



Report **04.315**
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Committee **Policy, Finance and Strategy**
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Targeted Scheme Rates and Balances

1. Purpose

To provide information on the proposed 2004/05 Targeted Scheme Rates to be collected for the operation and maintenance of Wairarapa Schemes, and to inform of current and projected scheme balances.

2. Background

Meetings have been held for seventeen river and catchment management schemes, to review progress, expenditure, and flood damage schedules, and to confirm proposed activities, including flood damage and funding. The catchment scheme advisory committees met in October/November 2003 and the river scheme advisory committees in April/May 2004.

For each of the sixteen drainage schemes papers were circulated to ratepayers, and programmes/funding levels were subsequently confirmed with each scheme advisory committee chairperson. Note that none of the drainage schemes receive any funding from Greater Wellington Regional Council. These schemes, administered by Greater Wellington staff, are funded 100% by the beneficiaries in accordance with Council's funding policies.

A summary of current and recommended rates, as well as current and projected scheme balances, are given in the attachment to this report.

3. Discussion

The meetings have been positive and constructive reflecting a good co-operative understanding between ratepayers, councillors and staff. Particular matters for comment are:

3.1 Flood Events

This past year has seen major floods in October 2003 and February 2004. In February four flood events occurred in just over two weeks with the highest levels on record being observed at a number of sites. Fuller details on the flood damage were presented in Report 04.224 to the May meeting of the Rural Services and Wairarapa Committee.

3.2 Product Price Index

This index moved 3.3% between December 2002 and September 2003 and by 3.9% between December 2002 and December 2003.

3.3 Reclassification of River Schemes

Good progress is being made on the Lower Wairarapa Valley Development Scheme Review. Laser scanning survey data is currently being used to assess the impact of flooding in the Lower Valley without stopbanks. This will be utilised to determine the degrees of benefit specific areas receive from the scheme.

3.4 Waiohine – Mangatarere Scheme

This scheme has been a success in recent years. Despite the February flood events the scheme reserve balance is expected to be \$57,099 on 30 June 2004. Floods in the 1990's caused considerably more damage than that occurring in this past year.

3.5 Lower Wairarapa Valley Development Scheme

Despite considerable flood damage in 2004, the scheme reserve balance is projected to be \$1,381,636 at the end of this financial year, up 5% on June 2003. The Major Flood Damage Recovery Fund for this Scheme is projected to be \$261,000 at the end of this financial year.

3.6 Waingawa Scheme

With a 3.9% rate increase the projected deficit is expected to be close to zero at the end of 2004/05.

3.7 Waipoua Scheme

The Waipoua Scheme rates doubled following the 2000 floods. It is expected that at the current rating level the present flood damage will be paid off within three years as per the Council's internal funding arrangements.

3.8 Upper Ruamahanga Schemes

Two of the three Upper Ruamahanga Schemes, Mt Bruce and Te Ore Ore, are projected to be \$11,000 and \$6,000 respectively, in deficit at the end of this financial year due to flood damage. The Te Ore Ore scheme is

projected to be close to zero in June 2005. It will take the Mt Bruce scheme a little longer to get into credit. The Gladstone section is projected to have a \$11,000 credit in June 2004.

3.9 River Clearing Schemes

Due to a healthy scheme balance, there is no need to rate for the Lower Taueru Scheme this year.

The Lower Whangaehu Scheme's deficit is declining steadily as expected.

3.10 Catchment Management Schemes

All the schemes apart from the Whareama are in credit. Flood damage works were completed in the Whareama and Awhea/Opouawe Catchment Schemes following the February flood events.

In general the catchment management schemes performed well during the February flood events.

All schemes, apart from the Kaiwhata which has an excellent scheme reserve balance, increased their rates by 3.3% based on the Product Price Index.

No progress has been made during this year to reclassify catchment management schemes.

3.11 Drainage Schemes

Only two schemes are in deficit. The Onoke pump station has been upgraded and now has a new roof. It has a deficit of \$10,000.

The Ahikouka gravity drainage scheme is paying off its deficit following a recent rejuvenation in scheme maintenance.

4. Acknowledgement

This year the river schemes combined with the flood damage and annual works programmes were completed in a tight timeframe in April-May. The efforts of the scheme advisory committees members, Councillors Long and Buchanan, and staff in ensuring the success of these meetings are gratefully acknowledged.

5. Communication

The proposed schemes rates, as scheduled in the attachment to this report, have already been agreed to by the respective advisory committees.

6. Recommendation

That the report be received and its contents noted.

Report prepared by:

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