

# STAFF REPORT

**TO:** Council Enterprises Subcommittee

**FROM:** Port Tarakohe Administration Manager

**REFERENCE:**

**DATE:** 19 October 2006

**SUBJECT:** Port Tarakohe Report October 2006

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## WATER AND STORMWATER ISSUES

Since the last meeting there have been some significant problems at the Port with the water supply.

The catchment area for the water supply is a 50 hectare moderately steep area of land that had previously been in forest but has recently been harvested. The forest is outside of the Port Tarakohe Ltd land.

The consequences of the forestry harvesting has been that in the event of any moderate amount of rain, a significant quantity of mud finds its way into the water supply. The water supply has then to be cleaned up after the rain event by draining the settlement tank, physically scrubbing the tank clean and then running fresh water through the pipes to clear the silted pipelines.

The supply is provided by way of the Port Users Licence Agreement with Port Tarakohe Ltd and utilises the old cement works water supply which comprises a rudimentary dam and settlement pond.

The Port Users Licence Agreement provides that there's no obligation to supply potable water or take any steps to alter the quality of the water or to undertake any capital expenditure to ensure continued supply should any fault occur.

In the past Port Tarakohe Ltd have undertaken this work with assistance from the Harbour Manager, but just recently, legal action has been undertaken by Council against Port Tarakohe Ltd and they have now advised me that they now wish to exercise their right under the licence agreement which means that they do not have to clean the water tank out i.e. they do not have to continue to supply water to us if the supply fails. (As we have no easement we cannot clean the supply out ourselves without trespassing on Port Tarakohe Ltd land.)

The consequences of no water supply are severe for the Port in that we require water for fire fighting, for the toilet facilities and for the marina for potable supply.

As an emergency measure we have provided two port-a-loos in place of the flush toilets situated at the Port and the Harbour Manager has been utilising a loaned three and half cubic metre tank which he fills up and transports to the Port and which requires re-filling two to three times per week.

The cost of utilising Port-a-loos in lieu of the existing toilet facilities would be about \$14,000.00 per year, developing an alternative water supply would be significantly higher in terms of capital cost. Alternatives being considered are a larger storage tank which could be used for filling by tanker at a cost of \$200 per 8m<sup>3</sup>, load which would probably last the Port for a week (annual cost therefore on a continuing basis would be circa \$10,000.00).

An alternative solution could be by providing an alternative pipe supply from Pohara Valley again utilising spare water that is available on a night time to go through a restrictor valve into a storage tank to be available for use at the Port during day time.

The third possibility currently being investigated is the option to purchase a de-celination plant.

As well as the Port use, Talley's Fisheries use a considerable amount of water for their ice tower at the Port. I have advised Talley's of the situation regarding the water supply and there may be possibility of a co-operative approach to resolve this problem.

Negotiations are still being attempted to improve relationships with Port Tarakohe Ltd but even in the event that cleaning of the supply resumed, the frequency of interruptions to the supply from land disturbance due to forest harvesting would still mean that we would need to purchase a storage tank at the Port to provide an intermittent supply when the main supply was down.

The matter regarding stormwater could be more serious in that Council is requiring the stormwater from the main catchment area to be redirected away from Staides Bay where there has been some undermining of rocks along the cliff back to the Port. During normal rain events this should not be too much of a problem but is likely to be a real threat in the event of a flash flood, particularly in a situation where the hill side has been newly harvested. My concern which is born out by past episodes of flash floods in this area, is that we could end up with huge quantities of silt being washed into the Port which would then be required to be dredged out at the cost of the Port. Costs for such work could run into the hundreds of thousands of dollars.

## **WHARF STRUCTURES**

An independent engineer was recently engaged by a private company to check out areas of the Port for taking loads and an area back from the main wharf which was considered to be hardfill has since found to be filled around an old wooden wharf structure. Test holes have found that there are some cavities and it is understood

that currently these cavities raise some concerns regarding the bearing capacity of these areas of the Port. Whilst it appears that the fill used has settled reasonable well and is not likely to be destabilised with normal traffic, any heavy weight such as a crane or building could cause some risks.

In checking over the Port the engineer also checked the main concrete wharf and found that some reinforcing steel in places had been exposed through salt water penetrating the concrete face and rusting the reinforcing and blowing the concrete off. This is not a particularly serious situation at the moment but needs to be attended to to ensure that these patches do not spread. I am getting a price from a local firm that were used by Council some years ago in doing a similar repair work on bridges throughout the district. In regards to the old wooden wharf it appears that we are coming to a conclusion that removal will be the only practical option to protect safety and also reduce harbourage for sea squirt organisms. We have an opportunity to have the structure removed professionally at no cost however my understanding from consents is that we will need a Resource Consent for the demolition of the wharf and I presume also in that case we will need Building Consent to remove this dilapidated structure.

## **MARINA**

Since the last meeting one of the pontoons in the marina which had started to skink was repaired by the manufacturers under guarantee. The problem was caused by water infiltrating through some mooring anchors that had been fastened using the incorrect size fasteners which had punctured through the surface of the pontoon, when the moorings were subsequently removed this left a hole for sea water to enter and over time has caused the pontoon to fill and thus sink. Whilst the contractor was on site he noted that some of the pontoon fingers were being weighed down by the use of heavy power float ring moorings. The contractor noted that this could also lead to pontoons being affected by ingress of sea water and recommended the installation of buoyancy aids. The contractors also recommended that private owners should no longer be able to make their own mooring clamps on the pontoons and that they would supply and fit mooring clamps in place. The price I have been quoted for this work which includes shipping and contractor fitting is \$6500.00 however we are trying to negotiate to fit the buoyancy aids and moorings by the Harbour Manager which would save approximately \$2000.00.

## **FINANCIALS**

Figures attached are until 31 August 2006 which is one sixth of the year. There are some aberrations in these figures on the income stream, a lot of the standard fees that we charge out in berthage have not been invoiced yet hence the lack of income. On salary and expenditure we have already exceeded the \$5000.00 budget which is as a result of additional time spent by staff including myself and the Corporate Services Manager in addressing matters raised on Port Tarakohe charges.

Note that the wharf maintenance budget is very thin at \$13,000.00 (\$3,000.00 already being committed for cleaning and mowing) for the year and with the problems

with the water supply and repairs to the concrete wharf plus the marina work that we will most likely exceed this years budget unless we opt for deferring work in the current year.

Obviously the water supply issues cannot be deferred and there is no budget for operational costs for the water supply which I estimate will cost approximately \$24,000.00 having Port-a-loos instead of the existing toilets and paying for water to be trucked into the Port for drinking purposes at the marina.

The work on the wharf is also very critical, and that if it is not attended to we will be prejudicing the structural integrity of the wharf over time. Whether this is significant over a year is uncertain but the concrete wharf is the most valuable asset that we have at the Port and it is essential that we maintain that asset. Costs for repairing the wharf are yet to be determined but should not exceed more than \$3000.00 to \$4,000.00.

My recommendation given the fiscal restraints at the port is that we undertake the concrete wharf repairs and install a 23000 litre water storage tank at the port and hope that we can endeavour to get relations with Port Tarkohe Ltd back on track.

Work on the marina and problems with infilling around the old wharf will need to be deferred this year unless a significant additional income comes the Port's way.

B Askew  
Port Tarkohe Administration Manager

**Port Taranaki**  
**As at 30 August 2006**

	<b>YTD Actual 06/07 \$</b>	<b>Budget 06/07 \$</b>
<b>Income</b>		
Lease Fees	-2,000	-11,000
General	-	-8,000
Commercial Fees	-154	-35,000
Casual Fees	-	-12,000
Berthage	-	-120,000
Mussel Line Income	-	-46,000
<b>Total Income</b>	<b>-2,154</b>	<b>-232,000</b>
<b>Expenditure</b>		
Salaries & Wages	8,262	4,000
Professional Fees	-	2,500
Wharf Maintenance	-	13,000
Electricity	417	2,500
Pan Charges	667	4,000
Council Taranaki Harbour Expense	549	3,000
Taranaki Harbour Master	6,334	38,000
Loan Interest & Principal	26,667	160,000
<b>Total Expenditure</b>	<b>42,895</b>	<b>227,000</b>
<b>Net Deficit/(Surplus)</b>	<b>40,741</b>	<b>-5,000</b>

**Notes to the accounts**

- Annual Berthage invoices are scheduled to be issued in September 2006.

- Annual Mussel Levy invoices are scheduled to be issued in December 2006.

-The 2006/2007 operating budget was approved at the Enterprise Sub Committee meeting of 9 August 2006.

-Salaries and Wages to date have been commented on in the managers report.