

**KAIKOURA EARTHQUAKE RECOVERY COMMITTEE MEETING HELD  
ON WEDNESDAY 17 MAY 2017 AT COUNCIL CHAMBERS, KAIKOURA  
CIVIC BUILDING, 96 WEST END, KAIKOURA.**

**AGENDA**

1. *Apologies*
2. *Declarations of Interest*
3. *Matters of Importance to be raised as Urgent Business*
4. *Confirmation of Minutes 26/04/2017*
5. *Minutes Action List*

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<b>Meeting</b>	<b>Action Required</b>	<b>By</b>	<b>Progress</b>
Earthquake Recovery Committee 25/01/2017	Prepare MOU with Marlborough District Council regarding assistance with daily functions which were being undertaken for the Northern communities of the district.	Chief Executive Officer	MDC are compiling the MOU- to be completed by end May 2017.
Earthquake Recovery Committee 21/02/2017	Follow up with D Brash regarding funding for Waipapa slipway	Chief Executive Officer	A verbal update will be provided at the meeting.

6. *Planning Update* *page 4*
7. *Building Update* *page 6*
8. *Waste Funding* *page 7*
9. *Recovery Update* *page 10*
10. *Infrastructure Update* *page 12*
11. *Insurance Update* *page 14*

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<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	17 May 2017
<b>Subject:</b>	Planning Update
<b>Prepared by:</b>	Matt Hoggard Planning and Building Manager
<b>Authorised by:</b>	Angela Oosthuizen Chief Executive Officer

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#### **Consents related to restoration works**

Resource consent was granted for the NCTIR workers accommodation facility at 22 Mt Fyffe Road.

A resource consent application has been received for a second workers accommodation facility. This is proposed to be located at the Woodbank School site on Clarence Valley Road. This proposal is smaller in scale than the Mt Fyffe Road facility and includes:

- 10 containers situated on the school field and road reserve
- accommodation for 30 workers
- proposed operating life of 12 months (two year duration sought to provide a contingency)
- relocate workers to Mt Fyffe Road site once connection is restored
- Catering and support services provided off site

Council staff are currently processing this consent. No determination of affected parties has been made.

Resource consent was granted to demolish the historic listed building at 17-19 West End. This building was damaged in the Earthquake event.

Planning queries in relation to the rebuilding of homes is increasing.

#### **Non-earthquake related resource consents**

Refer to attached resource consent update.

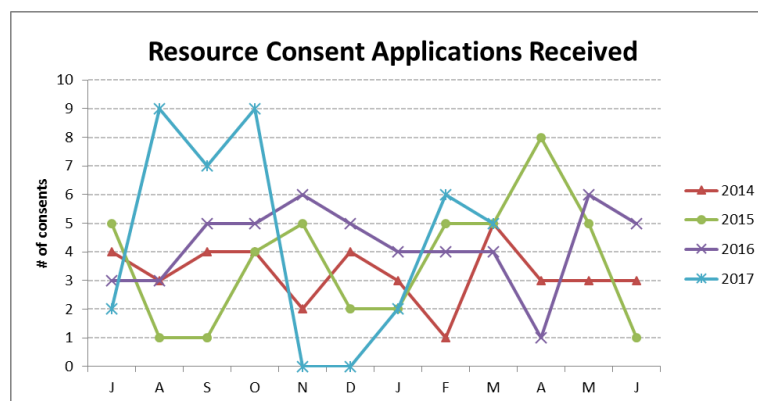
#### **Council Policy**

Council's Class 4 Gambling Venue Policy and TAB Board Venue Policy have been identified as due for review.

Work continues on the review of the natural hazard chapter of the District Plan. Council is working closely with Environment Canterbury who are still awaiting LiDAR data.

#### **Trails Trust**

A draft document is currently having a legal review prior to the formation a Trails Trust.



Resource Consent Update from 13 April 2017 – 9 May 2017

**Resource consent decisions issued:**

Type of consent	Applicant	Address of activity	Number of Lots / Guests
Land Use	NCTIR - Accommodation	22 Mt Fyffe Road	Up to 310 on site
Land Use	Pickering D J	220 Lovers Lane	
Land Use	Harnett, Peter T	17-19 West End	

**Active consent applications currently in progress:**

Type of consent	Applicant	Address of activity	Number of Lots / Guests
Land Use	NCTIR – Accommodation	43 Clarence Valley Road	30
Land Use	NPD – Fuel Stop	136-142 Beach Road	
Land Use	WR & P Pacey LTD	196 Beach Road	
Subdivision	Homewood Hill Ltd	593 SH 1	2

**Consent applications currently being notified:**

Type of consent	Applicant	Address of activity	Number of Lots / Guests
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**Consent applications awaiting receipt of further information requested from applicant or on hold:**

Type of consent	Applicant	Address of activity	Number of Lots / Guests
Change of Conditions	Kaikoura Hire Co	170 Beach Road	
	Parklands Southland LTD		
ROW Approval		168 Esplanade	
Land Use	Chiwis Cafe	114 Beach Road	
Land Use	Tim Hawkins	5A Mill Road	
Land Use	Neville Mitchell	13 Swyncombe Place	
Land Use - Road setback	Kirk	26 Moa Road	
Land Use - Earthworks in Arch Site	KDC	Global for District	

Visitor Accommodation	Hammett	61 South Bay	12
Visitor Accommodation	Page	128 Torquay Street	
Visitor Accommodation	Brown	39 Kotuku Road	8
Subdivision	Vendbos Holdings Ltd	2009 SH 1	

<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	17 May 2017
<b>Subject:</b>	Building Update
<b>Prepared by:</b>	Matt Hoggard Planning and Building Manager
<b>Authorised by:</b>	Angela Oosthuizen Chief Executive Officer

There were 15 Building Consents with a combined construction value of \$962,750 issued during April 2017. These consents were for:

- 9 solid fuel heaters
- 1 commercial dairy shed
- 2 garages/sheds
- 1 dwelling extension
- 1 relocated dwelling
- 1 earthquake repairs to accommodation block

We currently have 19 consents being processed.

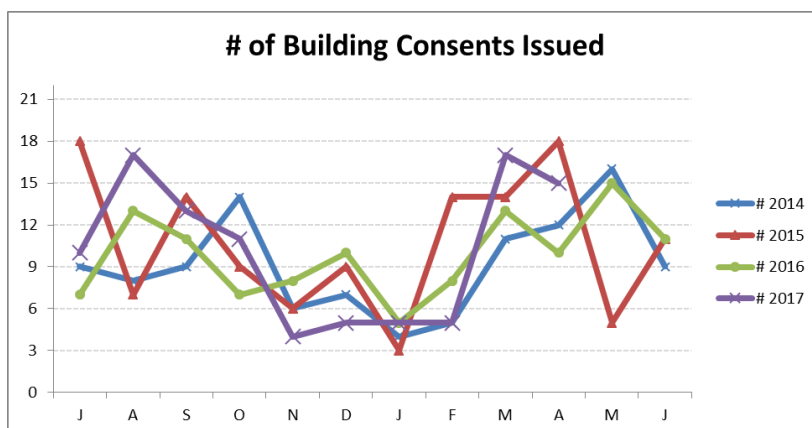
11 Land Information Memorandums and 10 Code Compliance Certificates were issued in the month of April 2017.

Actual numbers of consents are down on last month but the values of consents has increased. We have been advised from insurers that the remainder of dairy sheds are operational. Consents and repairs for these sheds will be able to occur at a time which suits the individuals.

We have issued an exemption for the NCTIR accommodation camp, the camp is expected to be operational on Monday 22 May 2017. We are still awaiting exemption applications for works in relations to bridges.

The shift to GoGet is still occurring with additional training planned later this month.

The building team will be busy with the IANZ audit from 10<sup>th</sup> to 13<sup>th</sup> March.



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<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	17 May 2017
<b>Subject:</b>	Waste Funding
<b>Prepared by:</b>	Rachel Vaughan Natural Environment Recovery
<b>Authorised by:</b>	Angela Oosthuizen Chief Executive Officer

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**Purpose and Origin:**

The purpose of this report is to inform the Committee about the decision for funding from the Ministerial application to the Waste Minimisation Fund.

**Executive Summary:**

The project is based on a joint council, post-earthquake waste plan to manage waste streams likely to be produced as part of the recovery. The plan identifies the services, additional facilities, and resources required to assist recovery in the districts.

There are four main components to the project:

- Waste management and resource recovery infrastructure;
- Asbestos surveys;
- Hazardous substance management; and,
- Project management and community assistance.

A key focus of the project is to support residents and business owners whose buildings either require demolition or extensive structural repairs, in order to make them safe for occupation or habitation. A key learning from the Christchurch earthquake was that community liaison is important. Case managers will be employed to be a vital community link to ensure residents and businesses have a seamless service.

The three Councils will manage infrastructure repairs and development, asbestos surveys, hazardous substances and project communications.

**Recommendation:**

***It is recommended that Council;***

- 1. Receive the report, and***
- 2. Instruct staff to continue with the implementation of the Post Earthquake Waste Project.***

**Background:**

Hurunui District Council's waste infrastructure has been damaged. Most of Kaikōura District Council's infrastructure is still able to be used. Both Councils are facing significant immediate pressure on these facilities. As the recovery proceeds, the facilities will not be able to provide the required level of service from the resulting increase in demolition waste. Apart from some capital machinery assets, the councils' insurance does not cover repair costs to these facilities.

There is also a significant risk to community health and wellbeing from asbestos and hazardous substances. Hazardous waste includes waste materials (liquids, gases or solids) that are explosive, flammable, corrosive, toxic, radioactive or infectious. Common substances are likely to include: household chemicals like bleach or ammonia; herbicides or pesticides like glyphosate; paints, fuels and oxidisers.

These substances are often left behind during the evacuation or abandonment of buildings, and can contaminate the demolition process and/or react with other incompatible substances. Asbestos and hazardous substances need to be handled safely during repair or demolition to prevent any adverse health effects to workers on the site, neighbours, and harm to the wider environment. Management of these substances needs to be put in place to avoid slowing recovery efforts and increasing rebuild costs.

To resolve the main effects of the earthquake, the four key components of the project are set out below.

**Issues and Options:**

Issue	Solution	Funding Allocation
Waste management and resource recovery infrastructure	Existing waste management and minimisation services and infrastructure will be repaired and enhanced to cope with expected volumes of earthquake waste	\$550,000
Asbestos-based products were mainstream in New Zealand homes, offices, factories and other buildings from the 1920s to the mid-1980s.	Case managers at Hurunui and Kaikōura District Councils are to carry out a preliminary observation of properties to determine whether an asbestos survey is required and will then work with residents and business owners to schedule surveys where necessary. Consultants will be contracted by Environment Canterbury to undertake the surveys of affected buildings.	\$1,096,000
Hazardous substances management	The process to remove hazardous substances in Kaikoura and Hurunui follows the successful project methodology used in the Residential Red-Zone Household Hazardous Waste Management Project undertaken following the Christchurch earthquake.	\$400,000
Project management	The Councils (via ECan) will employ a project manager to manage the project, support case managers and report to the Ministry. Without a project manager, Kaikoura and Hurunui Councils would strain their limited resources to deliver the project.	\$100,000
Community assistance	Contact with the public, data collection and information sharing	\$100,000

### ***Consideration of Options***

The intent of this project is to aid in the recovery of the effects of the November 2016 Earthquake in the Kaikoura and Hurunui Districts.

This project will specifically be repairing infrastructure and conducting asbestos and hazardous substances surveys across the two districts. As there are homes and buildings which need to be demolished, this will result in an increased amount of waste in these districts. The long term goal of this project is to reduce risk to human health by the safe identification of buildings and households which may contain asbestos and/or hazardous substances.

Options were put to Council in January, and ***Council supported the proposal subject to Ministerial funding approval.***

### **Community Views:**

There is initial confusion out in the Community about the demolition process and how to project manage when cash settlements are made. This work will provide assistance with the process. The building industry has been engaged, as have the insurance industry.

### **Financial Implications and Risks:**

Financial support is outlined above. The initial costs of preparing and investigating the proposal were covered by the Natural Environment Recovery Staff budget allocation.

### **Context:**

This work fits within the larger waste minimisation and management that has been managed.

**Policy:** This work falls under Kaikoura's Zero Waste Plan.

**Legislation:** Provision of waste services is under the Waste Minimisation Act 2008.

### **Community Outcomes:**

Environmental Protection and Enhancement

Our natural environment and our role as responsible stewards of it, respecting and protecting the health of natural systems today and for generations to come.



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<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	17 May 2017
<b>Subject:</b>	Recovery Update
<b>Prepared by:</b>	Danny Smith Recovery Manager
<b>Authorised by:</b>	Angela Oosthuizen Chief Executive Officer

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**Purpose and Origin:**

The purpose of this report is to inform the Council about Recovery work since last meeting.

**Recovery Overview:**

- The Recovery Plan was adopted by Council and is now available online on the Council website.
- Kaikoura District Insurance/EQC Claims Meeting was held on Friday 28th April at the Memorial Hall
- NCTIR Village enroute this week from Thursday 4th May making its way to Kaikoura by truck. The prefabricated accommodation village is to house workers restoring the SH1 transport corridor. The trucks will be travelling at night and into the early morning to minimise disruption to road users, residents and businesses along the route. Each convoy of trucks will have two pilot vehicles. There are 104 trucks in total and will travel in staggered convoys to minimise disruption on the network. Around 8-10 loads delivered per day over a twelve-day period. There will be no weekend deliveries during this time. All over-dimensional loads will be restricted to the hours of 8.00pm – 7.00am. Village is expected to be fully set-up by end of May, early June
- Parakawa Airport has been closed to all flights due to the condition of the runway. Now looking for another site for the Airport.
- 25<sup>th</sup> May is the new date for the road south re-opening.

**Social Recovery**

- All three positions recently advertised – Community Connector, Information Management and Outreach Co-ordinator have begun working. This will allow full coverage of our community. We will be putting together a work plan over next week or two.
- Met with Joel Browne (MBIE) last Friday to discuss temporary accommodation. Putting together a business case to address under supply issues.
- 2-3 people from Canterbury Community Law coming to Kaikoura 2 days a week on a fortnightly basis. This is a pilot program being funded to end of June.
- An initial survey has identified 53 households in need of repairs to aid heating in winter. At this stage no agencies have been identified to assist with funding. This matter is being raised through the National Recovery Manager.

**Events**

- Comedians performed Monday 8th May at 8pm in the Memorial Hall. A good turn out
- Small Golden Oldies Tournament Queens Birthday weekend. Keeping it small this year in light off roads etc, next year will be a larger event
- November 18th “Kaikoura Rumble” a boxing event being held at the Memorial Hall during the anniversary week “Shaken not Stirred” 11th – 18th November. All funds raised will go towards children’s sport in Kaikoura

### **Natural Environment Recovery**

- Recycling truck went today into Oaro/Goose Bay via the convoy and will be returning round trip Inland Road (3 hours)
- NZ Post servicing Oaro/Goose Bay from the south
- Residents need to have somewhere in Kaikoura that they can stay, relax, have a drink even a sleep while waiting to return home on the convoy at 5.30pm

### **Economic Development**

- Future Kaikoura Website has been launched.
- Grants process is established. Every application is vetted by Russel Cull, Canterbury Employers Chamber of Commerce, the application then goes to the board for consideration.
- A new Retail Trade Association has started up and Economic Recovery Lead is attending the meeting.

### **Transition**

We have requested for the transition of the recovery phase to be extended beyond 9 June so as to deal with properties that cannot be occupied due to natural hazards e.g. rock fall, landslide, debris flow, earthquake dam. There is a risk to life and the houses have been placarded to restrict access or occupation. We currently have 35 such affected properties.

### **Recommendation:**

***It is recommended that Council receive the Recovery Report update.***

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<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	17 May 2017
<b>Subject:</b>	Infrastructure Update Report
<b>Prepared by:</b>	Gerry Essenberg Operations and Maintenance Manager
<b>Authorised by:</b>	Angela Oosthuizen Chief Executive Officer

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**Purpose and Origin:**

Update on infrastructure.

**Background:**

The Council undertakes works as required to maintain and improve its assets.

**1.0 WATER SUPPLY**

All supplies operated in a post-earthquake state. New Water Safety Plans for all supplies are still being completed.

**1.1 Urban Water**

**Operations – Kaikoura Urban Supply**

In South Bay, the works associated with the water supply project, in particular the removal of poles, is still not complete.

The earthquake on 14 November caused ongoing significant damage with the consequential results and work:

- The installation of the rider main and laterals on Mt Fyffe Road is underway.
- All remaining significant earthquake related projects are on hold.

**1.2 Suburban Water Supply**

A boil water notice was removed but reintroduced due to high turbidity.

**1.3 Kincaid Water Supply**

The boil water notice is no longer in place.

**1.4 Oaro Water Supply**

The boil water notice is in place with work being completed to have this removed.

**1.5 Fernleigh Water Supply**

The boil water notice is in place with testing being taken to have this removed, other measures to be confirmed through the Water Safety Plan.

**1.6 Ocean Ridge Water Supply**

The replacement of the reservoir liner is being initiated.

**1.7 Peketa Water Supply**

The boil water notice is in place this is likely to be long term until a new source is identified

### **1.8 East Coast Water Supply**

The boil water notice is in place and likely to stay in place pending the outcome of the Water Safety Plan.

### **2.0 SEWER SYSTEM**

The earthquake on 14 November caused significant damage.

- All remaining significant earthquake related projects are on hold.

One of the pumps at Gillings Lane has been removed for repair and should be reinstated this month.

### **3.0 STORMWATER**

Potential further damage is still to be assessed

### **4.0 PARKS AND RESERVES, BUILDINGS AND MISCELLANEOUS**

#### **4.1 Parks and Reserves**

The parks and reserves were satisfactorily maintained during the reporting month with works being undertaken under the new contract.

### **5.0 ROADING**

#### **5.1 Roads**

The status as at 10 May is:

- All roads are open apart from damaged bridges.
- The alternative route on the South Bank, the Glen Alton Road, has been upgraded and is now complete.
- Sealing is still to occur on Mill and Red Swamp Road and will be completed with an overlay.
- Replacement of damaged culverts on Mt Fyffe, Schoolhouse, Postmans and Old Beach Roads is being completed.
- Minor repairable damage to roads and bridges still occurring.

#### **5.2 Footpaths**

There have been issues as a result of the earthquake that will be worked on. New Zealand Transport Agency (NZTA) was requested to fund part of the works on Churchill Street. These were loan funded in the 2015/16 year. NZTA has agreed to contribute \$51K.

#### **5.4 State Highway 1**

Further meetings of NCTIR on the future of State Highway 1 north and south were attended by the Operations Manager.

State Highway One south continues to be closed due to weather events and for periods of work. It will be some time before it becomes resilient and reliable access to Christchurch.

#### **Financial Implications and Risks:**

The works are funded through normal operating and maintenance and renewals budgets, or through earthquake recovery budgets.

#### **Recommendation:**

***That this report be received.***

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<b>To:</b>	<b>Earthquake Recovery Committee</b>
<b>Date:</b>	Date of Meeting
<b>Subject:</b>	State of Insurance - May Update
<b>Prepared by:</b>	Don Young, Infrastructure Recovery Manager
<b>Authorised by:</b>	Angela Oosthuizen, CEO

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### **Purpose and Origin:**

A previous report has been submitted to the Council 15 March 2017 which provided information on the state of the discussions with the insurers as they stood at that time. The purpose of this report is to provide a further update to the Council on the insurance situation, and provide guidance on the likely way forward, and timeframe.

### **Executive Summary:**

The insurance claim process is progressing well. Two recent meetings have clarified issues and provided a sound basis for working forward. The CEO will be reporting to the Insurance Subcommittee prior to future meetings to gain a mandate on the preferred direction for further negotiations.

### **Recommendation:**

*It is recommended that the Kaikoura District Council*

- 1. receives this report for its information,*
- 2. notes the progress towards resolution made so far, and the timeframe towards final resolution as identified in this report,*
- 3. notes that the CEO is currently negotiating an advance Progress Payment from the Material Damage insurers to assist with current cashflow,*
- 4. notes that the CEO will report to the Insurance Subcommittee prior to the next meeting with the insurers on 19<sup>th</sup> June, in order to receive guidance on the likely claim costs, funding allocation and pay-out mechanism,*
- 5. requests that the CEO seeks final approval from the Insurance Subcommittee before submitting a final claim*

### **Background:**

Since the previous report, the Council staff and advisors have met with the two main groups of providers of recovery funding for infrastructural assets.

The meeting with the Local Authority Protection Programme (LAPP) representatives took place in Nelson on Thursday 20<sup>th</sup> April (KDC staff attending by phone conference). This was followed by a meeting in Kaikoura of the KDC staff with the Infrastructure Recovery Manager.

The meeting with the Material Damage insurance loss adjustors (Cunningham Lindsay) took place in Christchurch on Friday 5<sup>th</sup> May with KDC staff attending in person.

## Issues and Options:

### 1. LAPP

- a. The LAPP representatives identified that the current spreadsheet detailing costs was well founded, with a generally appropriate basis underlying it. However they believe it is generally appropriate as a “Provisional” assessment of likely costs, and it requires further refinement before it becomes suitable as the basis for a claim.
- b. They are open to two funding options
  - i. Funding as repair/replacement of the assets progresses – this means we do the work on each asset then claim the actual cost
  - ii. Funding in advance based on assessed budgets – this means we would agree a lump sum up front which would be ours to apply over the programme
- c. However the second of these options is discretionary (i.e. outside the policy) and would require agreement of LAPP.
- d. There are advantages and disadvantages to both approaches, including risk allocation, the time cost of money, flexibility in decision-making, and administration costs.
- e. They noted that the uncertainty of damage currently allowed for needed to be reduced, and that an “uncertainty” contingency would not be appropriate to include in a claim.
- f. They noted that a “cost” contingency is appropriate for each project, but that the level of this contingency needed careful consideration.
- g. They noted some examples where assumptions needed to be re-considered, or justified better (e.g. percentage of manholes that haven’t been found that may be damaged by the earthquake).
- h. They noted that costs of investigating and reporting needed to be carefully justified, and weren’t claimable as a matter of right.
- i. The outcome was for KDC staff to refine its costing spreadsheet to better represent a “claim” rather than a “budgeting allowance”.
- j. KDC staff are currently working through this process and intend to re-submit this spreadsheet to LAPP representatives in order to try to achieve a closer agreement.
- k. Once that has been completed (and either the parties agree, or agree to disagree) then KDC will prepare a Claim worksheet to submit with a formal claim.
- l. No timeframe was set at the meeting. However, a timeframe that met the intended resolution date developed with the Material Damage below would be appropriate.

### 2. Material Damage

- a. The Material Damage representatives also noted that in general, the reports were well founded and useful, and they did not disagree with many / most of the engineering conclusions.
- b. They will be forwarding advice separately on the infrastructural assets covered by this policy (e.g. reservoirs, pump stations and treatment plants) where additional information is required to justify the likely claim.
- c. In general they agreed with the assessments for the Buildings, with the exception of the Amphitheatre and the Airport Terminal, which require further discussion.
- d. They noted that the insurance cover did not include paying for an increase in resilience – i.e. retaining walls or ground strengthening necessary to bring the site to an appropriate level of resilience.
- e. They also are open to the two different funding options noted above under LAPP.

- f. It was noted that in many instances the agreed damage repair already exceeds the insured value, and so there is little to be gained from an insurance perspective by further investigations.
- g. It was noted that the Council are currently seeking legal advice as to whether the damage to the Wakatu wharf and the South Bay harbour is covered by the insurance policy. There was a joint view that this may turn out to be a complex issue to resolve.
- h. The Material Damage Loss adjustors raised the possibility of an advance “progress payment” towards the costs. This was encouraged by the Council representatives, and the detail of this Progress Payment is currently being worked through.
- i. A detailed timeframe towards resolution was developed and agreed which would aim towards full resolution of a final claim by 31<sup>st</sup> August 2017 as follows:

TASKS FOR KDC		
1	Submit 12 draft Building Reports	Mon 8 <sup>th</sup> May (done)
2	Submit draft Terminal Building report	Mon 15 <sup>th</sup> May
3	Deliver Legal response on harbour	Mon 22 <sup>nd</sup> May
4	Submit draft Amphitheatre report	Tues 6 <sup>th</sup> June
5	Consider Increase Cost of Working, fees etc.	Tues 6 <sup>th</sup> June
6	Prepare further info on C), and submit	Mon 12 <sup>th</sup> June
7	Prepare and submit revised claim summary s/s	Thurs 15 <sup>th</sup> June

TASKS FOR CUNNINGHAM LINDSAY		
A	Forward advisor memo	Mon 8 <sup>th</sup> May
B	Comment back on possibility of Progress Payment	Fri 12 <sup>th</sup> May
C	Submit memo on further info required to support claim	Mon 15 <sup>th</sup> May
D	Submit QS valuation on aeration lagoon	Mon 29 <sup>th</sup> May
E	Respond to 1)	Mon 29 <sup>th</sup> May
F	Respond to 2)	Tues 6 <sup>th</sup> June

This would be followed by a further meeting on Monday 19<sup>th</sup> June in Christchurch to discuss an intended claim, and again either agree or agree to disagree. This meeting would then be followed by the preparation of a detailed claim.

In order to assist the Council and staff with this process, it would be appropriate to involve the Insurance Subcommittee to provide appropriate guidance and mandate. In particular, this would be appropriate prior to the meeting on 19<sup>th</sup> June, in order to get a mandate for the CEO to take a draft funding proposal to the Material damage loss adjustors, and to the LAPP representatives. This would include guidance on the preferred funding methodology.

**Community Views:**

The wider community will be directly and indirectly affected, in terms of the costs, timeframes, and levels of service. There will be the opportunity for the community to be consulted as part of the Annual Plan process.

**Financial Implications and Risks:**

The expected costs of the recovery works, and the assumed funding allocations will be refined and developed over the coming weeks and reported to the Insurance Subcommittee for ratifying a mandate for negotiations. The Insurance Subcommittee will then approve a final claim before it is submitted.

**Context:**

This report is presented as a further update, as part of keeping the Council informed on post-earthquake operational matters.

**Policy:**

The insurance relates to assets which are classified as significant assets in the Council's Significance and Engagement Policy.

**Community Outcomes:**

Restoration of infrastructure would be in support of all community outcomes.