of changes to the Resource Management Act 1991 (RMA), which includes the requirement and discretion for local authorities to issue Deemed Permitted Activities, of which there are two types: Deemed Permitted Boundary Activities; and Deemed Permitted Marginal or Temporary Activities. It was proposed to charge \$235 for Boundary activities and \$370 for Marginal or Temporary Activities.

At its 28 September 2017 meeting, the Council resolved to consult on the proposed fees for Deemed Permitted Activities under Section 82 of the Local Government Act. Consultation occurred and two submissions were received – one from the Waipara Fireworks Incorporated and one from Waipara School PTA. Both requested that the proposed charges do not hinder not-for-profit organisations. The submissions were attached and the officers advised that the requested outcome is covered within the Refunds (Regulatory Services) Policy, which allows for consideration of refunds where the proposal is promoted by a group or individual to provide social, cultural and/or community benefit. This policy allows for the refund of up to \$1,500 for resource consents; being greater than the \$235 and \$370 proposed. The submitters were advised of this and were content that the outcome they are seeking is covered by this policy.

THAT THE COUNCIL SETS THE FEES FOR DEEMED PERMITTED ACTIVITIES; BEING:

- \$235 FOR DEEMED PERMITTED BOUNDARY ACTIVITIES; AND
- \$370 FOR DEEMED PERMITTED MARGINAL OR TEMPORARY ACTIVITIES.

McLean/Harris

CARRIED

5.5 Potential Purchase of Hurunui Water Project Shares

The Chief Executive Officer provided a further report for the Council to consider purchase of Hurunui Water Project (HWP) shares and follows on from the Council's decision to include the potential purchase of these shares in the Annual Plan 2017-18. The due diligence step had been completed and officers found no impediment to the Council purchasing the HWP shares on offer. Officers were of the view that a decision to purchase HWP is in compliance with the Local Government Act 2002. The Chief Executive Officer recommended that the Council proceed with the share purchase, subject to suitable terms being reached with HWP on the purchase details and appropriate consultation being undertaken.

Mayor Dalley declared a conflict of interest and took no part in the debate or voting on this matter. In the absence of Mayor Dalley and Deputy Mayor Black, Cr Davison assumed the chair for discussion of this item.

Cr Davison said the Council would discuss the matter today but not necessarily make a decision as not all councillors who were able to participate, were in attendance. He said the Council would take the report as read and ask questions of clarification from officers, prior to deciding whether or not to resolve to purchase the shares and engage the community.

The Chief Executive Officer advised that the Council had earlier decided that whether it resolves to purchase the shares or not, it was still obliged to go through another consultation stage.

Cr Davison asked the Chief Executive Officer to elaborate on the due diligence process and the Chief Executive Officer said he and the Manager Support Services were required to sign a confidentiality agreement to allow them to see key documents and make due diligence decisions on those. They were provided with all necessary documents and could request anything else, but felt they had been given all relevant information and went through them all carefully. He said they were satisfied that the due diligence check sheet put together was appropriately addressed and they ticked all the boxes. The Chief Executive Officer said that in doing so, officers did not see anything that gives concern regarding the potential purchase.

In response to a question from Cr Davison, the Chief Executive Officer said it was not possible for councillors to have that information as officers viewed the information only, they were not provided with copies.

Cr Anderson commented that it was astounding that information provided to councillors to make this decision was not in proportion to the significance level of the matter. She said she did not feel there was any information regarding the benefits attributing to the Council and the district and any specific information regarding the due diligence. The Chief Executive Officer noted that he had previously circulated the report on the benefits of the North Otago irrigation project.

Cr Ward said he was uncomfortable with not having any of the due diligence information available and it was no disrespect to the officers conducting the due diligence, but he would like more information to consider as a councillor making the decision.

Cr Harris said she was interested in other information as well, like whether the project can potentially provide back-up to the Council drinking water schemes. The Chief Executive Officer said there was potential that the Council could utilise water in its own schemes, but it was primarily an irrigation project and it may not have water available all year round. Cr Harris noted the Council was buying dry shares with no rights to water and the Chief Executive Officer said dry shares can be converted to wet shares but he noted that the price of water had not been established yet and that matter would be decided when the pricing regime was agreed, so the cost of converting was not known yet.

Cr Ward asked if there was any coverage of the new Government's policy position on irrigation in the due diligence information. The Chief Executive Officer confirmed this and said HWP had two tranches of funding from Crown Irrigation Investments Ltd, one was received already and the other locked in. He noted these are loans to be repaid. Cr Shier noted that the scheme had changed significantly over time and the Chief Executive Officer said the current plan is for a 23 million cubic metre, on-plain storage facility covering 270 hectares. He said negotiations were occurring at the moment with other parties regarding a combined facility and it appears likely that will happen. From the on-plain facility, water will be fed by gravity and pumped to cover 21,000 hectares of land for irrigation.

Cr Anderson noted that there was a lot of public information available about the project but it was not the job of councillors to get all this together to support the decision making and she would like to see more information collated and provided, before the Council makes a decision.

Cr Shier commented that an effect of the North Otago scheme was that there was broader economic value derived, but also land ownership changed markedly and it became more corporate. Cr Davison noted that the same happened in the Amuri area after irrigation was provided and whether that is perceived as good, bad or neutral, it was a fact of development.

Cr Davison noted that councillors had concerns about the adequacy of the amount of information provided to make a decision today. He said it seems that most of the due diligence information provided was confidential. The Chief Executive Officer said some was and some not, for example there were Board papers that were confidential.

Cr McLean said she found it extraordinary that she felt she was not more informed today when being asked to make a decision. The company is asking the Council to invest public money in the venture and not being able to share information means that councillors feel they are not informed, so it was hard to make a decision on that basis. The Chief Executive Officer said having been through due diligence processes before, it was standard to sign confidentiality agreements, which is due to the company not wanting to have information in the public arena that was confidential. Cr McLean said this meant there was no additional information for councillors then, although Cr Davison noted there was assurance from the two officers that viewed the information, that there were no issues of concern. Cr Anderson acknowledged that councillors need to have a certain level of trust in that process, but this is a highly significant decision and she was not happy to not make a decision with no further information in front of her.

Cr Ward said he felt there was a lack of transparency in that he cannot see answers to questions he had. He agreed that it was common that information was subject to confidentiality agreements, but he was representing people paying for this potential purchase and he had to be certain it was a good move and he cannot be, on the information provided at this stage.

Cr Harris said she was comfortable that the officers who looked at the due diligence information have the necessary expertise, but her concern is about benefits to the wider community and she was not sure how much this may or may not assist the Council's own water schemes. She said her other concern was the changing environment with the new government and how much potential future risk there was in the scheme. Cr Shier said he also understood the due diligence process and said at some point the information goes to a Board for decision making, and if necessary board members can sign confidentiality agreements, so he felt there was a lack of information on the table at this stage.

The Chief Executive Officer said he can pull together all the publicly available information, but that may not be a useful exercise as the Council would be making a decision on partial information. He said he could also ask HWP to make all information available to all councillors on a confidential basis for them to do the due diligence themselves. Cr Ward said if that is what councillors need to do to feel comfortable making a decision, then that may need to happen. Cr Anderson said councillors made a list of due diligence requirements and do not need to see everything, but would need answers to each of those questions identified. Cr Harris said she would like to see the information in a format of what is available and what is signalled as confidential. She said this matter was going to consultation, so if asked a question from the public, councillors need to be able to provide answers. One of the reasons for supporting HWP is to assist communities in times of drought, but equally, when she asked HWP representatives if the scheme would go ahead without Council purchasing shares, they indicated it was likely to go ahead anyway.

Cr Fletcher said the Council asked officers as representatives to do the due diligence and he trusted them to do that. He said they have come back to report that there were no issues of concern and he had faith in that advice, but he was also worried about the Council supporting the project on other grounds.

Cr Davison said it appeared the Council was unlikely to make a decision today and could leave the matter to lie on the table until the matter of providing more information was clarified.

THAT THE ITEM BE DEFERRED AND THAT THE COUNCIL REQUESTS FURTHER INFORMATION FROM OFFICERS TO FULFIL THE DUE DILIGENCE REQUIREMENTS IDENTIFIED IN THE INITIAL DUE DILIGENCE REQUEST BY COUNCILLORS.

Anderson/McLean

CARRIED

(5:1 on a show of hands. Cr Fletcher against.)

The Chief Executive Officer said it may be a matter which was best worked through in a workshop and the Council agreed that might be a sensible approach.

5.6 Support for Waiau Toa (Clarence)/Molesworth Great Walk Proposal

The Chief Executive Officer reported that the Department of Conservation is looking to create two new Great Walks. Two have been proposed for the Hurunui District, being the Waiau Toa (Clarence)/Molesworth and a redirected St James. Officers are of the view that the Waiau Toa(Clarence)/Molesworth proposal has a greater chance of success and has wider benefits than the redirected St James proposal and therefore sought direction from the Council to submit in favour of the Waiau Toa(Clarence)/Molesworth proposal.

Cr Davison noted that there was a meeting in Kaikoura about this and also the cycle trail project and said it would be nice to have an integration of these issues, as there may be similar people involved and some potential interaction.

Cr Anderson queried whether the Council was being asked to support one or both proposals. The Chief Executive Officer said the Department of Conservation was proposing two new Great Walks and it was likely one would be in the North Island and one in the South. He said the Kaikoura District Council was of the view that a great walk from Kahutara over into Molesworth would be preferred. He said local iwi, as well as officers from both Kaikoura and Hurunui District Councils and tourism advisers, had discussed it and consider it a good idea and were now seeking Hurunui District Council support. He said that at the same time, another proposal came through which was essentially extending the St James walk into Hanmer Springs and to make that a great walk. Officers looked at both and there were similar benefits, but it appears the Waiau Toa proposal had additional benefits and wider support.

Cr Harris said she supported working with neighbours on joint projects and by supporting one, it does not mean the other cannot go ahead, it just would not be a Great Walk. She said it seemed sensible to support the Waiau Toa option.

THAT THE COUNCIL INSTRUCTS OFFICERS TO MAKE A SUBMISSION TO THE DEPARTMENT OF CONSERVATION IN SUPPORT OF THE WAIUAU TOA (CLARENCE)/MOLESWORTH GREAT WALK PROPOSAL.

Harris/Ward

CARRIED

**Presentation:
Caroline Shone
– Community
Energy Action**

Caroline Shone, Chief Executive Officer of the Community Energy Action Trust was in attendance to provide the Council with an update on the Trust's activities in the district.

Caroline Shone said the Trust was working with Red Cross funding on delivery of earthquake recovery. She said it took some time to get into the process and to get the names of people needing assistance, but once they began to get traction with the curtain bank, it had been very popular. She said the Trust has the biggest curtain bank in the country and gives out good quality material to those in need. She said they got direct referrals from people, but also found a lot of stoicism and resilience, meaning that many people do not want help. She said the Trust was getting through that block to help, as it was making it clear this was not charity, but they were there to help people get further on in their recovery. She said the Trust was making good progress now and was working closely with local Earthquake Recovery Navigators and the Council's Social Recovery Manager. Caroline Shone said they had not used all the funding yet and have money available through to 2019. She said demand would drop off over Christmas but will ramp up again as the weather gets colder. The Trust

was currently working with 150 referrals, out of which 100 were contacted, 38 were assessed and 15 in total completed in terms of repairs the contractors can do. It is apparent that there are a myriad of issues to be dealt with, like for example a lot of deferred maintenance in some areas and this causes issues in making the houses weatherproof, warm and dry. The Trust's assessors were experienced and used to dealing with people and many had issues with their insurance companies. She said some people know how to deal with them, but others were not so good and do not understand the process. She said the Trust was getting the message out to people about what it can do to help them. She said 18 people who were contacted did not want to proceed as they were fine or not in need of support.

Caroline Shone noted that the new government indicated that Energy Efficiency and Conservation Authority (EECA) subsidies, which were due to finish in 2018 were likely to continue for another three years and would include heating. She said she appreciated the opportunity to update the Council and thanked the Council for its ongoing support.

Mayor Dalley thanked Caroline Shone and the Trust for its work in the district and said the Trust's presence out in the community was having a big impact. In response to a question from Cr McLean, Caroline Shone said the Trust will be running firewood and power grants and this was worth putting in place early so that supplies can be secured. She noted that there was a lot of support from local suppliers, many of whom were not charging for their services. In response to a question from Cr Anderson, Caroline Shone said the local navigators will know about grants available and the Trust is working with them to encourage people who may be reluctant to accept help. The key message is that the money is there to allow them to help themselves.

6. DISCUSSION ITEMS

Nil.

7. INFORMATION ITEMS

7.1 Hurunui-Waiiau Zone Committee Update

The Council Secretary provided an update on recent activity of the Hurunui-Waiiau Zone Committee. Mayor Dalley discussed the letter to ECan regarding river lines, which are used to define a braided river bed. Currently there was no legal process to make a decision on this and he said ECan considers consents for activities in the braided river system, using these lines which are based on a 50 year flood lines and members were uncomfortable with that. In response to a question about who would make a decision on the definition of the lines, Mayor Dalley said it would be a Resource Management Act process to address the issues of where to draw the river edge and consider what was river bed.

In response to a question from Cr Davison regarding the issue of dryland farmers and nutrient loads, Mayor Dalley said there would be a targeted plan change on this and another interesting issue is the water takes in the Waiiau River and restrictions under minimum flow regimes, which was all coming back on the table for review.

THAT THE INFORMATION BE RECEIVED.

McLean/Davison

CARRIED

**7.2 Update
from the Public
Services
Committee**

The Council considered the update from the Public Services Committee meeting on 31 October 2017. Cr Harris spoke to the report and summarised the items. She said the Committee discussed the public toilet policy and officers were coming back with recommendations following feedback from the members. Mayor Dalley reported that he received a recent compliment from a traveller in the district who said the Hurunui had a high standard of public toilets. Cr Harris reported that the Committee also discussed the Waste Management Plan and the Libraries Strategy.

THAT THE INFORMATION BE RECEIVED.

McLean/Davison

CARRIED

**7.3 Update
from the
Finance, Audit
and Risk
Committee**

The Council considered the update from the Finance, Audit and Risk Committee meeting on 16 November 2017. Cr Davison spoke to the report and summarised the items and discussion. In particular he noted that the auditors were in attendance to discuss the Annual Report, which was finally adopted by the Council earlier today. He also noted that the Committee received the letter of engagement from Audit New Zealand for the LTP process. The valuation of buildings was presented and this forms the basis of insurance discussions. Cr Davison said the Committee received a presentation on the new application the Council is considering, called Oneside, which was a system for electronic monitoring of officer movements on work sites like farms for example and the managing of associated risks.

THAT THE INFORMATION BE RECEIVED.

McLean/Davison

CARRIED

**7.4 Update
from the
Infrastructure
Committee**

The Council considered the update from the Infrastructure Committee meeting on 19 October 2017. Cr Ward spoke to the report and summarised the items and discussion.

THAT THE INFORMATION BE RECEIVED.

McLean/Davison

CARRIED

Urgent Business

Nil.

**Forward
Communications**

Councillors were asked to raise any issues for the forward communications programme. The Chief Executive Officer said this item was about looking for things that councillors were aware of for inclusion in the programme.

- Cr Fletcher commented that he was unhappy with communications around the kerb and channel work in Hanmer Springs and particularly with respect to absent homeowners. He said the Council could use channels through management companies to reach the owners, as there was a letter box drop done that was not effective.
 - Cr McLean noted that the secondary student achievers awards were coming up in December and this was good story to promote.
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9. 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 9.1 Minutes of the 26 October Meeting	The minutes contain information withheld to protect the privacy of individuals.	Section 48(1)(a)(i) & Section 7(2)(a).
Item 9.2 Hurunui-Waiiau Zone Committee Refresh Process	The report contains information withheld to protect the privacy of individuals.	Section 48(1)(a)(i) & Section 7(2)(a).
Item 9.3 Requests for Rates Remissions	The report contains information withheld to protect the privacy of individuals.	Section 48(1)(a)(i) & Section 7(2)(a).

Fletcher/Harris

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.

Harris/Ward

CARRIED

Meeting Ended

The meeting ended at 2.25pm.

The next ordinary meeting will be on 21 December 2017.