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To: **Council**

Date: 21 January 2018

Subject: Resilience improvements work on Clarence Valley Road

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## **1 PURPOSE AND ORIGIN:**

The purpose of this report to outline options for Council to consider funding immediate resilience improvements (formerly preventative maintenance) works on the Clarence Valley Rd.

## **2 RECOMMENDATION:**

- (1) That Council agree whether to make a capped amount of \$50,000 available through the special roading fund to undertake high priority resilience improvement work to protect the Clarence Valley Road, and
- (2) That the Rebuild Programme Director continues to work with immediate stakeholders to ensure best use of KDC funds in order to reduce the current threats to the Clarence Valley Rd, and
- (3) That the Rebuild Programme Director continues to work with our funding partners to determine eligibility for any available funding and to seek additional funding sources, and
- (4) That the Rebuild Programme Director and Asset Manager continue to work with all parties to address the wider issues within the Clarence Valley, and
- (5) That a letter is sent to the CEO of ECan from the Mayor and CEO requesting their continued support to influence where possible gravel extraction priorities within the valley.

## **3 BACKGROUND**

### **3.1 Bigger picture**

The November 2016 earthquake has caused a number of significant issues in the Clarence valley as either as a direct result of the earthquake or from ongoing consequential impacts from land movements and river course change. These include but are not limited to:

- The provision of permanent safe, reliable access to either side of the valley
- The risk from flooding and erosion resulting in a varying increased level of risk to private, KDC and national infrastructure and assets (including farmland and buildings).

These issues are bigger than any one stakeholder and require a collaborative approach by all parties to help minimise or reduce the risks. Council responsibilities predominantly lie with management and maintenance of Council owned infrastructure as well and advocacy and support for rate payers within the District.

Following a site visit to valley by a party of Councillors and officers on the 11<sup>th</sup> January, a report was requested which considers options to support undertaking some immediate high priority resilience improvements to reduce the threats currently posed to the Clarence Valley Road adjacent to the land owned by Rod and Donna Foster.

### **3.2 Specific problem**

As a result of river course change, various sections of the Clarence Valley Rd have an increased threat from flooding and erosion. Sections of the existing road have already been lost up by the site of the old Glen Alton bridge. However, due to the loss of the bridge no further access has been impeded by the loss of the road. There are several other areas of the road that are at risk from the continued river course changes.

The highest risk area is adjacent to the land owned by Rod and Donna Foster (see Appendix 1). In this location the river seeks to use an old river channel in times of extreme/high flow resulting in flooding of the farmland and the local road. This requires road reinstatement work post each event and results in the temporary loss of access/use of the road. After the two storm events in September and October 2017, Council incurred \$26k in road re-instatement on the Clarence Valley Road. Council's capped contribution will protect Council from regular ongoing consequences of inundation of the Clarence Valley Road. It has been identified that there is a significant risk that with continued events this will become a more permanent flow path. This in turn would increase the risk to the local road and access to residents upstream of that section of road.

Flood protection work is currently being undertaken in that area and is being self-funded by a local landowner in order to protect his land and property. It is recognised that there are benefits to both the local road and adjacent landowners from this work being undertaken and completed in a timely fashion ahead of the autumn. Any financial support provided from Council would further assist with completion of these works to a level that could reduce the risk of flooding to the local road.

In addition to the flood protection works, consented gravel extraction is also underway within the river bed to help manage the river channel. There is currently a risk that due to commercial arrangements this work will not be completed by the autumn. It is acknowledged by officers from both KDC and ECan that the continued extraction of gravel in this area would benefit all parties in the valley. A letter to the CEO of ECan confirming the need for ongoing support to influence positive outcomes in this immediate area will be drafted.

### **3.3 Options to address the immediate problem**

**Option 1:** Councillors agree to make the sum of up to \$50,000 available through the special roading fund to undertake high priority resilience improvement work to protect the Clarence Valley Road.

The funding would make use of the existing opportunity to contribute to the completion of the current flood protection works underway on the Foster property. This contribution would be made purely on the basis of improved resilience benefits to the existing Clarence Valley Rd.

**Option 2:** Councillors do not make funds available until such time that eligibility of funding is confirmed with our funding partners (NZTA and/or ECan) or that additional funding sources are obtained.

In supporting Option 1 the Council must recognise that there are a number of significant issues throughout the Clarence valley and that this only partly addresses one high priority risk. As identified above, the wider issues are bigger than any one stakeholder and require a collaborative approach by all parties to help minimise or reduce the risks.

The Council must also consider the financial risk identified in section 4.2 if funding from other parties is not confirmed.

### 3.4 Benefits and risks of options

	Option 1	Option 2
<b>Benefits</b>	<ul style="list-style-type: none"> <li>- Use of an existing immediate opportunity to implement resilience improvement measures for local road.</li> <li>- Protection of the local road asset and reduced cost of maintenance.</li> <li>- Reduced risk to land and property</li> <li>- Support to local community</li> <li>- Buys time to consider wider issues including access solutions for the valley.</li> </ul>	<ul style="list-style-type: none"> <li>- Any funding contribution is obtained ahead of financial commitment from KDC.</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>- Financial risk of KDC 100% funding any contribution</li> <li>- Precedent setting for other issues in the valley</li> <li>- Further work required at a later date to fully mitigate risk.</li> <li>- Loss of available funds for other Council priorities.</li> </ul>	<ul style="list-style-type: none"> <li>- Work is not completed ahead of autumn</li> <li>- Cost for continued road reinstatement after flooding events could be greater than financial contribution</li> <li>- Increased risk profile of downstream effects to private, local and national infrastructure and assets from a permanent course change.</li> <li>- Only delays problems and resulting consequences could be greater.</li> </ul>

## 4 FINANCIAL

### 4.1 Sources for funding

In preparing this report a number of internal sources of funding have been considered. These include:

- The rebuild programme (Emergency FAR rate of 95% NZTA: 5% KDC)
- The existing business as usual operational budget (FAR rate of 51% NZTA: 49%)
- The Mayoral EQ relief fund
- Forestry reserves fund
- Special road fund (loan funded)

In discussions with the finance team several of the above options have been discounted and the preferred option is to fund from the Special Road fund in the short term. This is a reserve fund which is funded through targeted road rates. Currently this fund is over committed and loans may need to be drawn down as cash flow needs materialise.

## **4.2 NZTA Funding**

One potential source of financial contribution is from NZTA under the resilience improvements category. If successful this would attract the standard Financial Assistance Rate (FAR) of 51%.

However, under NZTA procedures this would need to be drawn from the Minor Improvements category of Council's approved 17/18 programme. Currently the approved funding for Minor Works in the 17/18 programme is \$107k and is allocated to other projects. The top five projects currently submitted to NZTA are:

- Mill Road / Old Beach Road Drainage - \$50k
- West End Realign Road in vicinity of Carpark and Bus stops – \$50k
- Hawthorn Rd Realign exit from St John and future fire station – \$20k
- Kekerengu Valley Road Culvert - \$30k
- Puhi Puhi Road - \$30k

Council would either need to apply for an increase in programme or move funds from another category to provide for the Clarence Valley work. Moving funds from another category is not recommended as these are already insufficient to achieve the wider needs of the District's roading network.

## **4.3 Financial risk**

In agreeing to the recommendations there is a medium risk to Council that the funds that are made available for this work do not receive contributions from other funding partners. The use of \$50,000 therefore needs to be considered with regard to all of the priorities currently facing the Council.

## Appendix 1



