

STAFF REPORT

TO: Chair and Members, Engineering Services Committee

FROM: Gary Clark, Transportation Manager
Peter Thomson, Engineering Manager

REFERENCE: W209

SUBJECT: **AORERE AND MURCHISON FLOOD EVENT FUNDING REQUEST – RESC11-02-02-DEC**
Report prepared for meeting of 3 February 2011

1 PURPOSE

- 1.1 The purpose of this report is to seek approval from the Engineering Services Committee to make application to the Ministry of Civil Defence, The New Zealand Transport Agency (NZTA) and Local Authority Protection Programme Disaster Fund (know as LAPP Fund) for emergency funding for the 28 December 2010 flood event.

2 BACKGROUND

- 2.1 On the morning of 28 December heavy rainfall was experienced in the headwaters of the Aorere and Anatoki catchments in Golden Bay, and in the catchments north and south of Murchison.

- 2.2 Estimates of the flood return periods and levels are:

- Aorere River – a 1 in 169 year return period flood event, peaking at 3560 cumecs, the largest flood during the last 30 years of records
- Anatoki River – a 1 in 53 year return period flood event, peaking at 627 cumecs, the largest flood during the last 30 years of records
- Murchison area – the National Institute of Water and Atmospheric Research (NIWA) recorder was washed away in the flood event and staff are awaiting information on the surveyed flood level to ascertain the actual flood level. It is likely to be around the 2nd or 3rd largest on record since 1964.

- 2.3 Key impacts of the flood events and recovery issues

- Aorere Valley residents, particularly in Ferntown and Rockville were affected by flood waters and inundation of properties and homes. There were welfare issues to assist families displaced from their homes. Work and Income assisted with these welfare issues. Property and houses needed cleaning up and repair work undertaken. A major community effort was involved in the clean up exercise. Council assisted, including making dumping of waste generated from the flood event free at the local transfer station. Council building inspectors have inspected most of the homes that were damaged. Four houses have been deemed temporarily insanitary. Most families are now back in their homes.

- Aorere River created a new channel below Rockville. A huge amount of work has been undertaken to get the river back into its former channel and to reinstate the rock protection. Work is ongoing.
- James Road bridge (60 metre span) was washed away during the flood. Pomeroy and Garrett farms are isolated on the other side of the river. Emergency provisions were sent in by helicopter to the Pomeroy family.
- Trampers on the Department of Conservation (DoC) estate were cut off and DoC staff were involved in evacuation of the trampers.
- Livestock losses in the Aorere Valley.
- Power outages in Rockville and Bainham for most of 28th December. Milk dumping was necessary (and authorised by Council under emergency powers) due to power outages and tanker access issues.
- A boil water notice was issued through until 7 January for the Pohara Water Supply, as the filtration plant could not cope with the turbidity of the water from the water source.
- The approaches to several bridges were damaged and the surfaces of several roads were washed away. All roads and bridges in the area have been checked and cleared, and any closed roads were re-opened within a couple of days of the event. Water tables needed to be reinstated.
- The historic Salisbury Swingbridge was washed away.
- Residents, particularly in the Matakītaki Valley, were affected by flood waters and inundation of properties and homes. Welfare issues were dealt with by Work and Income personnel. Property and houses needed cleaning up and repair work undertaken. Community effort was involved in the clean up exercise.
- Significant damage occurred to roads, culverts and bridge approaches, particularly in the Matakītaki and Matiri valleys. Water tables needed to be reinstated. All roads were checked and cleared. Any closed roads were re-opened within a couple of days, with the exception of the Maruia Saddle Road, which will remain closed for some time due to the extent of damage and repair works needing to be undertaken.
- The Murchison Transfer Station roof was lifted off the building and work has begun to repair the damage. The Station is operational.

3 FUNDING MATTERS

- 3.1 A certain amount of work has already proceeded on repairing the damage that occurred during the December 2010 event, as this was required to provide access to property and prevent further damage as a result of further rain fall events.
- 3.2 There is a need to apply for the funding assistance for the emergency works and repairs to Council's assets. The funding applications will need to be made to several different organisations including NZTA, the Ministry of Civil Defence and the LAPP Fund.

Roading

- 3.3 NZTA have confirmed that the funding assistance rate for emergency works, if carried out this financial year, will be at 55% and 53% if completed over two years.

- 3.4 Roothing works have involved the initial response, which required extensive work with a cost of around \$175,000 to restore the network to provide access.
- 3.5 Further work is now ongoing to repair the pavement, reform unsealed roads, repairs culverts and reseal roads. Other works that will require urgent attention are now being investigated and programmed which include bridge protection works and more permanent slip repairs. The cost of this work is estimated to be around \$2.8 million.
- 3.6 The total roading costs to repair the road network are expected to be around \$3.0 million once a full extent of the damage is collated, investigated, tendered and completed.
- 3.7 These costs include the full replacement of the James Road Bridge at an estimated cost of \$1.6 million. The attached report relating to the James Road Bridge outlines potential options and issues for returning access across the river. In summary, there are possibly cheaper options for access across the river. One option could provide a class 1 bridge for a cost of around \$1.2 million. The highest cost for the bridging has been left in the funding calculations at this stage until more certainty about costs are available and other implications relating to the removal of the old bridge out of the river are more certain.
- 3.8 There is a local share “shortfall” in funding as a result of the limited funding from NZTA. The local share is expected to be around \$1.4 million which will need to be found.
- 3.9 Due to the size of the event and its effect over the District the likely source of funds for the local share would be from the General Disaster Fund. This will require Council approval and will be subject to the Fund policies and Fund balance available. The General Disaster Fund does not have sufficient funds to cover, the balance being around \$1.2 million. Corporate Services will report separately on how to manage this shortfall and the funding requirements/options for the General Disaster Fund. It is expected that an increase in the General Rate will be one option required to recharge the Fund.
- 3.10 For Engineering Services to access the General Disaster Fund we must pay the first \$200,000 out of the annual Roothing operational budgets. This can be accommodated even though there is little additional funding in this area. It will mean that some of the funds set aside for work on back block roads and other similar activities will not progress this year.
- 3.11 It should be noted that all but \$150,000 of the annual Roothing Emergency Budget has been spent on past events. This remainder of this funding will be used for this event. Council needs to be very aware that the current year’s operational roading budgets now have no capacity to meet the costs of any further adverse events through to the end of June 2011. Recent history strongly suggests that we will have at least some cost from adverse events over the next 5 months.

River Y

- 3.12 The section of the Aorere River from Rockville Bridge to the coast is currently classified as River Y. In Council’s Activity Management Plans, this section of Aorere River is required to be maintained to an Annual Flood level.

- 3.13 The flood event on 28 December 2010 removed significant sections of rock wall and other protection works that were put in place to meet Council's level of service as stated in the Activity Management Plans and Ten Year Plan.
- 3.14 The expected costs of repair to this classified river will be around \$1.4 million with some \$600,000 being spent just south of the Rockville Bridge on the bend at Riley's farm.
- 3.15 Upon application the Ministry of Civil Defence Emergency Management (MCDEM) will fund up to 60% for repairs to Council assets. Accordingly around \$800,000 will be covered from Central Government, subject to the application meeting MCDEM criteria.
- 3.16 This will lead to a local share "shortfall" of around \$560,000 that will need to be found from other funding sources.
- 3.17 There are two options for addressing this shortfall. These are to make a claim to the LAPP Fund to cover the shortfall of 40%. The other option is to use the Classified River Protection Fund.
- 3.18 A claim to the LAPP Fund will require a \$450,000 excess to be paid. The funds to pay the excess could be sought from the Classified Rivers Protection Fund. This would result in around \$110,000 of the river works being funded by a claim from the LAPP Fund.
- 3.20 The current balance in the Classified Rivers Protection Fund is around \$1.35M. The LAPP fund option would deplete the Classified Rivers Protection Fund by \$450,000 to pay the excess.
- 3.21 The other way to fund the repair bill would be to simply make the funds available from Classified Rivers Protection Fund. To access this fund the first \$100,000 must come from the Rivers Operation Budget.
- 3.22 This would result in around \$460,000 being taken from the Classified River Protection Fund. This option will cost Council slightly more as there is an effect on the Rivers Maintenance budget
- 3.23 Either option will have the same effect on the Classified Rivers Disaster Fund. The costs associated with the river works have yet to be determined exactly and could be more than our current estimates. Actual estimates and costs will not be known until all properties/damage sites are visited and tenders are received.

River Z

- 3.24 The River Z works account for other sections of the Aorere River above the Rockville Bridge, the Wangapeka River, Dart River and Buller River. There are likely to be some other rivers that staff and consultants have not fully investigated to date that fall into River Z. The amount of river assets in these other locations is limited and not expected to have any damage or high costs attached to them.

- 3.25 The flood event took out a significant number of these rock works which are part-funded from the River Z fund which is currently set at \$100,000 per year. This fund is used as a subsidy to property owners wanting to protect their adjoining land from damage associated with the river. It is often rock wall protection works. Council provides a subsidy of up to 50% to the land owner provided it is built to a certain standard and the ongoing maintenance is the responsibility of the land owner. The subsidy rate has reduced to 20% at times when there is greater demand on this fund.
- 3.26 The total damage to assets in River Z has been estimated at around \$500,000. Roughly one third of the damage was in the Aorere River with the remainder across the rest of the District.
- 3.27 Unfortunately, due to the assets not being on Council's asset register and in effect being in private ownership, any protection works will not be covered by the LAPP Fund.
- 3.28 However because Council has invested in the rock wall protection as part of the River Z subsidy, we will be able to receive the MCDEM's 60% subsidy to repair the damage.
- 3.29 Accordingly there will be a local share "shortfall" in funding of 40% or around \$200,000 to repair the damage created by the flood. This shortfall will need to be funded. A number of options may be available which include the following:
- a) that the \$200,000 shortfall is fully paid by land owners, and determined on a site by site basis.
 - b) that the proposed 2011/2012 annual allocation of around \$100,000 that is transferred to the Classified River Protection Fund is put to the \$200,000 shortfall. This would result in a 50% subsidy of the remaining \$200,000. Accordingly the land owners would need to fund \$100,000 and Council would fund \$100,000. This funding rate is the same as the current subsidy rate that provided for River Z works and therefore consistent with current Council Policy in handling River Z works funding.
 - c) Council could consider funding the entire shortfall of \$200,000 by way of the \$100,000 noted above and finding the remaining \$100,000 from another source. This could possibly be managed by the current annual maintenance programme but would leave to a slight reduction in level of service. This is not recommended and is not consistent with Council Policy in terms of River Z works.

This matter we need to be discussed further as part of the Draft Annual Plan 2011/2012 Workshop planned for 9 February 2011.

Utilities

- 3.30 The flood event caused around \$90,000 worth of damage to some utilities in Golden Bay and solid waste sites in Murchison.

3.31 The MCDEM Fund will pay 60% of the repair bill. The remaining 40% can be claimed from the LAPP on the assumption an application is made as a single claim with River Y works, and it is successful.

3.32 There is no shortfall in funding to repair this damage.

4 FUNDING SUMMARY

4.1 The total repair bill for flood event that happened on 28 December 2011 is expected to be around \$6 million.

4.2 The estimated funding shortfall in the activity areas that were damaged are as follows:

- Roads and Bridges - \$1.4 million
- River Z - \$200,000

4.3 These figures are based on all funding applications to MCDEM, NZTA and LAPP Fund being successful. There is an assumption that the excess for accessing the LAPP Fund of \$450,000 will come from the Classified River Protection Fund.

4.4 The remaining shortfall to repair the road and bridges could come from the General Disaster Fund with \$200,000 (effectively an excess payment) from the current Roading operations budget. Note that there are currently insufficient reserves in the General Disaster Fund to meet the remaining \$1.2 million needed to repair damage. The final cost estimates associated with the James Road Bridge replacement are still being finalised.

4.5 A number of funding options for the River Z shortfall are noted above with section 3.29 b) being the option that is consistent with current Council Policy.

5 RECOMMENDATIONS

5.1 THAT the Engineering Services Committee receives this report RESC-11-02-02

5.2 THAT the Engineering Services Committee supports the application to the Ministry of Civil Defence for emergency funding as outlined in this report, RESC-11-02-02

5.3 THAT the Engineering Services Committee supports the application to the NZTA for emergency funding as outlined in this report, RESC-11-02-02

5.4 THAT the Engineering Services Committee supports a claim to the LAPP Fund for emergency funding as outlined in this report, RESC-11-02-02

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