



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

Notice of a meeting of the

Assets Committee

in the

**Council Chamber, Third Floor, Waitaki District Council Headquarters,
20 Thames Street, Oamaru**

on Wednesday 26 April 2017

MEMBERSHIP:

Cr Kingan (Chair)
Cr Percival (Deputy chair)
Cr Garvan
Cr Tavendale

Mayor Kircher (ex Officio)
Cr Dawson
Cr Hopkins
Cr Wheeler

***In the interests of the environment and to help reduce photocopying costs,
please bring your Committee agenda with you to the meeting***

Assets Committee Meeting

Wednesday 26 April 2017

Council Headquarters, Council Chambers
3rd Floor, 20 Thames Street, Oamaru

- Apologies
- Declarations of Interest

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Assets Committee:

Cr Kingan (Chair)
Cr Percival (Deputy Chair)
Cr Garvan
Cr Tavendale

Mayor Kircher (ex Officio)
Cr Dawson
Cr Hopkins
Cr Wheeler

Waitaki District Council

Assets Committee

Minutes of Assets Committee Meeting of the Waitaki District Council held in the Council Chamber, Council Headquarters, 20 Thames Street, Oamaru on Wednesday 15 March 2017 at 11.25am

Present	Crs Kingan (Chair), Dawson, Garvan, Hopkins, Tavendale, Wheeler, Mayor Kircher
Apologies	Cr Percival
In Attendance	Cr Holding Cr Perkins Cr Wollstein Mr Ross (Chief Executive) Dr Cloete (Community Services Group Manager) Mr Jorgensen (Assets Group Manager) Mr Hope (Chief Financial Officer) Mrs Baillie (Customer Services Group Manager) Mr Roesler (Policy & Communications Manager) Mrs Finnerty (Committee Secretary)

Declarations of Interest

There were no declarations of interest.

Apologies

RESOLVED

AC17/009

Cr Tavendale/Mayor Kircher

"That apologies for absence are received from Cr Percival."

CARRIED

1. Confirmation of Meeting Minutes

RESOLVED

AC17/010

Crs Hopkins/Tavendale

"That the Assets Committee confirms meeting minutes for 1 February 2017, including the public excluded minutes."

CARRIED

2. Waitaki Resource Recovery Trust Redevelopment Funding

Waitaki Resource Recovery Trust (WRRT) provide solid waste diversion and reuse opportunities to our community from their recovery park in Chelmer St, Oamaru. The site is operated in accordance with a Land Use Consent and provides, among other things, glass and green waste handling. Operation in accordance with the consent protects our community from potential adverse effects. Mr Dave Clare from WRRT was in attendance to answer any questions.

RESOLVED

AC17/011

Crs Tavendale/Garvan

"The Assets Committee recommends that Council:

1. confirms that resolution WDC 16/234 relating to glass noise at the WRRT site, has been met, and
2. approves WRRT's redevelopment plan, and
3. confirms that by meeting resolution WDC 16/234 and approving the redevelopment plan, resolution WDC 16/235 relating to the funding of the WRRT redevelopment has also been met."

CARRIED

RESOLVED
AC17/012

Crs Hopkins/Wheeler
"That the Assets Committee receive a report from the Planning Team on their review of the WRRT consent that was carried out for the period ended 31 December 2016."

CARRIED

3. Assets Group Activity Report

The purpose of this memorandum is to inform the Assets Committee about the activities of the Assets Group.

RESOLVED
AC17/013

Crs Tavendale/Garvan
"That the Assets Committee receives the information."

CARRIED

There being no further business the Chairman declared the meeting closed at 12.03pm

Confirmed on this day, Wednesday 12th April 2017 at Waitaki District Council Chambers, Oamaru.

Chairman

Assets Committee Report

From Roothing Manager

Date 26 April 2017

Roothing Maintenance Contract: Effects

Recommendations

Assets Committee recommends that Council:

1. Approves the additional annual expenditure of \$463k to meet the new road maintenance contract levels of service for the Annual Plan 2017/18 and into the Long Term Plan for 2018/2021 with regard that:
 - a. \$80k will be funded by existing depreciation funding;
 - b. \$265k from NZTA and
 - c. \$170k from Council.
2. Includes an additional \$170k of rates to the 2017/18 Annual Plan budgets from 1 July 2017 onwards to fund the new maintenance contract.

Objective of the Decision

To decide whether Council wishes to fund the levels of service contained within the new roading maintenance contract (Financial Years 2017-2020) as tendered.

Summary

It is proposed that the Assets Committee recommends that Council approves the additional expenditure to meet the levels of service and obligations within the new roading maintenance contract.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Key	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	Moderate
Financial Criteria	Key	Economic Considerations	Key
Community Views	Moderate	Community Board Views	Moderate
Consultation	No	Publicity and Communication	Moderate

Background

Council recently called for tenders for the new maintenance contract from 1 July 2017 to 30 June 2020; with an opportunity to extend for a further two years based on meeting set performance standards. This is the same format as the current contract.

Tenders closed on 28 February 2017 and were evaluated by the Tender Evaluation Team and observed by a Probity Auditor and Councillors Kingan and Holding.

The successful tenderer was SouthRoads Ltd who is also the current contractor.

Summary of Contract (three years)

Engineer's Estimate	SouthRoads Ltd.	Fulton Hogan Ltd.
\$12,358,958.38	\$12,638,556.53	\$13,110,682.76

Council has been receiving a very competitive rate from SouthRoads from when they won the contract five years ago. The contract price then was around \$330k below the expected market price for each year. There was a possibility that the market would continue to provide this price, however this has not been the case. Note that the engineers estimate was based on current pricings.

The rural resilience project was also being rated at \$400k for the last two years. This project has finished and therefore is no longer included in the budget, and as such the rate requirement for roading did reduce. Some components from the resilience programme are now included in the new contract and are part of the increased work to respond to the greater demand on our roads.

Those activities that have significantly increased over the current rates are listed below. The remaining activities have rates that are within 10% variance and have not been included and can generally be operationally adjusted if required.

In summary following major increases to the Contract have been assessed as:

\$260k Sealed pavement maintenance (\$116k rates)
 \$110k Unsealed pavement maintenance (\$48k rates)
 \$80k Drainage maintenance renewals (\$35k depreciation)
 \$25k Litter collection (\$10k rates)
 \$70k Un-subsidised activities
 \$545K TOTAL

\$12k of the litter collection and the \$70k un-subsidised are able to be incorporated into the existing ward budgets. This is because some the work offsets work already allowed for in the budgets, but that sat outside of the maintenance contract.

Therefore, the actual increase in budget to be considered is \$463k. It is expected that NZTA will fund \$265k of the increase and \$35k is allocated to drainage renewal and so can be funded from existing depreciation reserves. This leaves a shortfall of \$170k to be funded should Council wish to retain the level of service of the Contract. Council's share of operational cost of this nature is normally funded from rates.

In summary an increase of \$463k is realistic when considering the low rates of the existing contract and the increased demand on the network being taken into account.

So what does it mean for the Annual Plan budget?

The roading team have reviewed budgets and have advised that should Council wish to retain the roads at the current level of service then we will need to fund an additional \$170k. As this is a maintenance cost, this is normally funded through rates. This is a pretty good investment as it will return \$380k worth of work on our roads.

NZTA have been contacted and they have indicated they will approve their co-investment of roading costs by the increase of \$265k.

Levels of Service

There has been a number of tweaks to the line items within the Schedule to better reflect the demands being placed on the network; for example by incorporating some of the rural road resilience activities currently treated separately, into the drainage tasks to ensure the benefits are maintained or enhanced. However these tweaks do not constitute levels of service changes but demonstrate the future-proofing being applied through prudent stewardship of the network and in full accordance with the Government's draft Policy Statement for Transportation which underscores the importance of network resilience.

Summary of Options Considered

Option 1 – Approve the additional expenditure of \$463k through the Annual Plan for FY 2017/18 and the LTP 2018/28 and \$170k of increased Council contribution per annum for the local share (recommended option).

Option 2 – Reject the recommendation to fund the new maintenance contract beyond that allocated within the current budgets.

This option is not preferred however the likely risks of this option need to be identified. These risks are:

- a. Reduction in spend by 15% equals a reduction in the levels of service to the customer/resident.
- b. Not maximising the Financial Assistance Rate (FAR) available to Council – rejecting a co-investment of 56% for every qualifying activity or one grade.
- c. Fall behind in the maintenance of the assets and consume the network assets more quickly than is being injected. This will create a bow-wave of work in a number of years which will require greater investment levels.
- d. The effects of reductions in work will be doubly exacerbated by the increasing demands on the network from land use change, tourists and heavier vehicles (50MAX and HPMV) accessing the network 'as of right'.
- e. Reduction in safety of our residents and users.

- f. Diminish any flexibility to take advantage of opportunities by having to adhere strictly to a programme.

Option 3 – Review the funding annually based from the current budgets and adjust to meet changing demands.

This option is also not preferred as it inherits many of the reasons above. The lack of certainty over the next year's programme would become a constraint and slow the ability to be flexible – this could be of significant concern should the demands on the network increase beyond what is expected.

Assessment of Preferred Option

Option 1: This option is preferred as it effectively consolidates on the core works and improvements to the roading network over the last five years. Council was fortunate in 2012 with a competitively priced contract that gave us the opportunity to invest around \$330k pa to address shortfalls more promptly that would have otherwise needed to be programmed over many years. Our Targeted Maintenance Project and Rural Road Resilience Project are typical examples of the value added outcomes gained during the last five years. Any future reduction in investment would mean we are likely to begin to consume the asset more than the investment. This would be to begin the return journey of having a roading network under (self-induced) stress.

Council is concerned over the low level of resident satisfaction with the standard of local roads. Whilst there has been a slight improvement recently by placing financial constraints can only exacerbate the satisfaction rating. Though a number of the key areas of complaints are caused through the increasing demands the network is having to absorb, retention will magnify the dissatisfaction levels (more potholes taking longer to repair).

Having considered the options summarised above, the following conclusions have been reached:

1. The Contract Price represents the true costs for maintenance of our network to meet the current levels of service and community expectations.
2. There are a number of unknowns ahead of us in the Financial Year 18/21 period, including ONRC performance measures potentially affecting the investment levels. By benchmarking the current levels of service we can better address future changes with confidence – not being in a 'catch-up' mode which produces its own uncertainties.
3. The Financial Assistance Rate (FAR) diminishes to its base level in FY18/21 and we achieve better value for money if we maximise the works to take advantage of the full amount available.

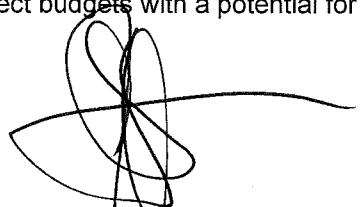
Conclusion

Council has been in a fortunate position with the market providing a price nearly \$1 million less than budgeted over a three year period. This has meant that additional work has been able to be completed on our roads, responding to the increased demand on them.

The new Maintenance Contract builds upon the successes of the current contract and incorporates a number of subtle changes that either enhance the asset or better meet the growth nodes. The new rates do reflect the current market costs – as witnessed by the proximity of the two tenders received and the closeness to the engineer's estimate.

In summary any reduction on the proposed expenditure to the maintenance contract for the next five years will constrain our ability to respond to the network needs and will accumulate repair or renewal costs in the near future. It would mean a move towards a more reactive maintenance regime rather than programmed maintenance by virtue of needing to protect budgets with a potential for an increase in expenditure at year end.

Michael Voss
Roading Manager


Neil Jorgensen
Assets Group Manager

Attachments

Additional decision making considerations
Rationale behind changes to key activities

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

The transport network is a key enabler that allows achievement of the community's vision through meeting its' objectives. Continued investment is required to ensure WDC delivers a fit for purpose levels of service that meet the community expectations.

- We enable opportunities for new and existing businesses
- We provide and enable services and facilities so people want to stay and move here
- We maintain the safest community we can
- We keep our district affordable

Policy and Plan Considerations

Roading Activity Management Plan

Procurement Strategy 2015-2018

Community Views

Resident Surveys

Financial Considerations

Annual Plan 2017/18

Long term Plan 2018 - 2028

Legal Considerations

Contract 642 terms and conditions

Environmental Considerations

No

Publicity & Communication Considerations

The awarding of the contract has been published and no further special communications are required outside this report.

Rationale behind Changes to Key Activities

Sealed Pavement Maintenance

Sealed pavement maintenance activities have the largest overall cost increase from contract rate increases, quantity (area) of activity increases and introduction of information technology which will require support funding to cover the increase. The activities that were increased were based on an average of work completed over the first three years of Contract 550, adding in activities that support the rural resilience work that's been achieved and increases to activities that were providing overall investment benefit.

These included pre levelling activities, road shoulder maintenance and second coat sealing. Dig outs were increased from 7500m² to 10,000m² due to the increasing subgrade failures we have been experiencing on our narrower sealed road. Stabilisation rate increased from \$10 to \$30.64 per m², whilst the introduction of RAMM reporting technology will increase our collection of asset information, to meet ONRC obligations and improve knowledge of where and when investment for programmed work will be occurring. The overall effect is an annual increase of \$263k.

Unsealed Pavement Maintenance

Unsealed roading activities will continue with the same levels of service and the priority focus (traffic volume) will remain the driver for maintenance activities. One key change was the inclusion of spot metalling as a new separate line item which is the main contributor to the increase. We are also actively seeking new resources to reduce our cartage liability-reducing this will mean more metal on the roads. This can be managed within the current budget, but it is prudent to support the additional funding required so we can achieve our target maintenance. The overall effect is an annual increase of \$108k.

Drainage

Additional funding is required for drainage renewal activities reflecting an increase of material costs (concrete culverts and kerb and channel). The programme for replacement of culverts, and to form new drainage will allow us to continue with the successful resilience programme within our maintenance programme. Overall the effect is an annual increase of \$80k.

Litter

Corridor maintenance has seen a hike in rates in response to the increasing need for litter collection from roadsides. It is the contractor's responsibility to dispose of collected litter.

Other "litter" collection activities like street channel cleaning with litter disposal play a part in the rate increase. The increased focus on cleaning out sumps which was only required annually, but now to be kept clear if there is detritus in them blocking the outlets adds to the costs. Overall the effect is an annual increase of \$23k.

Assets Committee Memorandum

From: Roading Manager

Date 26 April 2017

Severn Street Wall Update

Recommendation

The Assets Committee receives the information.

Summary

The collapse of a newly constructed section of the Severn Street wall was a culmination of a number of factors that destabilised the wall enough to cause it to fall. No one failure mode is significant enough in its own right to be the dominant root cause.

Purpose

The purpose of this memorandum is to present information on the causes of the failure of a portion of the Severn Street wall.

Background

The Severn Street wall comprises a number of individual lengths that combine to provide security to Douglas Terrace and Severn Street (State Highway 1). The wall was built in the late 1930s as a retaining wall to the standards of the day. During the 80 odd years since its construction the wall has performed as expected. Numerous plantings of trees and bushes has been undertaken around the wall for beautification purposes, with the likely anticipation that the root mats created additional strength.

The wall is constructed from tapered unreinforced Oamaru stone blocks with open bedding material placed behind it to drain waters from the face of the hill. Over the years the efficiency of this material has become compromised through siltation and root mats. Larger plantings above the wall have added to the lateral stress as well as having potentially undermining effect where the roots extended below the wall's foundations.

A condition assessment was undertaken by Opus in November 2004 to provide Council with a better understanding of the wall's structural integrity following partial failures along the lower tier. Repairs were completed however similar deterioration extended into other sections or lengths of the wall. As part of the remedial works Council started a repair and/or replacement programme extending over a number of years to repair the worst sections.

The latest failure occurred on a section that was newly rebuilt after a significant rain event that hit the wall head-on rather than the more common weather coming from the south side. The soils – both in situ and the newly placed backfill material was already either wet or saturated. The backfill material was imported and it had an unfortunate weakness in it, being that it rapidly absorbs moisture (up to 170% increase) to the point of mechanical failure that is well in advance of other soils in this area.

This super-absorbing material immediately added sudden and unexpected weight to a newly installed structure. The swelling of the soils as they took on the moisture created a low-down lateral shove to the wall. The new wall was designed along the same lines as the original, but not to the standards for a retaining wall as this wasn't deemed necessary as the existing structure had lasted 80 years and we were at least placing more effective drainage materials behind it to trap and remove water. Unfortunately these traps were overwhelmed.

On its own we were surprised at the source of failure but concluded that other factors, such as root masses above the wall that were either creating a void or rechannelled subsurface water unknown to us, would have accentuated the tilting problem and further destabilised the structure where it resulted in it toppling.

The toppled section, along with unaffected sections were examined by Council to see if there was a construction deficiency or obvious design weakness that significantly contributed to the failure but we

couldn't find any failure mode that was sufficient in itself to cause the toppling. After the event the walls were re-examined and a further report was commissioned from MWH as to the general safety and to present a range of options. The report found no deep-seated instability around the localised nature of the failure but identified the poor soil quality as a factor.

As Council forwent the option to undertake soil structure and integrity investigations before embarking on the renewal works (a decision based on the longevity and effectiveness of the original wall and by applying additional modern drainage features) then we accepted the risk of an unintended event.

There were no obvious deficiencies in the construction standard of the new wall which led us to believe the root cause was to be found in the construction methodology – again noting the that contractor has had a lot of experience building these structures in this sort of environment.

Comment

Overall the failure of the section of newly constructed wall has no single cause and Council cannot lay the failure at the wall's constructor as other factors such as not undertaking extensive geotechnical investigations, the differing soil conditions, method of backfilling, effects of old root masses and the unusually intense rain event (directly onto the face of the hill) all contributed to the failure.

Learnings

The key learning is not to build the mass block wall 'like for like' which was the original driver but to rebuild with more input into engineering design. Both Council and contracting staff assumed that building like for like would give an acceptable outcome. However, it is clear that we need to invest more in making sure the original design is still appropriate for today's conditions, when dealing with important and prominent features. This will of course have a cost implication but the community expectation is that it will be done right the first time.

Michael Voss
Roading Manager



Neil Jorgensen
Assets Group Manager

Assets Committee Report

From Roding Manager

Date 26 April 2017

Oamaru Creek Bridge Replacement

Recommendations

The Assets Committee recommend that Council

1. Amend the budget for the construction of the timber bridge structure crossing the Oamaru Creek to \$112k, contingent with NZTA co-investment funding being approved.
2. Commit to including a project to link the bridge into the cycleway network between the Harbourside cycleway and Waitaki Boys College to the 2018/21 LTP with a budget of \$430k, including NZTA co-investment.
3. Develop concepts for beautification of the bridge, consistent with the harbour area prior to tendering the works.

Objective of the Decision

To promote the healthy lifestyle and provide a cycle/pedestrian link from the Oamaru Harbour and A2O terminus into the North End of Oamaru that ties in with future cycleway/pedestrian route development plans.

Summary

It is proposed that the replacement structure to the recently deconstructed Oamaru Creek Bridge meets both the physical requirements for a cycle/pedestrian structure and provides an aesthetic addition to the waterfront area.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Yes	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	Key
Financial Criteria	Key	Economic Considerations	Key
Community Views	No	Community Board Views	No
Consultation	Moderate	Publicity and Communication	Moderate

Background

Council recently discussed the options available to replace the deconstructed Oamaru Creek Bridge with a cycle/pedestrian structure – either in steel or timber. A timber suspension bridge was the preferred structure.

The question over the width of the deck was raised to ensure it had the capacity for mobility scooter and Steampunk style bikes and it can be confirmed that that width is 1.5m which allows for these vehicles but not for cyclists to cross mid-span. This constraint isn't believed to be an issue as the proposed width exceeds most similar structures throughout the country and won't be a surprise to users.

Standard measurements for bridge deck widths from The New Zealand Cycle Trail literature ranges are:

Grade 1&2 trails	1.2m minimum,	1.5m to 2.5m recommended (this route)
Grade 3 trail	1.0m minimum,	1.2 – 1.5m recommended
Grade 4 trail	0.8m minimum,	1.0m recommended.

Access across the bridge has good visibility from both ends that should help users to politely pass each other. Signage requesting cyclists to dismount will be erected at either end of the bridge.

Though this bridge is likely to have a mix of pedestrians and cyclists at times, to increase the width of the deck from 1.5m to say 2.5m would most likely create safety issues where cyclists might try to ride past pedestrians at speed. By keeping the deck constrained it will send the message to all users to share the space.

Funding

The estimated cost for the timber bridge is \$112,000 for 1.5m width deck. Should a wider deck be required then there will be an increase in costs (say +25% for 2m eg \$140,000).

The original budget was \$50,000, which has proven to be too low for the style and quality of the preferred structures. It was intended that the project was funded totally from rates, however there is an opportunity to tie the project in with walking and cycling links and therefore be eligible for NZTA co-investment.

This is because the bridge will form a link between the terminus of the A2O cycletrail and other cycle / pedestrian facilities in the harbour and connect activities like the Penguin Colony, to the bypass route adjacent to the Railway Yards connecting with the Orwell Street route. There will remain the obligation on Council to continue with the development of that link which is estimated at \$430,000 and there will be an expectation by NZTA of evidence that work on the route extension will be progressed. The cost to Council should be around \$51,520 with the balance (\$60,480) being met by NZTA.

Alternative Bridge

The steel structure offered is similar to that constructed near Enfield. It is a functional structure that would enable art features to be attached making it a feature or theme in itself. Similar attachments can be applied to the timber structure however there would need to be greater care taken.

Summary of Options Considered

Option 1 – To construct the timber cycle/pedestrian bridge across the Oamaru Creek. This option was deemed the best for the area during the Workshop and is prompted accordingly.

Final design work can commence immediately and the bridge may be constructed before the end of this calendar year.

Option 2 – To retreat from constructing the timber bridge. This option would have little impact as the linking bridge, before it was deconstructed a year ago, was closed to all traffic for a number of years. Very little feedback was received from the public over the closure which suggested its relevance was in question. However should the cycle/pedestrian route north be planned then a structure across the Oamaru Creek becomes vital to its purpose and success.

Option 3 – Delay construction for a further year. It would be unlikely that this option would create any issues with potential users as there hasn't been access across the Oamaru Creek for a while. Whether or not there is any advantage in using the delay to allow better assimilation into a harbour development concept plan is unknown.

Assessment of Preferred Option

Option 1. Council is in a position to proceed with the project to construct a timber suspension bridge across the Oamaru Creek. This option will add amenity value to the area and help tidy up that area behind the penguin nesting area (currently being affected by the coastal protection project) and future development of the land between the colony and the railway. Input can be sought before tendering to add artistic value to the bridge, consistent with other Harbour works.

Having considered the options summarised above, the following conclusions have been reached:

1. The bridge can link cycling and pedestrian networks together.
2. Council can commit to including a linkage project in the next LTP
3. Option 1 and 3 will provide an alternative cycle/pedestrian route for recreational user and visitors.
4. Option 2 is viable as a 'do-nothing' option however Council would be missing the opportunity to develop the separate link for alternative transport modes when we are in an environment of increasing number of visitors and a greater interest being shown in these journeys.

Conclusion

That Option 1 - to construct the timber suspension bridge across Oamaru Creek proceeds. This project can be treated as a localised signature project allied with other activities or developments in the historic precinct locality.

Michael Voss
Roading Manager



Neil Jorgensen
Assets Group Manager

Attachments

Additional decision making considerations

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

We enable opportunities for new and existing businesses by providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods.

We maintain the safest community we can by providing transport networks and services that are safe.

Publicity & Communication Considerations

It is recommended that the project features within Council community new sources. It has been through a consultative process with the recent LTP.

Assets Committee Report

From Roothing Manager

Date 26 April 2017

Road Stopping: Matheson and Golden Point Roads

Recommendation

That the Assets Committee recommend that Council stops the unformed roads on Matheson and Golden Point Roads as described in the schedules and transfers the land to the adjoining owner Oceana Gold Limited.

Objective of the Decision

To stop and dispose of unformed roads in the Waitaki District so that Oceana Gold Limited operations may continue.

Summary

Oceana Gold Limited (OGL) have requested that Council approve the road stopping of the unformed lengths of Matheson and Golden Point Roads as described in the schedules and to transfer the land to them to allow for mineral prospecting, exploration and mining.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	Key
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

Background

Oceana Gold Limited have two land use resource consents for the Coronation North Pit for mineral prospecting, exploration and mining and are now applying for expansion of the Pit. Mining operations run over unformed roads and road stopping is required. In order to expedite the road stopping process, which will be completed under the Public Works Act 1981, and so that OGL can continue with operations, they have proposed an Access Agreement with Waitaki District Council which will allow them to carry out mineral prospecting, exploration and mining whilst Council remains the owner of the land until the road stopping process is completed. A similar Access Agreement is proposed for the Dunedin City Council.

The Access Agreement is accompanied by an agreement under section 17 of the Public Works Act which details the roads to be stopped as well as a Deed of Indemnity. The Dunedin City Council is party to the latter two agreements. In order to mitigate pedestrian and 4 wheel drive access as a result of this proposed road stopping, OGL propose the installation of Right of Way Easements until mining operations cease in which case some will continue and some will be discontinued.

An unformed length of Golden Point Road south of Horse Flat Road defined as Sec1 SO 444480 on Concept Land Plan Coronation Plan 1 is to be stopped. In addition, Section 5 defined as Lot 1 DP 465577 and Pt Sec 11 Blk VII and Sec 6 defined as Pt Sec 11 Blk VII of unformed Golden Point Road north of Horse Flat Road on Concept Land Plan North Horse Flat Plan 2.

The centreline of the unformed length of Matheson Road shown on the Concept Land Plan Coronation North Plan 4 is the boundary between Dunedin City Council and Waitaki District Council. Road stopping is required to be approved by both councils. This has already been completed by Dunedin City Council and road stopping of the other half of the road is required by Waitaki District Council. This is also shown as Section 5 defined as Lot 1 DP 465577 and Pt Sec 11 Blk VII.

There are no plans to reinstate the unformed roads once they have been stopped. At the end of mining operations, the OGL haul road between Horse Flat Road and the processing plant will be downsized from its current dimensions and will be vested to Council as Golden Point Road.

The haul road north of Horse Flat Road will be downgraded to a fine weather track for four wheel drive access.

The roads to be stopped are not required for current or future public purposes. Rights of Way Easements created by OGL will be in place to give alternative pedestrian or 4 wheel drive access during mining operations.

There are no anticipated demographic, environmental, or infrastructural changes that would require retention of the road.

Council is authorised to stop roads under the Local Government Act 1974 with a public notification process or under the Public Works Act 1981 with limited notification of affected parties (adjoining owners and other likely users of the road). Successful mediation with affected parties will allow OGL to complete the road stopping by the Public Works Act 1981.

OGL will complete this road stopping and transfer of the land as well as meeting all costs of the process.

Schedule

The roads to be stopped are the unformed lengths of Golden Point Road south of Horse Flat Road defined as Sec1 SO 444480 on Concept Land Plan Coronation Plan 1.

In addition Section 5 defined as Lot 1 DP 465577 and Pt Sec 11 Blk VII and Sec 6 defined as Pt Sec 11 Blk VII of unformed Golden Point Road north of Horse Flat Road on Concept Land Plan North Horse Flat Plan 2.

Also to be stopped is the unformed length of Matheson Road Section 5 defined as Lot 1 DP 465577 and Pt Sec 11 Blk VII on Concept Land Plan North Horse Flat Plan 2.

Assessment of Preferred Option

The preferred option is to enable the road stopping process, and allow OGL to continue with their operations. Successful mediation through the Environment Court with the Waitaki District Council and affected parties allows the operation to continue without any outstanding issues. OGL will be setting up Right of Way easements for pedestrian or four wheel drive access as appropriate and agreed.

Non-approval of the road stopping process will lead to interruption of the OGL operations with the scale of the mining having to be reduced. This may well result in loss of employment for some and have an effect on the long term GDP for the District.

Conclusion

The approval of road stopping is preferred. Along with this road stopping, Access Agreement, Agreement under the Public Works Act 1981 and the Indemnity Agreement, risks for the Waitaki District Council are considered to be low. The costs associated with the road stopping and agreements are covered by OGL.

Summary of Options Considered

Option 1 – Stop Golden Point and Matheson Roads as described in the schedule and transfer the land to the adjoining owner OGL. **Preferred option**

Option 2 – Do not stop Golden Point and Matheson Road described in the schedule which inhibits OGL operations with regard to expansion of the Coronation North Pit. **Not preferred**



Michael Voss
Roading Manager

Neil Jorgensen
Assets Group Manager

Attachments

Additional decision making considerations
Cadastral Plan showing road to be stopped and adjacent land

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

1. We keep our District affordable. Oceana Gold contribute 5% of the Waitaki District's annual rates
2. We enable opportunities for new and existing businesses
3. We provide and enable services and facilities so people want to stay and move here
4. We understand the diverse needs of our community
5. Waitaki's distinctive environment is valued and protected
6. We maintain the safest community we can.

Policy and Plan Considerations

Waitaki District Council's District Plan

Community Views

Successful mediation with affected parties

Financial Considerations

Nil

Legal Considerations

Environment Court mediation agreement with affected parties

Resource Consents 201.2016.779 & 201.2013.360-1

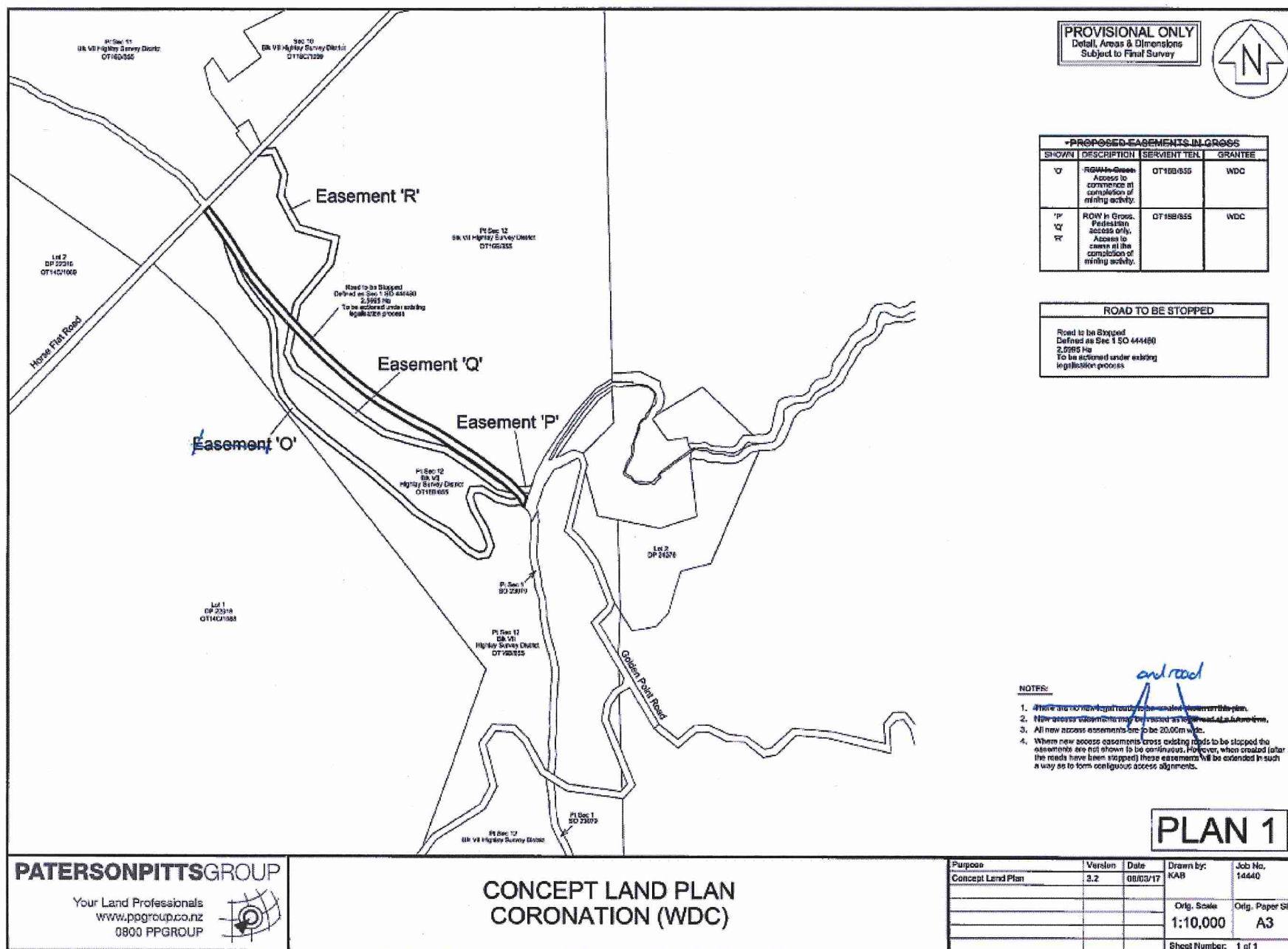
Public Works Act 1981

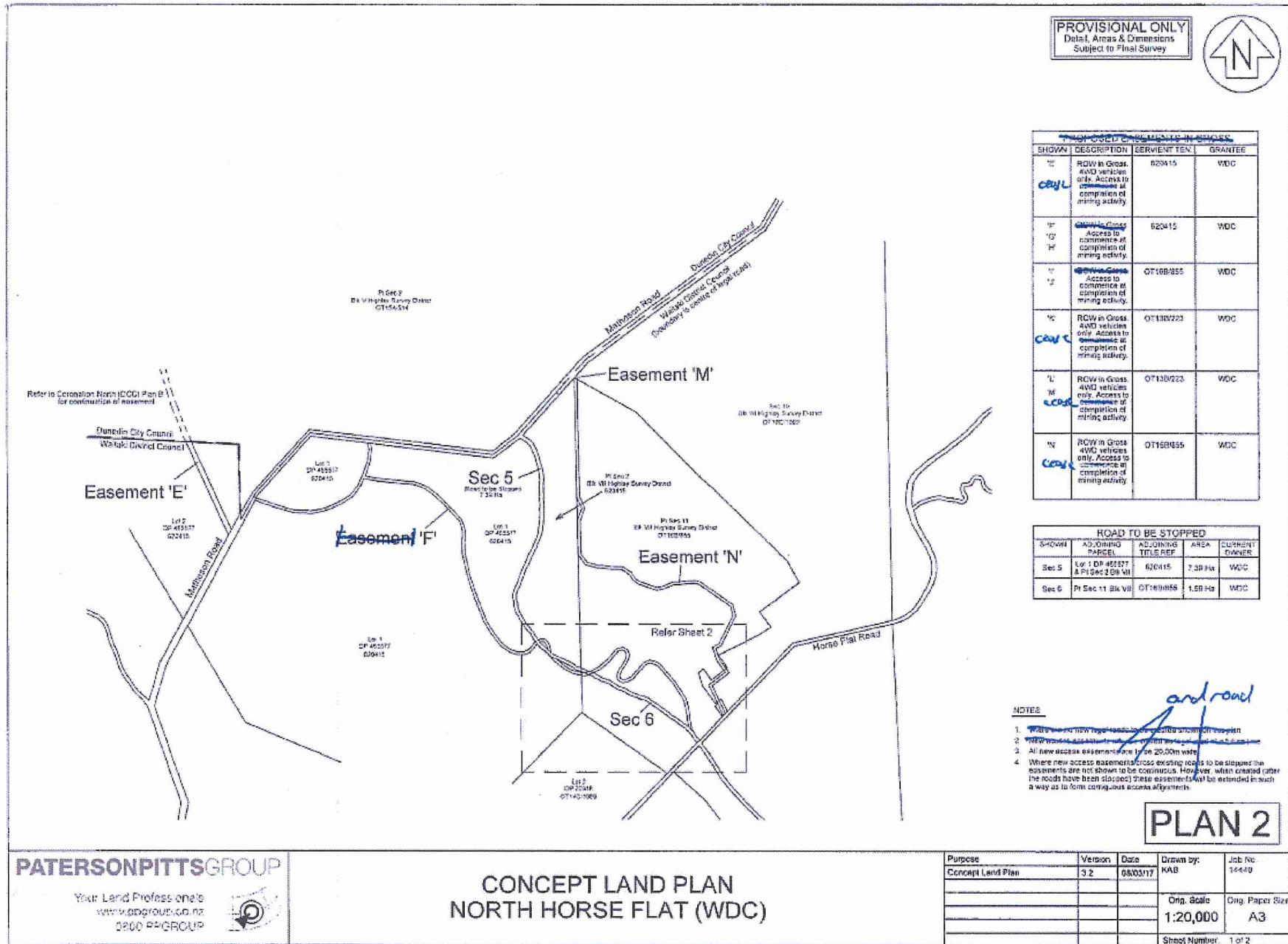
Environmental Considerations

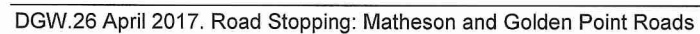
No

Publicity & Communication Considerations

N/A







Assets Committee Memorandum

From Assets Group Manager

Date 26 April 2017

Assets Group Activity Report

Recommendation

The Assets Committee receives the information.

Summary and Purpose

The purpose of this memorandum is to inform the Assets Committee about the activities of the Assets Group.

1. Rooding General

The traction seal extension programme is nearing completion with the final two sites being prepared and sealing of all sites to be completed when weather allows. Nine intersections have been sealed back 50 metres with two washovers having the approaches sealed. The original funding was increased by \$113,000 due to the work being eligible for NZTA co-investment.

We have received comprehensive feedback from local business operators within the Harbour Street area concerning the road closure trial and this are being collated. The trial is due to terminate on 1 May 2017. Some changes to the restricted parking times is being considered. The "pedestrian" platform on Tyne Street by the Criterion Hotel is to be completed by May.

There has been a number of planning and strategy documents from NZTA and Government in particular changes to the investment assessment framework plus the Government Policy Statement on Land Transport (both in draft form). The latter document makes greater reference to the matter of visiting drivers which is pertinent for the lower South Island. This document sets out the funding profiles for FY2018/19 – 2027/28 (unless there is a change in Government).

1.1. Customer Service – CRM Process

A total of 37 requests were received by the rooding team in February and 47 in March:

- 12 for drainage
- 46 for unsealed road condition, 21 for grading, 12 for metaling and 10 for potholes and three general responses required from Council officers (21 from Waihemo)
- Nine for sealed potholes
- 15 for signs/damage
- Three Rooding General – Question in regard to tourist speed, a retaining wall and Chelmer Street intersection change

These have all been actioned and the majority resolved.

1.2. Operations

Council is still experiencing some delays in accessing reasonably priced gravel and gravel supply to service the Waihemo area (Palmerston/Goodwood/Dunback) from McLews Pit (only waiting on adjoining landowners' signatures as part of the consent process). The Downers operated pit at Smilers Peak in Palmerston also has access issues which we believe to be resolved soon. The programmed re-metalling has been interrupted because of these temporary constraints but will resume with access to the aggregate supply. Currently the more well-used roads like Switchback have been metalled from alternative sources but we are beginning to hold back on other roads and there will likely be a drop in the levels of service previously experienced. There are some lesser quality metal sources like Macraes that can be used should it become imperative.

We have engaged Screen and Crush South Canterbury to source aggregate resource sites on Council's behalf. Test are being done on material from Sharkhill (Macraes),

We have engaged Screen and Crush South Canterbury to source aggregate resource sites on Council's behalf. Test are being done on material from Sharkhill (Macraes), land owned by Council, to see if it is suitable as a roading maintenance aggregate, and talks with property owners in Corriedale look promising. This will be a long term project to secure reasonable supply sites throughout the district.

Our regular attendance to the road surface failures at Haven Street, Moeraki, has continued. Unfortunately we closed Haven Street over Easter as the surfacing reacted badly and bogged up to the attempt to grade the ridges; despite extra metal being applied. The timing between Easter, the rains and the need to reshape the surface conspired against us. The bad news is that there has been significant movement over Easter weekend that has left the road untraversable and it will remain closed until we can review its condition. The cracks are both deep and now crossing the road plus the concrete columns are proud of the ground and beginning to lean towards the sea. We have over-spent the assigned budget by \$6,500 to date.



We have had an increase in customer request general enquiries about various matters which we have replied to by phone calls. Customers appear happy with our responses as it generally enlightens them with information that they may not have had, and requires no further action for Council.

The maintenance contract budgets for physical works are 90% expended with routine works being the focus until new funding is allocated on 1 July. Any sealed pavement failures will be managed with temporary repairs and programmed for the new season.

The replacement of the Herbert Road washover has been completed. This suffered under the increased use during the NOIC stage 2 project. The structure was in need of TLC prior to the irrigation project, but the increased use accelerated its deterioration.

Legalisation of the Council maintained Kuriheka Road is currently being negotiated with the land owners. Two thirds of the formed road is not within legal road reserve. The road can be used as a detour during local flooding and legalising its status is important.



NZTA have increased the financial assistance rate to 85% for accelerated streetlight upgrades to LED. Base rate for Council is 57% for 2016/17 and 56% for 2017/18. The additional subsidy is worth \$311,000 of revenue for Council over the two years. As

this activity is a renewal, the local share would normally be funded from depreciation. The savings will be directed to the replacement of streetlight poles, brackets and outreach arms. Once the project has been completed, there should be healthy savings in electricity costs as we move into the 2018-28 LTP.

Members of the Richie McCaw Statue Project subcommittee are underway and are seeking funding for their project. We are expecting location discussions with our team soon.

1.3. Communications

Date	Customer/Client	Outcomes
February/March	Oceana Gold	Discussions in regard to consent conditions for maintenance of roads
March	Otago Regional Council	Effluent sites maintenance costs
March	Screen and Crush	To source aggregate supply sites for Council
March	Blakely Pacific	Roading requirements at harvesting site
March	Ritchies Coachlines	Road vegetation advice
March	Fulton Hogan	Tender response debrief
March	Road Metals	Submission to Annual Plan for Corbett Road seal extension

1.4. Projects

Well underway		Comment
Reseal Programme		Reseal programme has been completed
Re-metalling Programme		Some roads have been re-metalled for road reshape and crowning purposes to assist resilience. The general programme is on-going
Bridge Renewal Programme		Dunback Swing Bridge repairs completed with the bridge opened for pedestrians before Christmas. Galbraith bridges tender has closed and evaluation is underway
Footpath Renewal Programme		Works by Whitestone Contracting Ltd are completed
Minor Improvements Programme		Works underway. Essex Street works complete
Rehabilitation Programme		All rehabilitation construction works are completed-only headwalls to go on culverts
Rural Resilience Project		Completed
Bridge Maintenance		Bridge maintenance works identified 98% complete and to estimates
Seal Widening Programme		Works progressing well
Remarking Contract		Works underway
Traction Seals		98% complete
Larger Projects (Prioritised)		
1	Maintenance Contract Renewal	Successful tenderer was SouthRoads Ltd. and will be reported separately

Well underway		Comment
2	Oamaru Coastal Protection	The tender has been let and work has started on site. Paul Smith Earthmoving was the successful tenderer
3	Kakanui Under slip road realignment	This project should be completed before the end of April

Tenders recently let

Title	Tenders Received	Awarded to	Tender Value	Start Date	Expected completion date
Roading Maintenance	2	SouthRoads Ltd	\$12,638,556.52	01.07.2017	30.06.2020
Beach Road Alignment	4	The Roding Company Ltd	\$87,800.00	10.03.2017	01.05.2017
Galbraith Bridge Replacement	3	Fulton Hogan Ltd	\$186,831.72	03.03.2017	30.06.2017
Maheno Iron Bridge 16: Transom Replacement		Recreation Construction are currently Council's preferred contractor for bridge maintenance. They have successfully completed transom replacement work on Bridge 16 previously	\$118,494.35	19.04.2017	31.05.2017

2. Water Services and Solid Waste

2.1. Customer Service

Since commencement of the 2016/17 financial year, over 1,800 CRMs have been resolved by the water services reticulation contractor and officers with 91% completed within the required timeframes.

2.2. Operations

Reticulation

SouthRoads are experiencing a large number of urban service line failures, predominantly in Oamaru. It is expected that this is just a spike, however there are some 1960's thin walled PE that is splitting. These laterals are being fully replaced when found.

Water Facilities

SouthRoads have employed a third person who is training towards the relevant water treatment qualifications for a water treatment plant operator.

The one year inspection by GE of the new membrane filters at the Oamaru Water Treatment Plant identified a significant amount of sediment had built up in the bottom of the cartridges. This has not been experienced before and can affect the life of the asset should it be on-going. The cartridges have been cleaned and improvements to the cleaning cycle have been implemented to remedy this. The improvements will be monitored.

This problem was found early enough and there is no expected life reduction of the membranes. Water capacity or quality was not affected by this teething problem.

Wastewater Facilities

The Request for Proposal for the delivery of the wastewater facility operations and maintenance is in final draft and will be released to the market in April.

Communications

Date	Customer/Client	Outcomes
Multiple occasions	Otago Regional Council	Various communications regarding general resource consent compliance, renewal of the Moeraki wastewater discharge permit, Oamaru Landfill Aftercare Plan and the proposed strategy for Otago water quality
Multiple occasions	ECan	Various communications regarding general resource consent compliance
Multiple occasions	Waitaki Resource Recovery Trust (WRRT)	Various communications regarding the delivery of solid waste services following the Oamaru Landfill closure and redevelopment of the WRRT site
Multiple occasions	Waste Management	Various communications regarding the delivery of solid waste services following the Oamaru Landfill closure
Multiple occasions	NZTA	Various communications regarding works within the State Highway road reserve i.e. H2OurHealth and South Hill Water Reticulation Upgrades
Multiple occasions	KiwiRail	Various communications regarding works within the railway corridor i.e. H2OurHealth and South Hill Water Reticulation Upgrades
Multiple occasions	Heritage New Zealand	Various communications regarding Archaeological Authorities for H2OurHealth and South Hill Water Reticulation Upgrades
Multiple occasions	Kai Tahu ki Otago	Various communications regarding renewal of the Moeraki wastewater discharge permit
Multiple occasions	Waitaki Developers	Various communications regarding subdivisions and developments i.e. McBrimar, Hospital Hill and the Retirement Village
March	Ahuriri Community Board	Various communications regarding changes at the Ahuriri waste transfer stations
March	Various Landfill Account Holders	Communication regarding the ½ price Oamaru Landfill days
March	Oamaru and Environs Residents	Communication regarding the ½ price Oamaru Landfill days
March	St Kevin's College and Waitaki Boys' High School	Various communication regarding assistance at the ½ price Oamaru Landfill days
March	Lions Club	Various communication regarding assistance at the ½ price Oamaru Landfill days
March	Various Contractors	Various communication answering queries relating to the H2OurHealth pipeline construction contract tender
March	H2OurHealth Reference Group	Update regarding the commencement of the H2OurHealth pipeline construction contract tender
March	Stoneburn Operational Liaison Group	Communication regarding renewal of the Stoneburn water permit
March	Otago Polytechnic	Communication regarding the 2017 course plan for the water services cadet

Date	Customer/Client	Outcomes
March	Omarama Airfield	Various communications regarding the lease of land for future disposal trenches
March	WaterNZ	Attendance at a forum regarding safe drinking water supplies
March/April	Public Health South	Various communication seeking clarification on Health Act requirements in relation to the Corriedale water supplies
April	Menzshed	Communication regarding potential site options for their operations
April	Otago Daily Times	Various communications regarding changes at the Ahuriri waste transfer stations
April	Fonterra	Communication regarding disconnection of services to the decommissioned Humber Street site

2.3. Projects

Larger Projects (Prioritised)		
1	Oamaru Landfill Closure	Oamaru Landfill is closing to the public on 21 April aligning with the opening of the Waste Management Transfer Station. Four ½ price days were completed in March with high community uptake. Development of an Aftercare Plan is in progress to accompany the application to Otago Regional Council for aftercare consents
2	H2OurHealth (HamNak pipeline) Project	Contract documents were released for public tender on 1 March with tender submission on 27 April
3	Oamaru South Hill Water Reticulation Upgrades	Whitestone Contracting Ltd are underway in the construction of Stage 1 with good progress to date. Construction of pipe work at the South Hill Reservoir will commence mid-April
4	Moeraki Wastewater Disposal Upgrade	Resource Consent approval is on hold pending signoff from Te Runanga o Moeraki
5	Asset Management Plan (AMP) Update	A compliance assessment of the 2015 AMPs is complete and updates to the 2018 document are underway
6	Corriedale Water Management Review	Option and risk assessments are complete and submitted to the Assets Committee for decision
7	Chelmer Street Sewer Main Upgrade	Drawings and specifications are nearing completion and will be provided to selected contractors for pricing
8	Oamaru Tower Zone Capacity Assessment	Design is complete and a report detailing the recommended upgrades/improvements is underway
9	Oamaru Water Supply Chlorine Analysis	Analysis of the chlorine dosing rates at the Oamaru Water Treatment Plant is to be undertaken in April
10	Kakanui Slip Water and Sewer Main Replacements	Construction of the water and sewer pipelines is nearing completion with commissioning and testing underway
11	Oamaru Wastewater Treatment Plant Capacity Assessment	Development of a project scope for ADI Solutions is underway

Larger Projects (Prioritised)		
12	Omarama Wastewater Treatment Plant Disposal Upgrade	Design of the proposed disposal trenches is underway. Discussions with Omarama Airfield Ltd regarding lease of their land have commenced. Proposed lease conditions will be taken to the Ahuriri Community Board for decision
13	Sewer Lateral Ownership Assessment	Assessment is complete and a report provided for officer review
14	District Wide Solid Waste Review	Review of the 2012-2020 Waste Minimisation Plan is underway
15	Omarama Water Upgrade	Design of the treatment plant building and associated pipework is complete. Further works on hold
16	Ohau Water Upgrade	On hold
17	Wastewater Overflow Mitigation, Oamaru	Additional option assessment is underway for mitigation of reticulation and pump station wet weather overflows
18	Holmes Wharf Deck Replacement	On hold
19	Hampden On-Site Wastewater Management	On hold pending the Oamaru Wastewater Treatment Plant Capacity Assessment

2.4. Financials

Oamaru water and sewer operational accounts are still tracking over budget. Officers are attempting to limit spending where possible (ie postponing non-essential works) however this does not appear to be improving the account deficits. There will be an over spend in these accounts at the end of the financial year which will be funded from reserve accounts.

3. Property

3.1. Customer Service

Since the commencement of the 2016/17 financial year, Property achieved a 95% response rate to CRMs and a 100% resolution rate.

3.2. Operations

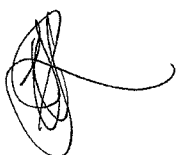
A number of renewal projects are underway:

- Two Community Housing Units in Reed Street
- Aln Street residential housing

3.3. Projects

Larger Projects (Prioritised)		
1.	Court House	Detailed design is being peer reviewed before final costings are developed for Council approval, hopefully on 10 May.
2.	North Otago RSA	The methodology for the private Members Bill process is being developed.
3.	Reserve land swaps	The land swaps in the Harbour area are nearly completed.

4.	Land development and sales	Various sales and projects are underway and workshops/reports will be prepared to present to Council as required
5.	Penguin Colony Stage 2	We have been advised that works should be finished by the end of May. Increased rental will be received from 1 July 2017, however it will be spread over 19 years, instead of the original 20 – the total rent received remains the same.
6.	Property Debt Project	On hold until other priorities are completed. Report to be developed for Council approval
7.	Airport development plan and district plan review	Report for Council on the plan for future development at the airport is on hold until other priorities are completed
8.	Options for Freezer Building	Report to be prepared for Council consideration once other priorities are completed
9.	Forrester Heights	This project is not being progressed until other priorities are completed
10.	Harbour Development Strategy	The Harbour Committee has started work on reviewing the strategy. There is more information provided to the next meeting of the Harbour Committee on 3 May.
11.	Community Housing Review	It is intended to review Community Housing once other priorities are completed
12.	Halls Review	Awaiting other priorities to be completed




















Neil Jorgensen
Assets Group Manager

Attachment
CRM Report

**WDC CRM Statistics for YTD 2016/17 as at:
Wed - 05 Apr 2017 - 12:30 PM**

KEY: Under = Closed Before Due Date, Over = Closed After Due Date, No Due = No Due Date

Respond			KEY: Under = Closed Before Due Date, Over = Closed After Due Date, No Due = No Due Date									
			Assets		Community		Customer		CEO		Total Tasks	Total %
Status	Tasks	%	Tasks	%	Tasks	%	Tasks	%				
Under	2,719	87%	743	85%	519	73%	217	86%			4,198	84%
Over	398	13%	127	14%	185	26%	36	14%			746	15%
Overdue	8	0%	1	0%	3	0%			-		12	0%
Open	11	0%	5	1%	1	0%			-		17	0%
No Due		-		-		-		-				-
Total	3,136	100%	876	100%	708	100%	253	100%			4,973	100%
Success Rate			 87%	 85%	 73%	 86%	 85%					
	Waters	 83%	Parks	 85%	Regulator	 73%	Finance	 86%				
	Roading	 94%	Communi	 50%	Planning	 79%	CEO	 100%				
	Property	 95%			Emergenc	 -						
	IT	 86%			CCT	 100%						

Resolve											
		Assets		Community		Customer		CEO		Total Tasks	Total %
Status		Tasks	%	Tasks	%	Tasks	%	Tasks	%		
Under		2,703	90%	481	58%	1,332	91%	338	93%	4,854	86%
Over		272	9%	295	35%	113	8%	27	7%	707	12%
Overdue		3	0%	19	2%	3	0%		-	25	0%
Open		29	1%	39	5%	20	1%		-	88	2%
No Due			-		-	1	0%		-	1	0%
Total		3,007	100%	834	100%	1,469	100%	365	100%	5,675	100%
Success Rate		<div><div></div>91%</div>		<div><div></div>61%</div>		<div><div></div>92%</div>		<div><div></div>93%</div>		<div><div></div>87%</div>	
	Waters	<div><div></div>91%</div>		Parks	<div><div></div>60%</div>	Regulator	<div><div></div>92%</div>	Finance	<div><div></div>93%</div>		
	Roading	<div><div></div>90%</div>		Communi	<div><div></div>100%</div>	Planning	<div><div></div>91%</div>	CEO	<div><div></div>-</div>		
	Property	<div><div></div>100%</div>				CCT	<div><div></div>50%</div>				
	IT	<div><div></div>95%</div>				Emergenc	<div><div></div>100%</div>				

Group	
Assets	CEO
Community	Customer
Department	
IT	Property
Roading	Waters
CCT	CEO
Community...	Emergency...
Finance	Parks

