

**MINUTES OF A MEETING OF THE MARLBOROUGH DISTRICT COUNCIL  
HELD IN THE COUNCIL CHAMBERS, SEYMOUR STREET, BLENHEIM ON  
THURSDAY, 22 SEPTEMBER 2005 COMMENCING AT 3.00 PM**

**Present**

The Mayor A T Sowman, Clrs J L Andrews, A D Barker, G S Barsanti, C R Bowers, F T Connor, J M Craighead, E I Davidson, G A Hope, F D Maher (until 4.30 pm), P J O'Sullivan, G Taylor and N W Weetman.

**In Attendance**

Messrs A R Besley (Chief Executive), A P Quirk (District Secretary) and M J Porter (Democratic Services Co-ordinator).

**Prayer**

The meeting opened with a prayer.

**Apology**

**Clrs Davidson/O'Sullivan:**

**That the apology for absence from Clr J Bunting be received and sustained.**

**Carried**

**C.05/06.153      *Minutes*                      **Confirmation of Minutes**                      -**

**Clrs Barsanti/Weetman:**

**That the Minutes of the Council Meeting held on 11 August 2005 (Minute Nos. C.05/06.69 to C.05/06.80) be taken as read and confirmed.**

**Carried**

**Clrs Davidson/Taylor:**

**That the Minutes of the Extraordinary Council Meeting held on 1 September 2005 (Minute No. C.05/06.89) be taken as read and confirmed.**

**Carried**

**Committee Reports**

**C.05/06.154      *Council*                      **Hearings Committee**                      -**

**Clrs Davidson/Andrews:**

**That the Committee reports contained within Minute Nos. H.04/05.724 to H.04/05.725, H.05/06.63 to H.05/06.64, H.05/06.65 to H.05/06.66, H.05/06.67 to H.05/06.68, H.05/06.81 to H.05/06.84, H.05/06.85 to H.05/06.86, and H.05/06.87 to H.05/06.88 be received and the recommendations adopted.**

**Carried**

**C.05/06.155      *Council*                      **Commissioner Hearing Decisions**                      -**

**Clrs Davidson/Craighead:**

**That the Commissioner Hearing Decisions as contained within the reports dated 18 August 2005 and 6 September 2005 be received and the recommendations adopted.**

**Carried**

**C.05/06.156**      *Council*                      **Assets & Services Committee**                      -

Clr Maher advised the meeting that three improvements or updates to the minutes would be made.

The first was an amendment to recommendation 4 under Minute No. P.05/06.91 (Orchard Lane Tree Removal) to ensure that the location of inground services were fully established prior to any action being taken:

**Clrs O’Sullivan/Barsanti:**

**That recommendation 4 under Minute No. P.05/06.91 (Orchard Lane Tree Removal) be amended to read:**

- 4. That Council continue to negotiate with the neighbouring property owner regarding the removal of three olive tress growing over inground services, with the negotiations dependent on the confirmed location of those services.**

**Carried**

The second was an amendment to recommendation 2 under Minute No. P.05/06.92 (Eric Young Reserve Playground) to ensure that Council does not approve the installation of a swing set that may cause the terms of the MDC Bylaw 2002 (Chapter 6 Dog Controls – no dog being permitted within 15 metres of any children’s playground equipment in a public place) to be compromised, until such time as an alteration to that chapter is made:

**Clrs Barsanti/Maher:**

**That recommendation 2 under Minute No. P.05/06.92 (Eric Young Reserve Playground) be amended to read:**

- 2. That a one bay swing set be installed at Eric Young Reserve, once the MDC Bylaw 2002 (Chapter 6 - Dog Controls) has been altered.**

**Carried**

The third was an amendment to the recommendation under Minute No. P.05/06.101 (Parking Contributions in Lieu of Carpark Provisions) to ensure that the per carpark contribution is CPI linked in future years:

**Clrs O’Sullivan/Barsanti:**

**That the recommendation under Minute No. P.05/06.101 (Parking Contributions in Lieu of Carpark Provisions) be amended to read:**

**That in terms of Resource Consent applications that Council requires a \$10,000 (GST inclusive) per carpark contribution where provision of that carpark is not able to be effected, with the carpark contribution being linked to the CPI figure in future years.**

**Carried**

The Mayor advised that in relation to Minute No. P.05/06.96 (Graffiti Buster Project – Community Corrections Department), an offer of paint for the project has been received from Guthrie Bowron.

The substantive motion was then put to the meeting.

**Clrs Maher/Weetman:**

**That the Committee report contained within Minute Nos. P.05/06.90 to P.04/05.116, and as amended above, be received and the recommendations adopted.**

**Carried**

**C.05/06.157**      *Council*                      **Community & Financial Planning Committee**                      -

**Clrs Barker/Barsanti:**

**That the Committee report contained within Minute Nos. A.05/06.117 to A.05/06.130 be received and the recommendations adopted.**

**Carried**

**C.05/06.158      *Council*                      **Environment Committee**                      -**

**Clrs Hope/Davidson:**

**That the Committee report contained within Minute Nos. R.05/06.131 to R.05/06.148 be received and the recommendations adopted.**

**Carried**

**C.05/06.159      *Annual Report*      **Annual Report 1 July 2004 to 30 June 2005**                      *S360-05***

Members noted that the Annual Report (as separately attached to the Order Paper) contained a report on both the financial and non-financial performance of Council during the last financial year. At the last Community and Financial Planning Committee meeting the financial results for the year were explained.

Staff reported that the Draft Annual Report does not contain the consolidated results of MDC Holdings Limited, Port Marlborough (NZ) Limited or Marlborough Regional Forestry. The consolidated results are produced following the audit of the subsidiary accounts.

Members noted that the budgets presented in the annual report are those approved in the 2004/05 annual plan. They do not include adjustments for carryovers from the previous financial year or subsequent amendments to budgets that have been approved by Council. It is a requirement of Audit New Zealand that Council reports against the original budgets. Variations to budgets are explained in the notes to the accounts.

The Draft Annual Report is adopted to enable Audit New Zealand to undertake an audit of the accounts. Following the audit process the Final Annual Accounts along with Audit New Zealand's opinion will be presented to Council for adoption on 27 October.

**Clrs Barker/Craighead:**

- 1. That the Draft Annual Report for the year ended 30 June 2005 be adopted for audit.**
- 2. That a meeting of Council be convened on 27 October 2005 (time to be confirmed) to consider the adoption of the 2004/05 Annual Report.**

**Carried**

**C.05/06.160      *Harbours*                      **Port and Harbour Safety Code – Risk**                      **Control Measure Implementation**      *H090-01***

Members noted that the purpose of the report was to consider the specific initiatives identified to address the recommendations contained in the Marlborough Sounds Harbour Navigational Risk Assessment (Merico Marine, April 2005) which has been ratified by Council and approved by Maritime New Zealand.

The report covered:

- the background to the risk assessment process,
- the funding requirements to mitigate the identified risks,
- the benefit analysis of harbour control activities and possible funding options,
- the implications.

The report also sought authority from Council to discuss with affected parties and central government issues identified by the Marico Marine report and the funding inequities identified. Members also noted that following input from those parties the issue will be referred back to Council for further consideration.

Staff reported that the purpose of the risk assessment was to identify key hazards associated with navigation of all vessels in the area bounded by the Marlborough Sounds Harbour Limits and also included consideration of:

- Incident data and near-miss reports.
- The views of relevant harbour stakeholders about navigational safety.
- The varying trade routes and commercial activities ongoing in the Sounds.
- The varying environmental conditions at specific locations in the Sounds.
- The organisational structure available to manage any identified risks of significance.

The risk assessment was prepared and concluded with extensive consultation and validation meetings with major operators, small commercial operators and the recreational sector. Specific consultation meetings were held with MNZ and Ferry interests. A key public meeting was held in Picton, which involved invited representatives from sail, powered and other water-based leisure clubs on the Sounds. Details of those organisations contributing to the risk assessment or where proactive consultation was initiated formed part of the risk assessment report was attached as Appendix A to the report. Once the risk assessment was completed, Marico went back to the stakeholder groups for validation of the data. A total of 84 hazards were identified and the top 20 hazards were listed in Appendix B to the report.

The risk assessment report recommended the introduction of vessel monitoring within the Sounds. In order to achieve this, it was recommended that Council makes changes to enlarge the role of the Harbourmaster's department. It was also recommended that Council introduce a harbour-wide communication system aimed at providing a Vessel Information System for all commercial vessels transiting the Sounds. This would take over the current function of Picton Harbour Radio provided by Port Marlborough NZ Ltd, allowing the terminal to concentrate on the shore based security role.

To fully understand the funding implications associated with implementation of risk control measures, a Transport Economist was engaged to:

- Review the current form of administration and charging for harbour control services by the Marlborough District Council and to identify any changes that would improve the sustainability, equity and efficiency of this operation
- To review and compare the structure of the regulation of marine transport with that applying to other transport modes. This shows significant anomalies in marine transport regulation, particularly as it applies to harbour control services. These anomalies have a particularly severe adverse impact on the Marlborough District.
- To look critically at the question of who should bear the responsibility and risk associated with harbour management and the transportation of goods and people through harbour waters. At present these are borne by shipping operators and Regional Authorities. For other modes of transport the responsibility and risk is borne by a national authority.

The report identified that the general problems are exacerbated for Marlborough because of the high volume of maritime traffic generated by the Cook Strait ferry link. The report indicated that there was a very strong case that the ferry link through Queen Charlotte Sound should be considered as a part of State Highway One. The report considered that Central Government is the appropriate agency to be responsible for and fund all harbour control activities. To the extent that recreational and commercial users of the harbour waters should contribute directly to such activities, Central Government could be in the best position to implement charging mechanisms to achieve this. The delivery of services may well be best achieved by utilising the current regional operational structure or a combination of both national and regional delivery mechanism. A copy of the report (*Review of Harbour Control Functions*) prepared by the Transport Economist was separately attached to the Order Paper.

Staff reported on the costs and issues associated with the implementation of risk control measures and also reported on the report's funding recovery options:

- **Rating** - This is an existing power and is how harbour control is predominantly funded based on the current operation.
- **Coastal Occupancy Charges** - This is a power available but which has not been exercised. It needs a separate process for introduction. It would not however be available to cover costs associated with operating harbour control. These charges can meet costs associated with mitigating effects on the environment with funds raised under such charges only available for that purpose.
- **Bylaws** - Council has an existing bylaw. It previously proposed a bylaw amendment process that included the introduction of levies. That was not pursued since the submission process identified the need for more analysis before any levies could be introduced. It is still an option available either as an amendment to the existing bylaw or as a stand alone bylaw.
- **Marine Farm Rates** - No conclusion has been reached about the legislative authority for this rating regime. High Court action has been commenced by Local Government NZ to clarify the rateability issue. If it is confirmed as available then this may be a mechanism to seek recovery in part of services provided by Council to the industry, in particular roading and harbour control.
- **Maritime NZ Levies** - This was identified as an option. It is not supported at this stage by Maritime NZ since that organisation is currently in the midst of a funding review and it did not see it as appropriate for that review to be complicated by consideration of the funding of harbour functions within a particular region.
- **Direct Charges or Tolls** - There is insufficient information available to identify what means might be available to apply "tolling charges" to vessels entering or leaving particular marine areas such as the Queen Charlotte Sound. It may well be that further legislative amendment or other bylaw provisions would be needed.
- **Direct Recovery of full commercial costs from Port Marlborough** - The basis for this option is that all commercial operators must use Port Marlborough facilities and the company could have the means to pass on those costs to its commercial clients. There are difficulties with this option by reason of the company's contractual obligations as they stand at present with those commercial customers. It is identified as an option so it is included in any analysis and further investigation.
- **Status Quo** - This would provide for no change in the current method of recovering costs for Regulatory services. It would mean that all residual costs would be funded from rates. It is seen that ratepayer resistance would arise with the substantial increase in funding requirements needed to cover the mitigation methods identified.

**Cllrs Hope/Davidson:**

1. **That Council receive the report.**
2. **That Council authorise the issue of a consultation paper based on this report.**
3. **That this material be distributed to parties deemed to be affected including central government, the objective of that consultation paper being to outline the issues to be addressed and seeking feedback on the issues, the mitigation methods identified, the options for funding and any other suggestions those who wish to involve themselves in the consultation process might wish to put forward.**
4. **That Council reconsider the matter based on feedback received.**
5. **That Council authorise the Mayor and the Chief Executive Officer to meet with the incoming Minister of Transport to discuss the role of central government with harbour functions and in particular risk management.**
6. **That Council request that the timelines for the consultation papers and discussion with central government be pursued as quickly as possible given the need to ensure that decisions are made**

sooner so a start may be made on the introduction of any mitigation methods considered as highest priorities.

**Carried**

**C.05/06.161      *Water*                      **Awatere Water Supply**                      *W135-A01-02***

Staff reported that there is budget this financial year for the preliminary design of a treatment plant for the Awatere water supply. A critical aspect of the design is determining the worst raw water quality. This occurs when the river is in flood and can be made worse by slips in the steep catchment.

Either treatment would have to cope with the worst raw water quality or storage provided so that the treatment plant does not have to be run in these conditions. There is no practicable solution to preventing slips. The quality of raw water entering the treatment plant can be influenced by the intake gallery in the river. The depth, location and velocity of the water entering the gallery can all influence the quality of the water that any future treatment plant would have to cope with. The better the quality of the raw water the easier it is to treat. If raw water quality can be improved sufficiently by the construction of a new intake gallery then it could well have a bearing on the design and cost of any proposed treatment.

Constructing a new intake gallery in this financial year would make an improvement to existing water quality (but not make the water safe) and allow monitoring of raw water quality and design of the most efficient treatment. A more effective intake is justified even without further treatment. The existing steel intake gallery requires an upgrade. Ideally an upgraded intake gallery should be constructed to a new design and in an improved location to maximise raw water quality. A branch of the river on the left hand bank is spring fed and provides more consistent water quality. Design of a new intake gallery would target this water. During low river flows an additional intake gallery may need to be brought into service. It must be stressed that to meet the Drinking Water Standards and provide safe water, treatment will be needed no matter how good any new intake gallery is.

Only very broad initial estimates of the cost to construct a new intake gallery have been made. We estimate construction cost to be in the order of \$200,000 plus survey of \$20,000. It is proposed that these costs be funded from existing reserves initially. Once decisions are made on future treatment the intake gallery cost can be recovered from the area of benefit. Cost estimates can be more accurately revised after survey and design of a new intake gallery. The Awatere Settlers' Association is supportive of a new intake gallery. Resource consents would be required for a new intake gallery.

**Clrs Taylor/Barker:**

**That a new intake gallery be constructed for the Awatere water supply subject to resource consent being granted funded from existing reserves initially.**

**Carried**

**C.05/06.162      *Rivers*                      **Graham River – Whatamango Bay – Flood Hazard**                      *R720-10***

Staff reported that in the early 1950s an area of valley floor was subdivided into some 20 residential sections on the floodplain of the Graham River, Whatamango Bay. The Marlborough Sounds Resource Management Plan zones this land as Sounds Residential and has maps showing this land as having a known flood hazard for which buildings are a discretionary activity. In 2000 a few of the sections were sold and building development embarked on. To recognise the flood hazard Council imposed restrictions on the buildings in terms of requiring minimum floor levels and imposing what was then a Building Act Section 70 (disclaimer) notice.

At that time staff had some knowledge of minor flooding occurring during the quite large November 1994 and July 1998 floods and had taken flow measurement gauging of a minor May 1995 flood. The extent and degree of flooding in a 50 year return period flood (Building Act standard) was not known. In early 2001 Council engaged a consultant to carry out a hydraulic analysis of the expected flood hazard and examine the

degree of stopbanking required to contain it. In late 2002 the consultant reported back to Council. A key finding was that a new bridge would also be required as well as any stopbanking work.

In early 2004 the major Picton area storm caused exceptional flooding from the Graham River. Much of the 'residential' section land was under deep fast flowing water and preparations were made for the helicopter evacuation of residents from a long established house in the area. Following that flood a thorough review of Picton area flood hydrology was carried out. Flood sizes are now recommended as being 50% greater than used in the consultant's study. A compounding factor of the 2004 and 2005 floods was the considerable amount of gravel loosened in the catchment caused by these floods. This gravel is being progressively swept downstream reducing channel waterway capacity as it goes.

Staff further reported that current knowledge showed that the flood hazard here was substantial and that flood hazard mitigation works would be in the order of several hundred thousand dollars including requiring expensive rock bank protection and a new bridge. A high commitment to maintenance of such works would also be required and given that conclusion further more detailed investigation by Council was not recommended.

The setting of minimum floor levels provides a degree of safety for residents, but here the flood hazard is sufficiently severe there are doubts whether the setting of minimum floor levels is adequate mitigation to enable consent to be granted for habitable buildings on several of the undeveloped lots in the subdivision. Some mitigation of the flood hazard to the existing buildings and road can be carried out by gravel management which will reduce the likelihood of gravel being swept into and filling up the river in this reach. This can be done by removing gravel in the river reaches further upstream. The removal of gravel from the river can be done relatively cheaply. Although the area does not have a specific river control rating there is an annual rate of \$120,000 per annum for "Rivers outside the Wairau Valley" funded by Picton (majority) Picton Vicinity and General Rural.

Members noted that this report was first considered by the Assets and Services Committee at its July 2005 meeting. A recommendation was deferred until a site visit which was held on 1 September 2005.

**Cirs Maher/Weetman:**

- 1. That the report be received.**
- 2. That landowners in the area be advised of the findings of this report.**
- 3. That \$5,000 from existing budgets is spent on gravel removal works upstream of the area.**

**Carried**

**C.05/06.163      Council      Documents for Sealing      -**

The Chief Executive reported that the documents as contained within the Order Paper had been executed under seal.

**Cirs Davidson/Barsanti:**

**That the information be received and the actions taken ratified.**

**Carried**

**C.05/06.164      PExcluded      Decision to Conduct Business with the      -**  
**Public Excluded**

**Cirs Davidson/Andrews:**

**That the public be excluded from the following parts of the proceedings of this meeting, namely :**

- Confirmation of Public Excluded Minutes**

- **Committee Reports (Public Excluded Sections)**
- **Rental Reviews**
- **Property Development Issues**
- **Performance Agreement**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter 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:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
<b>Minutes and Committee Reports</b>	<b>As set out in the Minutes</b>	<b>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.</b>
<b>Rental Reviews Performance Agreement</b>	<b>In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).</b>	<b>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.</b>
<b>Property Development Issues</b>	<b>To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) provided for under Section 7(2)(i)</b>	<b>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.</b>

**Carried**

The meeting closed at 5.25 pm.

Confirmed this 3<sup>rd</sup> day of November 2005



**A T SOWMAN**  
**MAYOR**

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