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Report to the Rural Services and Wairarapa Committee  
from I Heslop, Divisional Engineer

## **River Scheme Asset Management Plan Performance**

### **1. Purpose**

- 1.1 To present the Committee with Performance Statements for the Asset Management Plans produced for five river management schemes within the Wairarapa.
- 1.2 To advise the Committee of differences identified between current and desirable works programme levels.
- 1.3 To inform the Committee of the outcome of the recent audit of Wairarapa river management works carried out by the Council's Flood Protection Group.

### **2. Background**

- 2.1 The Local Government Amendment Act (No. 3) of 1996 requires Strategic Financial Plans to be prepared for the infrastructural assets under Council control. Asset Management Plans provide the basis for preparation of credible financial plans.
- 2.2 Basic Asset Management Plans have been prepared for 5 river management Schemes serviced by the Wairarapa Division as listed below.
  - Lower Wairarapa Valley Development Scheme
  - Waiohine-Mangatarere
  - Upper Ruamahanga
  - Waingawa River
  - Waipoua River

- 2.3 These plans are “live” documents, and will be improved and updated on an ongoing basis. In particular the asset registers and condition assessments will be updated annually. This will provide a basis for developing sustainable ongoing Scheme maintenance programmes.
- 2.4 Each year a Performance Statement will be prepared reporting on the plan performance indicators. 2000/01 Performance Statements for the Wairarapa River Management Schemes are attached.
- 2.5 In addition to the preparation of Performance Statements and updating of Asset Management Plans, an annual audit of Wairarapa Scheme maintenance standards is carried out by staff from the Flood Protection Group of the Council’s Landcare Division. A report summarising the results from the June 2001 audit is attached.

### 3. Discussion

- 3.1 The Schemes have a combined asset valuation of \$47.3m as itemised in Table 1. These Schemes have a range of infrastructural assets such as stopbanks, the Blundell Barrage, culverts and floodgates, weirs, floodways, fences, erosion protection structures, and protective plantings.

**Table 1 - Scheme Asset Valuations & Works Programme Levels**

Scheme	Asset Values	Current Works Programmes	Desirable Works Programmes
LWVDS	43,657,300	650,000	650,000
Waiohine-Mangatarere	1,219,200	225,000	225,000
Upper Ruamahanga	921,680	*202,000	222,000
Waingawa	422,150	174,000	174,000
Waipoua	1,120,980	54,000	54,000
<b>Total</b>	<b>\$47,341,310</b>	<b>\$1,305,000</b>	<b>\$1,325,000</b>

\* **Note:** The Upper Ruamahanga Scheme annual programme level is in the process of being reviewed.

- 3.2 Table 1 also shows the current and desirable levels of Scheme works programme. With the exception of the Upper Ruamahanga Scheme current maintenance requirements are being met.
- 3.3 A key component of future Asset Management Plans will be the accumulation of adequate Scheme Flood Damage Reserve and Major Flood Damage Recovery Funds. A working group involving Council Managers, Accountants, and Engineers has been developing a draft policy relating to these issues. It is anticipated that the policy will be submitted to this Committee for approval, and then used as a basis for determining

appropriate rating levels in consultation with the respective Scheme Advisory Committees.

- 3.4 A thorough revaluation of Scheme assets is planned over the period to February 2002. This revaluation will be carried out in conjunction with the Council's Flood Protection Group, and will ensure the asset valuations are consistent with the requirements of Financial Reporting Standard Number 3.

## **4. Scheme Status**

### **4.1 Lower Wairarapa Valley Development Scheme**

The LWVDS is in very good financial and physical condition. A significant flood damage repair programme has been completed, and the loans taken out on substantial completion of the Scheme construction in 1983 have now been repaid. The Scheme reserve fund currently stands at about \$740,000 overall asset condition ratings are favourable, and maintenance requirements are being adequately addressed.

The only Asset Management Plan performance criteria not fully satisfied was for the Manganui Stream weirs. Significant progress has been made at this site over the past financial year, and the risk of further deterioration is minor. The deferred maintenance will be addressed over the next two to three years.

### **4.2 Waiohine-Mangatarere River Management Scheme**

The current level of annual programme is seen as adequate to meet ongoing Scheme maintenance needs.

The physical condition of the Waiohine-Mangatarere Scheme has continued to improve despite damage from the 2000 floods. Durable repairs have been completed at the most vulnerable locations, and Asset Management Plan performance criteria have been satisfied, with the exception of the two relating to the stopbank condition and berm width. It is planned to address these deficiencies over the next few years.

The Scheme has a substantial financial deficit of \$215,400. There have been a number of recent changes to the Scheme rating basis which have put the Scheme on a fairer and more secure financial footing. These changes should enable the deficit to be repaid over the next three years, provided of course there is no further flood damage. The changes consist of last year's 60% rate increase, and the application of a more equitable rural rating classification and increase in urban Greytown rating level from the current financial year.

### **4.3 Waingawa River Management Scheme**

The Waingawa Scheme is in good overall financial and physical condition, the Asset Management Plan performance criteria have been

satisfied, and the 2000 flood damage has been satisfactorily addressed. The current annual programme of \$174,000 is adequate to meet the Scheme's ongoing maintenance needs. Scheme assets are in good condition, deferred maintenance is manageable, and the Scheme has a small financial deficit of \$5,100 which will be repaid during the current financial year.

An issue which will need to be addressed at the time of the next Scheme review, is that a small proportion of Scheme ratepayers have concerns relating to the current Scheme service standard and rating classification.

#### **4.4 Upper Ruamahanga River Management Scheme**

The Upper Ruamahanga Scheme is in a less than satisfactory condition, and damage from the 2000 floods has not been fully addressed. Although the Asset Management Plan performance criteria have largely been satisfied, the \$49,700 of deferred maintenance is unlikely to be addressed by the current level of maintenance programme.

The rates have been increased by 12% to help fund a basic maintenance programme of \$150,000, and to repay the Scheme deficit of \$18,400 during the current financial year. The remainder of the programme up to a budget of \$202,000 will require partial or total funding of the local share from direct beneficiaries.

A Scheme review and consultation programme is planned for completion over the next twelve months. This will determine desirable levels of ongoing maintenance and address rating classification inequities.

#### **4.5 Waipoua River Management Scheme**

The Waipoua Scheme is in a satisfactory physical condition, and despite damage resulting from the 2000 floods, the Asset Management Plan performance criteria have been achieved with the exception of some minor stopbank maintenance.

During last financial year a review of the Scheme funding basis, rating classification, and river management approach was completed. This review has resulted in the Scheme being divided into Urban and Rural Sectors with separate works programmes, funding bases, and financial accounts.

The Rural Sector rates have been increased by 100% to increase the Scheme maintenance programme, deal with deferred maintenance, and clear the Scheme deficit of \$67,100 over the next three years. Urban Sector annual works programmes and rating levels will be developed in consultation with Masterton District Council, and will ensure satisfactory ongoing maintenance of the Urban Sector assets.

## **5. Audit of Maintenance Standards**

An audit of Wairarapa Scheme maintenance standards was carried out by river engineering staff from the Council's Landcare Division in June 2001 (see attachment). A total of nine sites were inspected within the Southern Wairarapa area.

Within the Lower Wairarapa Valley Development Scheme the Donalds Creek, lower Tauherenikau River spillway, Oporua Floodway, and Butcher's stopbank sites were inspected. The auditors were impressed with the results achieved at these sites, and considered that maintenance was being carried out to a high standard.

Within the Waiohine Scheme the Greytown stopbank, Brazendale, Wong/Bentley, and Bicknell sites were inspected. Also the Hodder site was inspected on the Mangatarere River. The auditors were impressed with the progress made with the Scheme since the last inspection. They suggested that scour protection work was needed to prevent erosion of the paddock alongside the Greytown stopbank.

## **6. Summary**

- 6.1 The Wairarapa River Scheme Asset Management Plans have been updated, and the 2000/01 Performance Statements for these Plans are attached.
- 6.2 The majority of damage resulting from the 2000 floods has been satisfactorily repaired, and the Schemes are generally in good physical condition, with any deferred maintenance to be addressed over the next few years. The Upper Ruamahanga Scheme is the exception, and requires a significant increase in works programme to address both ongoing and deferred maintenance needs.
- 6.3 Adequate regional funding has been approved in the Council's Business Plan to support satisfactory Scheme maintenance programmes. In the case of the Upper Ruamahanga Scheme there is a shortfall in local funding. The floodplain community will be consulted and agreement sought before any increase in Scheme rates.
- 6.4 The Waiohine, Waipoua, Upper Ruamahanga, and Waingawa Schemes all have a financial deficit. Assuming no further flood damage, current rating levels are sufficient to repay deficits over three years for the Waiohine and Waipoua Schemes, and over the current financial year for the Upper Ruamahanga and Waingawa Schemes.
- 6.5 A policy is being developed suggesting target levels and annual contributions for both Scheme Flood Damage Reserve and Major Flood Damage Recovery Funds. The buy-in of both Council and Scheme ratepayers to such a policy is vital to long term Scheme viability.

6.6 The Flood Protection Group audit endorsed Wairarapa river scheme maintenance standards.

## 7. Communication Requirements

The Asset Management Plan Performance Statements and copies of the Flood Protection Group's audit report will be presented to the Scheme advisory committees for their information.

## 8. Recommendation

*That the Committee:*

- (1) Endorses the Wairarapa river management scheme Asset Management Planning process to date.*
- (2) Receives the Asset Management Plan Performance Statements prepared for the Lower Wairarapa Valley Development Scheme; and the Waiohine-Mangatarere, Upper Ruamahanga, Waingawa, and Waipoua River Management Schemes.*
- (3) Notes the need to consult with the Upper Ruamahanga floodplain community to address the gap between existing and desirable works programme levels.*
- (4) Receives the June 2001 Audit of River Management Asset Maintenance Standards for the Wairarapa.*

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