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**MINUTES**  
of the  
**FULL COUNCIL MEETING**  
held  
**9.30 am, Friday, 4 June 2021**  
at  
**Tasman Council Chamber, 189 Queen Street, Richmond**

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**Present:** Mayor T King, Councillors S Bryant, C Butler, B Dowler, M Greening (via Zoom), C Hill, K Maling, C Mackenzie, D McNamara, D Ogilvie, T Tuffnell, A Turley, T Walker and D Wensley

**In Attendance:** Chief Executive (J Dowding), Executive Assistant (T Fifield), Community Development Manager (S Edwards), Corporate and Governance Services Manager (M Drummond), Engineering Services Manager (R Kirby), Chief Information Officer (S Manners), Acting Strategic Policy Manager (J Neame), Executive Support Officer (R Williams)

**Part Attendance:** Environmental Information Manager (R Smith)  
Via Zoom: Communications Officer (T O'Connell), Policy Officer (S Hartley), Senior Policy Advisor (A Bywater), Executive Assistant (C Ewing), Operational Governance Officer (L Fish), Senior Policy Advisor (B Wayman), Senior Legal Advisor (L Townsend), Activity Planning Manager (D Fletcher)

## **1 OPENING, WELCOME**

Mayor King opened the meeting with a karakia.

## **2 APOLOGIES AND LEAVE OF ABSENCE**

Nil

## **3 PUBLIC FORUM**

### **3.1 Ray Hellyer**

Mr Hellyer spoke about Council's Unreasonable Complainant's Policy which is an internal policy. He believes it is the Councillors' duty to ratify such a policy because once it's activated it becomes external. He said the public should have been consulted on it.

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### **3.2 Nicholas Hughes**

Mr Hughes spoke about regaining trust in our local government. He believes that trust in Tasman District Council has been lost. The Waimea Community Dam project has contributed to this loss of trust.

## **4 DECLARATIONS OF INTEREST**

Nil

## **5 LATE ITEMS**

Nil

## **6 CONFIRMATION OF MINUTES**

**Moved Cr Ogilvie/Cr Wensley  
CN21-06-1**

**That the minutes of the Full Council meeting held on Thursday, 20 May 2021, be confirmed as a true and correct record of the meeting.**

**CARRIED**

Cr McNamara voted against the resolution.

Cr Ogilvie requested that the minutes of the Extraordinary Full Council meeting on 27 May 2021 be amended:

“It was confirmed that Council does not need to pass any further resolution for the **Motueka Pool** ~~if Council wishes to retain the current funding sources for the Motueka Pool in~~ for the Long Term Plan 2021-2031.”

**Moved Cr Ogilvie/Cr Wensley  
CN21-06-2**

**That the minutes of the Extraordinary Full Council meeting held on Thursday, 27 May 2021, be confirmed, as amended, as a true and correct record of the meeting.**

**CARRIED**

## **7 PRESENTATIONS**

Nil

## **8 REPORTS**

### **8.1 Adoption of Rates Remission Policy**

Alan Bywater, Senior Policy Advisor, and Matthew McGlinchey, Finance Manager, took the report as read.

**Moved Cr Hill/Cr Tuffnell  
CN21-06-3**

**That the Full Council:**

1. receives the Adoption of Rates Remission Policy RCN21-06-1; and
2. adopts the Rates Remission Policy, dated 26 May 2021 and contained in Attachment 1 to report RCN21-06-01, under section 102(3)(a) of the Local Government Act 2002; and
3. notes the Rate Remission Policy will become operative from 1 July 2021.

**CARRIED**

## **8.6 Schedule of Fees and Charges 2021/2022**

Sandra Hartley, Policy Officer, took the report as read. She noted staff have now included under the water charges in the Schedule, the charges for Nelson City Council's residential water supplies and for the industrial water users.

In response to a question, Mr McGlinchey said we get our hourly charge out rates inflation adjustment amount from the BERL Institute which provides a local government inflation index.

**Moved Deputy Mayor Bryant/Cr Dowler  
CN21-06-4**

**That the Full Council:**

1. receives the Schedule of Fees and Charges 2021/2022 Report RCN21-06-6; and
2. adopts the Schedule of Fees and Charges 2021/2022, as contained in Attachment 1 to report RCN21-06-6 dated 28 May 2021; and
3. notes that the Schedule of Fees and Charges 2021/2022 in 2. above will become effective on 1 July 2021.

**CARRIED**

## **9 CONFIDENTIAL SESSION**

### **9.1 Procedural motion to exclude the public**

**Moved Cr Hill/Cr Mackenzie  
CN21-06-5**

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:

### **9.2 Waimea Community Dam - Nelson City Council Funding Agreement**

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.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations	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

	(including commercial and industrial negotiations).	reason for withholding exists under section 7.
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### 9.3 Waimea Community Dam - Cost Overrun Agreements - Confidential

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.	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>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.</p>

**CARRIED**

## 8 REPORTS CONTINUED

### 8.5 Waimea Community Dam - Funding & Negotiations Outcome

Mr Drummond took the report as read. He said that the Council has successfully concluded negotiations to give effect to Revised Option A.

In response to a question about why the documents have to be confidential, Mr Drummond explained that the agreements form part of a document set and the negotiations for the wider Waimea Community Dam project. There are confidentiality clauses in those documents that refer to documents that make up the set and there are arrangements in the documents that need to remain confidential at this time. There could be a proactive release in future and Council would consider any request of releasing information under the provisions of LGOIMA.

Councillors noted that staff and other parties involved, have done an excellent job of putting together the Revised Option A and gave their appreciation for the work involved.

**Moved Deputy Mayor Bryant/Cr Maling  
CN21-06-8**

**That the Full Council:**

1. **receives the Waimea Community Dam - Funding & Negotiations Outcome RCN21-06-8; and**
2. **notes that there are no material outstanding matters in regards to the proposed Agreements to give effect to the Revised Option A and that the respective parties legal advisors are currently finalising the last details of the Agreements; and**
3. **authorises the execution on behalf of Council of the following confidential agreements to which the Council is a signatory (contained in the version provided on**

**3 June 2021 as attachments to the Confidential Report “Waimea Community Dam - Cost Overrun Agreements” to this meeting), subject to there being no material changes and subject to any edits or changes being cleared by Council’s legal advisors:**

- a. **The First Amendment and Restatement Deed (relating to the Waimea Community Dam); and**
  - b. **Shareholder Loan Agreement (Irrigator Capacity); and**
  - c. **Shareholder Loan Agreement (Council Capacity); and**
  - d. **WWL/WIL General Security Deeds; and**
4. **notes that pass through funding from Council to Waimea Water Ltd is excluded from Council net debt calculation and therefore does not impact on the current or proposed net debt limit; and**
  5. **authorises the Mayor to vote Council’s shares in Waimea Water Limited to give effect to any shareholders’ resolutions necessary to enable the cost overrun agreements to be given effect to; and**
  6. **agrees to include in the final Revenue and Financing Policy, the matters needed to give effect to the Revised Option A; and**
  7. **instructs the Chief Executive to advise Waimea Irrigators Ltd, Waimea Water Ltd, Crown Irrigation Investments Ltd and Nelson City Council of the Council’s decision.**

**CARRIED**

Councillors McNamara, Walker, Turley and Greening voted against the resolution.

*A morning tea adjournment was taken from 10.25 am to 10.39 am.*

## **8.7 Financial Caps in the Financial Strategy 2021-2031**

### **Supplementary Report – Waka Kotahi Funding for the Long Term Plan 2021-2031 RCN21-06-12**

Jenna Neame, Acting Strategic Policy Manager, spoke to the supplementary information (contained in RCN21-06-12) to the Financial Caps in the Financial Strategy 2021-2031 report RCN21-06-9. Mrs Neame also tabled a revised copy of the attachment containing a Revised Forecasting Assumption for Waka Kotahi Funding as at 10.30 am on Friday 4 June 2021.

On 31 May 2021, Waka Kotahi advised Council staff of its indicative investment level of the 2021-2024 National Land Transport Programme. This means that for the first three years of the Long Term Plan 2021-2031 (LTP), the Waka Kotahi subsidy will be reduced by \$1,568,420 per year.

Advice from Audit NZ and the Office of the Auditor General requires that the Council must amend its local road programme funding in the LTP to reflect the reduced Waka Kotahi funding. In response to that advice, staff have prepared and distributed to the Council the supplementary information contained in RCN21-06-12, which outlines the options available to the Council to meet the audit requirement to amend the LTP financials to reflect the reduced Waka Kotahi funding.

The Council discussed the reduced funding and if there would be any change to the levels of service for Tasman’s roading networks. Mrs Neame said over the next three years there will not

be any change in what our road users are experiencing but noted that if the reduced funding continues in the subsequent years, it could impact on levels of service. Funding levels will need to be given serious consideration during the next Long Term Plan. Many councils around New Zealand have received similar advice.

In response to a question, Engineering Services Manager, Richard Kirby said he wrote to the director of Waka Kotahi expressing the Council's concerns and asked what evidence Waka Kotahi have to show that the Council has overestimated the funding needed to maintain and renew our roading network and why they've cut the Council's funding. Mayor King expressed his concerns to Damien O'Connor and Rachel Boyack. There is likely to be a degree of pushback on Waka Kotahi from across the local government sector.

In response to a question, Mr Kirby said the more highly trafficked roads will probably be given priority for resealing.

There was a discussion about:

- road safety and rural roads needing to be maintained - we are a rural based District;
- Waka Kotahi make their final decision in August;
- the timing of Waka Kotahi's decision is not satisfactory – they know that councils are required to prepare their Long Term Plans;
- staff will invite Waka Kotahi representatives to an upcoming Operations Committee to present their strategic plan about their processes; and
- it was noted that this item will be discussed at the Local Government New Zealand, Rural and Provincial Sector meeting next week.

**Moved Cr Maling/Cr Tuffnell  
CN21-06-9**

**That the Full Council:**

- 1. receives the Supplementary Report - Waka Kotahi Funding for the Long Term Plan 2021-2031 RCN21-06-12; and**
- 2. notes the advice received from Waka Kotahi advising of the local road maintenance indicative investment level for the 2021-2024 National Land Transport Programme; and**
- 3. agrees to reduce the associated Waka Kotahi subsidies in the Long Term Plan 2021-2031 financials; and**
- 4. agrees to reduce the sealed pavement resurfacing and pavement renewal budgets to reflect the reduced subsidy; and**
- 5. agrees that Council will retain its full funding of the local roads maintenance programme, only adjusting for the lower Waka Kotahi funding amount; and**
- 6. agrees that delaying the increase to the performance target for '*the percentage of sealed local road that is resurfaced each year*' until Year 4 of the Plan would not be a decision to alter significantly the intended level of service consulted on; and**
- 7. agrees to reduce the performance target for '*the percentage of sealed local road that is resurfaced each year*' to 5%-7% in Year 1, Year 2 and Year 3; and**
- 8. notes that the performance target for '*the percentage of sealed local road that is resurfaced each year*' for Years 4 to 10 will be retained at 6%-8%; and**

9. agrees to amend the Waka Kotahi Funding Forecasting Assumption as set out in Attachment 1 as at 10.30 am Friday 4 June 2021, tabled at the meeting.

**CARRIED**

### **Financial Caps in the Financial Strategy 2021-2031 – main report RCN21-06-9**

Mr McGlinchey and Mrs Neame were in attendance.

Discussion ensued on the terminology of the wording “debt cap”.

Mr Drummond said that even though we have shifted some of the Waimea Community Dam debt to Waimea Water Limited and reduced the rates because we are not having the proposed targeted rate for the Waimea Community Dam, those costs are still being met within the community.

Cr McNamara called for a division.

<b>Bryant</b>	<b>For</b>
<b>Butler</b>	<b>For</b>
<b>Dowler</b>	<b>For</b>
<b>Greening</b>	<b>Against</b>
<b>Hill</b>	<b>For</b>
<b>King</b>	<b>For</b>
<b>Mackenzie</b>	<b>For</b>
<b>Maling</b>	<b>For</b>
<b>McNamara</b>	<b>Against</b>
<b>Ogilvie</b>	<b>For</b>
<b>Tuffnell</b>	<b>For</b>
<b>Turley</b>	<b>For</b>
<b>Walker</b>	<b>For</b>
<b>Wensley</b>	<b>For</b>

**CARRIED**

**Moved Cr Maling/Cr Dowler  
CN21-06-10**

**That the Full Council:**

1. receives the Financial Caps in the Financial Strategy 2021-2031 report RCN21-06-9; and
2. agrees to include the following rates revenue increase caps in the Financial Strategy 2021-2031; and

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
4.5%	4.5%	4.5%	7.0%	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%

3. agrees to set the net debt cap at \$250 million in the Financial Strategy 2021-2031; and
4. instructs staff to moderate the modelled rates revenue increases in Year 4 and Year 9, using financial reserves, to ensure the rates revenue increases remain below the caps that were included in the Long Term Plan 2021-2031 Consultation Document.

## **CARRIED**

### **8.2 Waimea Community Dam - Investigation Options**

Janine Dowding, Chief Executive Officer, took the report as read.

Councillors noted their appreciation for the quality of the reports that are produced by staff under tight timeframes.

In response to a question about where the unbudgeted money for the investigation would come from, staff advised that the overspend would create a deficit in the governance activity which would be recovered in future years through general rates.

Discussion on the review supported the proposed scope and noted that it has room to move if something else emerges.

The Council discussed assigning the oversight of the investigation to the Audit and Risk Committee, in particular, the independent member, Graham Naylor, with the final report being brought back to Full Council by the independent investigator.

In response to a question, Mr Drummond confirmed that he had asked the Office of the Auditor General if they would be prepared to run an investigation. While interested in the outcome of any Council investigation, they had not agreed to undertake an inquiry.

The Council did not formally request a Government inquiry.

In response to a question, the Council was advised that the independent investigator, Philip Jones of PJ & Associates, drafted the Terms of Reference.

The Council discussed the review scope being the period of time up until the point that the Council made the decision to proceed with the dam in November 2018. An independent investigation for the entire project up until the decision and beyond, would add to the review scope and add considerable cost.

In response to a question, staff advised that it was appropriate for the investigation to be overseen by the Audit and Risk Committee as it fits within this Committee's terms of reference, and it has an oversight of internal audit and other risk management activities of Council.

It was confirmed that the scope of the investigation would cover the Council's roles as both a territorial authority and a regional council and any related reports, documentation or records that relate to those responsibilities.

It was noted that the investigation should include past elected officials. Mr Drummond said in the Terms of Reference, the investigator says the next stage would be onsite interviews with key staff, contract staff and decision makers to better understand the information contained in the reports. He said as previous elected members were part of the decision-making, the investigator would be expected to approach them.

Some Councillors said it is important that the investigation is entirely independent and believes that the Audit and Risk Committee would be seen as part of Tasman District Council and that the investigator should have a skillset relating to building a dam.

In response to a question, staff noted that the investigator will be given full access to all the material that has gone into the decision-making and matters that have arisen from the decision in November 2018. The advice from Mr Jones is to deliver an investigation scope that answers some of the key questions from the Council and the community and the decision to proceed with



the project. .

There were concerns that the investigation is going to be another cost on the Council along with all the dam cost overruns.

**Moved Cr Hill/Cr Butler  
CN21-06-11**

**That the Full Council:**

1. receives the Waimea Community Dam - Investigation Options RCN21-06-7; and
2. approves unbudgeted expenditure in the Governance Activity of up to \$170,000 to undertake an independent investigation based on the Terms of Reference, set out in Attachment 4; and
3. assigns the oversight of the investigation to the Audit and Risk Committee, in particular, the independent member, Graham Naylor, with the final report back being to Full Council by the independent investigator; and
4. notes that engaging with the entity, undertaking the investigation will involve staff time typically on an hour for hour basis with the persons undertaking the investigation; and
5. notes that this engagement may impact the timely delivery of other Council work or require some additional short term resources to be engaged.

**CARRIED**

Councillors McNamara and Walker voted against the resolution.

**8.3 Waimea Water Ltd - Quarterly Report to Shareholders**

Mr Drummond took the report as read.

*Councillors Mackenzie and Hill left the meeting at 12.12 pm.*

It was noted that Mr Scott is presenting to the Council in early July with an update on the project and the process to date.

*Deputy Mayor Bryant left the meeting at 12.14 pm*

*Cr Walker left the meeting at 12.14 pm.*

It was noted that the bar chart recording progress against budget, the budget element is missing. Mr Drummond will provide feedback to Waimea Water Ltd asking that the two graphs are combined into one graph.

*Cr Hill returned to the meeting at 12.16 pm.*

**Moved Cr Dowler/Cr Tuffnell  
CN21-06-12**

**That the Full Council:**

1. receives the Waimea Water Ltd - Quarterly Report to Shareholders RCN21-06-3; and
2. notes the receipt of the Quarterly Report for the period ended 31 March 2021 from Waimea Water Ltd.

**CARRIED**

**8.4 Waimea Water Limited - Final Statement of Intent 2021-2022**

Mr Drummond took the report as read.

*Councillors Mackenzie and Walker returned to the meeting at 12.17 pm*

**Moved Cr Maling/Cr Mackenzie**

**CN21-06-13**

**That the Full Council:**

- 1. receives the Waimea Water Limited - Final Statement of Intent 2021-2022 report; and**
- 2. notes the delivery of the Waimea Water Limited Final Statement of Intent 2021-2022 (Attachment 1) as required under the Local Government Act 2002; and**
- 3 agrees to the Final Waimea Water Limited Statement of Intent 2021-2022 (Attachment 1) dated 26 May 2021.**

**CARRIED**

Cr Hill closed the meeting with a karakia.

The meeting concluded at 12.18 pm

Date Confirmed:

Chair: