
MINUTES
of the
FULL COUNCIL MEETING
held
11.30 am , Wednesday, 14 June 2017
at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: Mayor R Kempthorne, Councillors T King, S Bryant, P Canton, M Greening, K Maling, D Wensley, D McNamara, A Turley, S Brown, D Ogilvie, T Tuffnell, P Sangster and P Hawkes

In Attendance: Chief Executive (L McKenzie), Engineering Services Manager (R Kirby), Activity Planning Manager (D Fletcher) Executive Assistant (R Scherer)

Part Attendance: Chris Choat, Beth Catley, Mike Drummond, Sarah Taylor, Sharon Flood, Sarah Holman, John Hutton, Dennis Bush-King, Susan Edwards and Mike Drummond

1 OPENING, WELCOME

The Mayor welcome everyone to the meeting.

2 APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

3 PUBLIC FORUM

Maxwell Clark spoke about the proposed Waimea Dam and the water supply for urban areas. He spoke about water availability and alternatives to the dam and the effect of the dam on Council rates. He noted that a complaint had been made to the Officer of the Auditor-General about Cr Maling's interest in the project.

Greg Shepherd spoke in support of the Waimea Community Dam and the Council's obligation to future proof the water supply for the Nelson-Tasman region for all of our residents and ratepayers. He suggested that there are no viable alternatives to the dam that address all of the aspects required by the community for water supply.

Kathy Hughson spoke about the Council's financial commitment to the dam and rates affordability. Kathy also noted her concern about nitrates entering water supplies from farming operations.

Murray Dawson spoke about the Waimea Community Dam. He commented on the MWH report and circulated a graph he had produced regarding water demand. Mr Dawson spoke about water restrictions and environmental river flows. He suggested the TRMP allocation rules should be reviewed.

John Hurley spoke about the lengthy period that the long term future water supply in Tasman District had been under discussion by the Council. He urged the Councillors to get on with the job and to favourably consider the Chief Executive's recommendations in today's report. He suggested that the Council must get Nelson City and central government on board to provide funding. He urged the Council to not turn the Waimea Plains into the Waimea Desert and asked them to remember their responsibility to deliver water to the residents and ratepayers of the Tasman District.

Rhys Barrier spoke on behalf of Fish & Game. He spoke about the environmental water flows and the ecological effects on the Waimea River and the need for the Council to meet the requirements of the National Policy Statement on Freshwater. He confirmed that Fish & Game acknowledge that the Council is at a crossroads in terms of water management but that building a dam will meet the ecological needs and river flows as well as water supply requirements. He said that the without dam cease take would not survive future plan reviews.

Jackie McNae spoke about the environmental and urban impacts of no dam and the inextricable link between the urban and rural sectors of the Nelson-Tasman region. Ms McNae suggested that doing nothing is not an option and that the Council should have built the dam ten years ago.

She urged the Council to ensure that the community understands what the effect of no dam will be on urban water supplies and how water rationing will affect them in the very near future. She noted that security and capacity of water supply has been a serious issue recently in both Mapua and Richmond and as a result growth has been restricted.

Ms McNae suggested that most householders do not understand the TRMP rules. She noted her support for the draft resolutions contained in the Chief Executive's report and stressed that the time for the Council to act is now, not only for this generation but for future generations.

Bruno Simpson spoke in support of the dam, which he believes is essential for the future prosperity of the region. He spoke about his family business, Waimea Nurseries and their contribution to the region both economically and socially. He stressed that the livelihoods of his family and the Waimea Nurseries staff and their families relies on a secure and sustainable water supply. He confirmed that irrigators recognise that they need to provide financial support to the dam project. Mr Simpson spoke about the loss of horticultural expertise to the region and about sharing the cost burden of the dam for future generations. He noted that in the absence of a secure water supply, his family will need to relocate their business to Hawkes Bay.

Andrew Kininmonth spoke in support of the dam. He talked about his family's orchard operation which had grown crops on the Waimea Plains for over 100 years. Mr Kininmonth noted his support for Mr Simpson's comments and his desire for the fifth generation of his family to continue with their orchard business.

Mr Kininmonth suggested that residents and ratepayers do not fully understand what life will be like in a no dam scenario. He urged the Council to clearly publicise the effects on urban water supplies as well as horticultural operations on the Waimea Plain if the dam is not built. Mr Kininmonth noted that his family business is committed to paying their part for the dam. He noted that as an employer, he had a moral duty to put food on the table for over 100 families and that life without water is not tenable for anyone.

John Palmer spoke on behalf of Waimea Irrigators Limited. He spoke about the Wai-iti Dam and its positive effect for water users with the dam providing certainty of supply of water so irrigators are now able to make sensible investment decisions.

He spoke about the Waimea Community Dam as a “community” project for the benefit of irrigators, urban water users and for the environment. He urged the Councillors to consider all the facts and information and to make their judgement by distilling opinion from fact. Mr Palmer stressed that the economic effect of no dam is a huge issue that will be detrimental to the whole region.

4 DECLARATIONS OF INTEREST

Nil

5 LATE ITEMS

Nil

6 CONFIRMATION OF MINUTES

**Moved Cr Hawkes/Cr Sangster
CN17-06-1**

That the minutes of the Full Council meeting held on Thursday, 25 May 2017, be confirmed as a true and correct record of the meeting.

CARRIED

7 LEAVE OF ABSENCE – MAYOR KEMPTHORNE AND COUNCILLOR CANTON

**Moved Maling/Cr Sangster
CN17-06-2**

That the Tasman District Council grants leave of absence to Mayor R Kempthorne from 16 June 2017 to 21 July 2017 and to Councillor P Canton for the month of September 2017.

CARRIED

8 PRESENTATIONS

Nil

9 REPORTS

9.1 Waimea Water Augmentation Project - Next Steps

Chief Executive, Lindsay McKenzie spoke to the report contained in the agenda and stressed

the criticality of the Waimea Water Augmentation Project to the future of the Tasman District.

Mr McKenzie referred to the key points contained in his report and the outcome required from the draft resolutions.

He noted that an agreement for a funding commitment had not been finalised with the Waimea Irrigators and requested that the Council favourably consider a higher commitment to continue the project.

Mr McKenzie stressed that Council staff also expect that other parties involved in negotiations will also reconsider their support so that the project can go ahead. He stressed that the project is not just about building a dam but about water security and to ensure the future supply of water to our urban communities.

Mr McKenzie invited Activity Planning Manager, Dwayne Fletcher to speak about future water demand and alternative options for water supply if the dam does not go ahead.

Mr Fletcher noted that the Council had investigated alternative water supply options during 2014-2015. This included the concept of storage ponds. Mr Fletcher spoke about the issues associated with storage ponds terms in terms of water quality, water treatment, cost, reduced levels of service and water rationing. He also emphasised that the cost estimates for storage ponds were preliminary and would require further investigation.

Mr Fletcher spoke about the issues with building storage ponds including gaining consent, the need to purchase land, geotechnical issues, water quality and the period of time to construct them. He also noted that storage ponds do not provide protection from major droughts, that the ponds need to be continually upgraded and that they don't deal with salination and risk. He also pointed out that storage ponds do not provide any improvement to river health including environmental flows.

Cr Wensley foreshadowed an alternative motion. She spoke about alternative water supply options that meet the urban water supply needs and questioned why staff had not looked at these options.

Cr Wensley sought clarification on why the alternatives in the MWH report of July 2015 were not explored. Cr Wensley sought clarification on why alternatives that would see Tasman District Council join with Nelson City Council and some of the larger irrigators were not explored. Cr Wensley reminded Councillors that this was not about the necessity for the dam, but about how we pay for the dam. We were in joint venture negotiation with a partner who seemed either unwilling or unable to pay for their share and Councillors need to be aware of the potential costs associated with accepting the resolutions.

In response, Mr McKenzie spoke about the scope of research into alternative water supply options and why the storage ponds was the preferred alternative. He spoke about the work of the Waimea Water Augmentation Committee that had evaluated the options for a comprehensive water augmentation scheme over many years.

In response to a question about the option of a small dam in Teapot Valley, Mr Fletcher noted that the biggest issue with that option was water quality as the Wai-iti catchment has a high level of clay soil which silts the water supply.

Cr Greening spoke about multiple options for water augmentation and suggested a mixed

approach for several options for water supply should be explored.

In response, Mr McKenzie said that work on alternative water supply options had been commissioned in early 2015 and resulted in two reports from MWH. Mr McKenzie noted that the various options were assessed in terms of meeting the water supply needs of our community and only two met the test; a small dam and riverside reservoirs or storage ponds. These options were workshopped with the Council and staff were directed by the Council to not proceed any further with the alternative options.

Councillor Greening spoke about credit support and asked what is contemplated and what it would cost the Council.

In response, Corporate Services Manager, Mike Drummond said options were still being explored, ranging from full credit support from the Council to no credit support from the Council.

Cr McNamara spoke about rates affordability and the potential for rates increases if the dam goes ahead. He also noted his concerns about the effect of the dam project on other issues facing the Council such as the Motueka stormwater issues and the new Motueka library.

In response to a question regarding a funding model for the dam, Mr McKenzie said detail will emerge once negotiations have taken place.

Mayor Kempthorne agreed that the Councillors need to know what the financial implications of a dam would be for our ratepayers but he noted that staff cannot develop a funding model until we carry out further negotiations with our partners.

Mr McKenzie spoke about the current funding for the dam in the LTP 2015-2015 and noted that the additional operating costs of the proposed dam will result in an 0.6% rates rise, all other things being equal.

In response to a question about the inclusion of alternative water supply options being considered, Mr McKenzie confirmed that the Council has a duty to report on alternatives to its ratepayers.

In response to a question about irrigators paying their share of any loan for the dam, Mr Drummond confirmed that the irrigators are committed to paying off the loan within 15 years. He confirmed that the current commitment from the irrigators is for the supply of water to 3000 hectares of land.

Mayor Kempthorne asked the Councillors to approve the resolutions so that staff can continue to negotiate and reach an agreement to build the dam with its partners. He urged the Councillors to remember that we know we need water and that without a dam there will be severe rationing in most summers. He noted that the irrigators are also ratepayers and part of the Tasman community.

Cr Tuffnell urged the Councillors to allow staff to get on with the job. He noted that today's recommendations were just another step in the process.

Cr Hawkes noted his concerns about the recommendations but queried why the goal posts were being shifted again.

Cr King urged the Councillors to take a leadership role and to approve the recommendations. He spoke about the Council regularly approving million dollar projects and questioned why the dam had been singled out. He noted that Tasman District Council is a unitary authority with a responsibility to provide water to everyone in our region.

Cr Greening noted that he did not support resolution or under writing of any funding. He suggested that the dam was unaffordable. In response to a question about the complaint to the Office of the Auditor-General, Mr McKenzie said he didn't consider it relevant as to whether or not Cr Maling needed to declare an interest.

Cr Canton also noted that he did not support the resolutions and the dam in its current form. He commented that the Crown needs to come on board along with Nelson City Council to help pay for the water supply issues in our district.

Cr Turley confirmed that she did not support the recommendations in today's report and the costs of the dam were unacceptable to ratepayers. She asked for more information on alternatives for water supply and what options had been explored.

Cr Bryant said he was sad to hear the statements being made at the Council table including about the project partners, especially because many Councillors were not aware of the full history of the water supply issues in Tasman District. He had particular concerns for urban water users in his role as Chairman of the Engineering Services Committee and commented that the Council alone providing a solution was not an option.

Cr Wensley called for a division.

Brown	For
Bryant	For
Canton	Against
Greening	Against
Hawkes	Against
Kempthorne	For
King	For
Maling	For
McNamara	Against
Ogilvie	Against
Sangster	For
Tuffnell	For
Turley	Against
Wensley	Against

EQUAL

Mayor Kempthorne used his casting vote and the resolution was carried.

**Moved Cr King/Cr Bryant
CN17-06-3**

That the Full Council

- 1. receives the Waimea Water Augmentation Project - Next Steps report; and**
- 2. requests that the Council members on the Joint Venture Working Group try and reach a draft agreement with the funding partners that provides for an increase in capital**

funding and operating cost share by the Council and credit support for the Crown Irrigation Investments Ltd loan from the Council; and

3. notes that the reasons for reviewing the Council's negotiating position include the broad range of benefits offered by the proposed dam compared to the alternatives; the cost of and risks associated with the alternatives, and the obligation to provide good quality infrastructure that is most cost effective for households and businesses; and
4. notes that Waimea Irrigators Limited and Crown Irrigation Investments Limited will also need to review their position if there is to be an agreement; and
5. notes that any agreement will need to be approved by the Council and that any such agreement will form the basis for a Statement of Proposal relating to the Project; and
6. requests staff to review and report to the Council on the advice that has been received on the alternatives for augmenting the urban water supplies sourced from the Waimea River catchment; such advice is to enable the Council to assess the alternatives against the Waimea Water Augmentation Project on cost, benefits and risks.
7. requests staff to commence work on a Statement of Proposal for community consultation on the Waimea Water Augmentation Project including covering the proposed financing, funding and governance arrangements for the proposed council controlled organisation; and
8. notes the proposed amended timetable for community consultation and that staff will revise the timeline once the Joint Venture Working Group has concluded their negotiations.

CARRIED

The meeting adjourned at 2.10 pm.

The meeting resumed at 2.30 pm

9.2 Reappointment of Independent Member to Commercial Committee

The report was taken as read. Councillors discussed the term of appointment and noted this was for three years and not five.

**Moved Cr Ogilvie/Cr McNamara
CN17-06-4**

That the Full Council

1. receives the Reappointment of Independent Member to Commercial Committee report; and
2. appoints Mr Roger Taylor to the Commercial Committee for a term of three years from 14 June 2017.

CARRIED

Prior to moving into the confidential session, Dennis Bush-King read a statement from Jim Wareing and Steve Gray regarding the Private Plan Change 62 report expressing their disappointment that this item is being considered “in committee”.

10 CONFIDENTIAL SESSION

10.1 Procedural motion to exclude the public

Moved Cr Sangster/Cr McNamara
CN17-06-2

That the public be excluded from the following part(s) of the proceedings of this meeting. 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 follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

10.2 Environment and Planning Manager's Report - Addendum Private Plan Change Request 62

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	48(i)(d) - To deliberate in private in a procedure where a right of appeal lies to a Court against the final decision.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

CARRIED

The meeting concluded at 3.20 pm.

Date Confirmed:

Chair:

Appendix 1: Alternative Motion foreshadowed by Cr D Wensley.

Alternative Resolution

That the Full Council:

1. Does not mandate the Joint Venture Working Group to go back to the negotiating table to negotiate the **increase in capital and operating costs**, or to give **credit support for the Crown Irrigation Investments Ltd loan**
2. Directs the CEO to **obtain a report back to full council** covering the following:
 - rates impact of the Waimea Community Dam,
 - the lifecycle costs of the Waimea Community Dam,
 - the impact of increased nitrates on the Waimea Plains and its impact of drinking water standards including potential costs to Council
3. Requests staff to commence work on an **alternative to the Waimea Community Dam** that meets the current and future needs of urban water supply.
4. Encourages **Waimea Irrigators Ltd to undertake restructuring** in a way that will enable it to satisfy the security requirements of Crown Irrigation Investments Ltd without the need to call on Council as credit support for any loan from Crown Irrigation Investments Ltd

The motion was not put.