

File number: 4102. **Approved for agenda**
Report to: Council
Meeting date: 26 September 2017
Subject: Cyclones Cook and Debbie Emergency Slips – Additional Proposed Funding
Date of report: 11 September 2017
From: Henri van Zyl, Roding and Solid Waste Manager
Report purpose **Decision** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

The Kaipara district road network suffered significant damage as a consequence of Cyclones Cook and Debbie which resulted in 23 new slips.

Original estimates carried out by the maintenance contractor for short term fixes totalled \$1,22M. After in-depth investigations by geotechnical specialists for permanent remedial works, the estimates have been revised to a total of \$3.6M. The NZ Transport Agency (NZTA) has approved the increased variation and agreed to subsidise the first \$1.4M at 61% (i.e. NZTA's share \$852k), and the remaining \$2.2M at 81% (i.e. NZTA's share \$1.78M). In total NZTA has agreed to contribute a total of \$2.63M towards the estimated total cost of \$3.6M.

This is conditional upon Council funding the remaining \$963k.

Recommendation

That Kaipara District Council:

- 1 *Receives the Roding and Solid Waste Manager's report 'Cyclones Cook and Debbie Emergency Slips – Additional Proposed Funding' dated 11 September 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Resolves to fund the local share of \$963,000 to remediate the cyclone induced slips within the 2017/2018 financial year. Funds to be reallocated from the provisional projects to generate the local share for emergency remedial works as follows:*

<i>Project</i>	<i>Budgeted Local Share (\$000)</i>	<i>Committed Local Share (\$000)</i>	<i>Balance (\$000)</i>
<i>LED conversion of streetlights</i>	390	195	195
<i>Guardrail replacements</i>	195	0	195
<i>Molesworth Drive path Stage 1</i>	343	0	343
<i>Pre-reseal repairs catch up</i>	304	0	304
<i>Total</i>	1,232	195	1,037

Reason for the recommendation

The NZTA's approval to fund the remaining \$2.2M at 81% is conditional upon the slips being remediated within the 2017/2018 financial year. If Kaipara District Council fails to accomplish this, NZTA will only fund the remaining \$2.2M at 61% (i.e. NZTA's share \$1.34M). This would mean an additional \$440k would be required to be funded from Council's local share.

Reason for the report

This report is to request Council's approval for additional funding for the remediation of the Cyclones Cook and Debbie slips, and to undertake the remediation works within the 2017/2018 financial year.

Background

The Kaipara road network suffered significant damage as a consequence of Cyclones Cook and Debbie. On average the Kaipara district receives 1,000-1,500mm of rainfall annually. Cyclones Cook and Debbie brought approximately 400mm of rainfall over a duration of approximately two weeks. This significant downfall resulted in 23 slips of which eight are on the sealed network and 15 are on the unsealed network.

The initial evaluation carried out by the maintenance contractor estimated \$899k for the nine Cyclone Cook slips, and \$318k for the 14 Cyclone Debbie slips. Combined, the estimated totalled \$1.22M. With the aim of providing more effective and efficient long term solutions, in-depth investigations were carried out by geotechnical specialists and preliminary designs undertaken. As a consequence the estimates were revised to \$1.94M for the nine Cyclone Cook slips and \$1.66M for the 14 Cyclone Debbie slips. Combined they total \$3.6M.

The slips were assessed and prioritised, and with the intention of highlighting the key routes requiring immediate attention, the slips were further prioritised based on the criteria of One Network Road Classification, average daily traffic, number of heavy vehicles, road width, slip size, and encroaching into traffic lane/s.

NZTA has approved the emergency works and agreed to subsidise the first \$1.4M at 61% (i.e. NZTA's share \$852k), and the remaining \$2.2M at 81% (i.e. NZTA's share \$1.78M). In total NZTA has agreed to contribute a total of \$2.63M towards the estimated total cost of \$3.6M.

However, in order to secure the \$2.63M subsidy, Council must fund the remaining \$963k to meet its local share obligation.

Issues

Deferring the remediation of the slips incurs the risk of further deterioration and higher costs to remediate, as well as the ongoing costs of maintaining the slips to enable serviceability of the roads and the adverse effects on the road users.

Additional local funding is required to access the larger NZTA subsidies (i.e. 81% for emergency works over and above the initial \$1.4M), and to commence the remediation in the 2017/2018 financial year.

If the NZTA subsidy is not accessed in the 2017/2018 financial year, Council will effectively lose \$440k in current approved NZTA funding for the emergency works.

Council included a number of provisional projects in its Annual Plan totalling approximately \$3.7M. These projects were provisional upon securing additional NZTA subsidy and included:

Project	Budget	Local Share
LED conversion of streetlights	1,000	390
Guardrail replacements	500	195
Molesworth Drive path Stage 1	878	343
Pre-reseal repairs catch up	779	304
Total	3,157	1,232

NZTA has approved a project budget of \$1.3M for the LED streetlight conversion project with an 85% subsidy, and Council's local share for this project is \$195k. The remaining budgeted local share available from the above provisional projects is therefore \$1,037,000 which would be sufficient to reallocate to fund Council's share of \$963,000 for the emergency slips.

Factors to consider

The reallocation of funding will allow remediation of the slips to ensure improved resilience and safety of the Kaipara roading network.

However, the reallocation of budgets to fund the remediation of the 23 slips will result in an amendment to the scope of works as detailed in the Annual Plan.

Community views

The affected communities would expect Council to reconsider its programme and reprioritise accordingly.

Policy implications

Nil.

Financial implications

Council is required to fund its local share of \$963k to access NZTA's subsidy of \$2.63M for the remediation of the 23 slips.

Legal/delegation implications

No known legal implications

Options

Option A: Fund the local share of \$963k to remediate the cyclone induced slips within the 2017/2018 financial year. Funds to be reallocated from the provisional projects to generate the local share for emergency remedial works **Option B:** Remediate the cyclone slips over a number of years.

Option C: Council provides additional funding extra over the 2017/2018 operations and maintenance budget for emergency remedial works.

Assessment of options

Option A: This option requires the immediate reallocation of funds at the expense of deferring or cancelling the projects outlined above, but results in reduced costs to Council of \$440k by accessing NZTA's emergency works funding that includes an additional 20% subsidy for costs over and above the initial \$1.4M.

Option B: Remediation of the slips over a number of years would result in a loss of an additional \$440k subsidy from NZTA. This option would also require Council to continuously maintain the un-remediated slips for a longer period until such time that they are remediated while accepting the risk that the slip conditions may deteriorate and possibly resulting in increased costs of remediation. Some projects would still be required to be deferred to free up Council's local share of the emergency works.

Option C: Council to seek additional funding through internal reserves or reallocating funds from other departments. This option would keep Council's commitment to ratepayers on all deliverables as per the Annual Plan however resourcing to deliver an increased programme would be a challenge.

Assessment of significance

Not significant in relation to the Significance and Engagement Policy as:

- It does not involve more than \$3,000,000 or more budgeted expenditure;
- It does not involve \$300,000 or more unbudgeted expenditure;
- The decision will not impact by increasing individual rate levies by 10%; and
- It is not seen as a high risk activity or contract for procurement.

Recommended option

The recommended option is **Option A**.

Next step

Commencement of the approved option, and remediation of the slips.

Attachments

- Nil