

Notes of the Waimea Community Dam Submissions Hearing

Tasman District Council Richmond Council Chamber, Wednesday 13 December 2017

Meeting reconvened at 12:00pm

Present: Mayor Kempthorne, Councillors S Bryant, M Greening, K Maling, D Wensley, D McNamara, A Turley, D Ogilvie, S Brown, P Sangster and T Tuffnell.

Apologies:

Cnr Canton for lateness

Moved Cnr McNamara/Cnr King

In Attendance: Chief Executive (L McKenzie), Community Development Manager (S Edwards), Strategic Policy Manager (S Flood), Contractor Policy Advisor (M Tregurtha), Executive Assitant (P Francis) and Student Support Officer (S O'Connor).

Submitter 15915, Mr Dunn

Mr Dunn tabled supplementary information to his submission with regard to the proposed Zone of Benefit. He believed there should only be extraction on the basis of need, rather than allocation, which would leave water for times of shortages. Mr Dunn expressed his confusion over his property being included in the Zone of Benefit as he already belongs to the Wai-iti Water scheme. He requested that those who are already in the Wai-iti Water Scheme Zone not be included in the ZOB.

Submitter 17570, Mr Clark and 17569 Medimax Ltd

Mr Clark spoke to both Medimax Ltd's submission and his own. He believed firm and committed contracts were essential and that the dam would promote unsustainable farming, increased productivity and nitrate leaching. Mr Clark expressed concern over the financial structure of the dam project, and believed it was not needed, wanted or affordable. He spoke in favour of the irrigators securing their own loans and believed the maximum treasury debt loan would be reached if the dam went ahead. He discussed his concerns over recent seismic activity.

Cr Canton joined the meeting at 12:20pm.

Submitter 16640, Ms Palmer

Ms Palmer believed the \$29 District wide rate increase was not unreasonable. She was concerned there had been a lack of information surrounding the negatives of the dam. She wanted a user pays funding model, but not for small blocks that might not be in a financial position to do so. Ms Palmer discussed climate change and land movement and expressed concern over seismic activity. Ms Palmer believed option B was more appealing. When asked for clarification on whether she was for or against the proposal, Ms Palmer said she wasn't against, but was rather uneasy about, the dam proposal.

Submitter 17459, Mr Hill

Mr Hill said he believed the dam was potentially costly and unwise. He expressed concerns over possible environmental degradation resulting from the dam and WIL being a major partner. He believed they would gain control of water allocation on the Waimea Plains. Mr Hill believed it had been an insufficient process overall.

Submitter 16247, Mr Mackey

Mr Mackey said he was not opposed to the dam or alternative options but believed they should be 100% user pays. He did not believe there were any environmental and community benefits and said there was no reason for ratepayers to pay. Mr Mackey said his biggest issue was the associated risk. He discussed the p95, and cited figures to support his belief that the capital costs and operating costs had been underestimated. Mr Mackey said he was unclear on depreciation, and questioned why it hadn't been factored in. He said he had no confidence in the financial stability of WIL. In terms of the hydrology, he questioned if it would require greater infrastructure. Overall, Mr Mackey said he believed the main beneficiaries carried little risk, and the risk exposure to ratepayers was not acceptable. When asked to clarify why he had no confidence in WIL and the irrigators, Mr Mackey said the prospectus had been delayed and he couldn't see them performing.

Submitter 16199, Mr Hirst

Mr Hirst said he believed information about the negative aspects of the dam were lacking. Mr Hirst said he believed the water availability was sufficient. He suggested commercial irrigation was increasing pressure for extraction and referred to demand from primary production to support his view. He discussed market changes and asked what the guaranteed mechanisms for recovering funds was. Mr Hirst felt the dam should be funded and built entirely by the irrigators, saying they would be the main users. With regard to the Crown loan, he said it was not guaranteed to be \$25 million and believed it might be less. Mr Hirst acknowledged water was a scarce commodity, and said it should be better managed. In regard to fertilizer leaching, Mr Hirst believed agriculture and horticulture intensification would cause more leaching and cited an example of nitrate permeation. Mr Hirst briefly discussed the funding model and said he believed it was not satisfactory.

Submitter 16250, Mr and Mrs Johnson

Mr Johnson spoke on behalf of him and his wife and referred to their joint submission opposing the dam. He said he believed if the dam went ahead the irrigators would be subsidised by ratepayers. Mr Johnson suggested the cost/ benefit for irrigators was disproportionate to the cost/benefit for ratepayers. He cited statistics from their submission and asked why they should subsidise irrigators. He believed there should be a user pays model, rather than a targeted rate. They believed the 2014 Zone of Benefit map was correct, and strongly opposed the extended zone. Clarification was sought regarding whether they believed user pays should be on the basis of volumetric charging or allocation. Mr Johnson responded saying it should be on the basis of farming experience.

Submitter 16257, Mr Brown

Mr Brown said he agreed with the proposed financial arrangements. He said he acknowledged that a significant amount of thought and deliberation had taken place, and believed the process had been fair. Mr Brown emphasised that he believed water was needed for various reasons. He suggested the alternative options proposed were not feasible. Mr Brown discussed the possible outcomes if a dam wasn't built, including the possible environmental and community impacts. He said the whole community should contribute to the project as he believed everyone would be beneficiaries. Overall, Mr Brown was very concerned about a no-dam scenario. In terms of funding, he supported the proposed funding model and stated that it should not be rejected.

Submitter 16262, Mr Dawson

Mr Dawson tabled a copy of his speaking notes. He discussed fish habitats with specific reference to cyanobacteria, citing a Cawthron report. Mr Dawson said he does not believe the Region has a water shortage. He said he struggled to understand the logic with regard to minimum river flows. Mr Dawson cited examples to suggest water rationing starts before anyone has used their sustainable allocation. He acknowledged that some high water users would be effected by water restrictions. Mr Dawson discussed potential cost overruns, saying they would be problematic. Clarification was sought over whether Mr Dawson's comment that the 2001 drought did not affect irrigators had been checked. Mr Dawson responded saying it did not show up in the figures he looked at.

Submitter 16265, Ms Hughson

Ms Hughson said that she was a property owner on the Waimea Plains. She stated that she was not opposed to water augmentation but had concerns over the economics of the proposal. She believed the financial implications on those with low or fixed incomes had not been considered enough and did not agree with the proposal to underwrite WIL's loan. Ms Hughson believed the negative environmental impacts of dams, contradicted the suggested benefits. She cited an Oxford University study that she said suggested dams often suffer cost overruns and delays. Ms Hughson's view was that the proposal would encourage irrigation intensification. She was particularly concerned about nitrate leaching. Clarification was sought on whether she would be happy to contribute money to smaller scale dams, to which Ms Hughson said yes as she believed they were less risky.

Submitter 16201, Ms Ellis

Ms Ellis acknowledged that water was precious, but believed there had been a lack of water management planning. She believed water conservation and alternative options had not been explored properly, including rain water tanks. Ms Ellis said the dam would encourage poor water conservation methods. She believed the cost/benefit funding model ratio didn't stack up. Ms Ellis was concerned about cost overruns and believed vital elements had not been accounted for. Ms Ellis said she was against diverting profits from other community projects to the dam.

Submitter 15914, Mr Herion

Mr Herion from Brightwater was concerned about the dam breaching and referred to seismic activity in the Region. Mr Herion believed the benefits were disproportionately shared within the community, while the risks were collective. His view was that Council's duty was to make drinking water a priority. Mr Herion questioned whether there should be differentiation between water qualities for different purposes, and suggested farmers have ponds. Mr Herion was of the view that leaking pipelines were wasting a lot of water. He believed the Dam proposal did not make financial or logical sense.

Submitter 16312, Mr Sutton

Mr Sutton outlined his extensive experience with water hydrology including being a farmer for 50 years and Chair of Irrigation New Zealand. He encouraged Council to persevere with the dam as it was a solution to a long-term problem in the Region. Mr Sutton said Council has a legal and moral obligation to deal with the region's water shortage issue. He cited examples of past Councils who built things that continued to benefit the region. He believed the project would meet the needs of both rural and urban community. In a no dam scenario, Mr Sutton had grave concerns over water restrictions. He clarified that he was not speaking on behalf of the Crown Irrigation Board. He said it was rare to have a combination of funding from various areas and believed the opportunity should not be surpassed.

Submitter 16342, Ms Berkett

Ms Berkett spoke to her personal submission. Aside from being WIL's project manager, she outlined her extensive experience in the agriculture, science and horticulture industries. She had invested in rain water tanks and believed they did not provide sufficient water even in wet summers. Ms Berkett said she believed the community were not asked the dam or no dam question as there had been extensive research and information indicating it was the best option. She said Council was obliged to provide water for the community. She expressed concern over the polarisation of irrigators and other members of the community, and said the dam would solve many issues including environmental and community. Ms Berkett discussed the alternative options and said she believed the irrigators would not be able to afford them, and the options would rule out much of the external funding. She referred to her submission to emphasise her support for the proposed options in the SOP. Ms Berkett said Council's total contribution would be minimal and they would have majority control.

The Hearing Panel broke at 2:45pm and reconvened at 2:59pm.

The Hearing Chair was handed over to Deputy Mayor King. Apologies: Cr Greening and Mayor Kempthorne

Submitter 16230, Mr Riley

Mr Riley tabled an extensive handout which he referred to throughout his oral submission. He discussed run off which he said would be significant. He thought the resource consent was an essential part of the reservoir system that had been missed out. Mr Riley suggested that there had been no large landslides was incorrect. He said a significant amount of scree

flowed down and would be physically impossible to stop from going into the dam. Clarification was sought on whether Mr Riley was suggesting the maps used in the resource consent hearing were missing some information. Mr Riley responded by confirming this and said the map was incorrect when taking into account the whole area, citing his own maps.

Cr Greening returned at 3:10pm

Submitter 16131, Waimea Nurseries Limited and 16018, Mr Simpson

Mr Simpson spoke on behalf of his own submission, and Waimea Nurseries Limited's. He said a lack of certainty made it hard for businesses to plan and invest. Mr Simpson believed safe and clean water was important for the Region and a high degree of cross subsidisation was needed to achieve this. He said he understood concerns about the cost of the dam, but was more worried about the cost to the Region if it was not built. Mr Simpson said he believed GDP would grow if the dam was built. He addressed the LTP and outlined allocations, which he said were minimal compared with benefits. Mr Simpson outlined Waimea Nurseries Limited's large investment to WIL to support them in the joint venture, and said they were prepared to extend investment to secure the project. Overall, Mr Simpson and Waimea Nurseries Limited strongly supported the dam and acknowledged there were costs but believed they were outweighed by the benefits. Clarification was sought on whether Waimea Nurseries Limited's investment to WIL was small in regard to annual operating costs. Mr Simpson said the investment was significant in terms of annual capital expenditure, and was around 30-40%. He said they were willing to pay to secure water for their business and the community.

Submitter 16324, Ms Gorman

Mayor Kempthorne returned at 3:25pm and resumed Chair responsibilities.

Ms Gorman tabled a handout and outlined her experience. She expressed concern over the financial aspects of the proposal such as underwriting WIL's loan and she didn't have confidence in the management of the process. Ms Gorman was strongly opposed to funds being diverted to fund the dam. She said safer alternative options had been discussed, and cited a Ministerial report regarding dams. She had grave concerns with regard to seismic activity and cited examples, suggesting there would be a Dam rupture within a century.

Submitter 16144, Vailima Orchard

Mr Hoddy spoke on behalf of Vailima Orchard and tabled a handout. The Orchard employs 30 permanent, and over 100 seasonal, employees. Mr Hoddy said they were happy to have contributed to WIL and be part of the Zone of Benefit charges, and have built these costs into their plans. Mr Hoddy said they see it as a community project. He referred to the handout which he said outlined their efforts to conserve water such as a soil moisture report which they use to ensure they are not overwatering. When asked for clarification on drip lines and whether they were standard practice on all orchards, Mr Hoddy said they have just come in and have a water saving of around 10-15%. When asked what would happen if apple prices decreased, Mr Hoddy said they have tried to retain different profiles and varieties so a price drop would not necessarily be detrimental.

Submitter 16635, Mr Palmer

Mr Palmer said he was speaking on behalf of himself, his family and their horticulture business on the Waimea Plains. He said that his personal position was influenced by his position as an advisor for WIL. Mr Palmer was satisfied with the affordability and fairness of the funding proposal, and believed it was most valuable for the community. In terms of funding, he said it wouldn't be certain until WIL's prospectus was finalised and believed it was critical that this was detailed and accurate. Mr Palmer said subscribers had a risk of losing capital and the prospect of them wanting to lose this was very low. He gave an example of water being critical for development. Mr Palmer said they believed Council was responsible for thinking about community and society. When asked for clarification on whether he thought Council should wait to get a good idea of the prospectus, Mr Palmer said no because it wasn't contingent on the issues involved in the consultation process.

Submitter 16753, Mr King

Mr King believed the Region had experienced more wet weather than dry, but acknowledged historic records that suggested this wouldn't continue. Mr King said that although dams weren't needed every year, he believed they were important. He said that there were always initial costs but suggested the long term benefits would outweigh these. Mr King didn't believe water tanks would suffice and overall, he supported the dam.

Deputy Mayor King left the meeting at 4:05pm

Cr Mailing left the meeting at 4:10pm

Submitter 15973, Mr Merrifield

Mr Merrifield said he was not opposed to the dam, but expressed financial concerns with reference to previous Council projects which he said had gone over budget. He believed that all parties should pay their fair share of the cost, and mentioned tank systems that he thought could be implemented for urban water users. Mr Merrifield said irrigators would have enough money to fund the project independently.

Submitter 17688, Ms Dawson

Ms Dawson believed rates were too high for working families. She cited a Cawthron report which suggested water augmentation wouldn't solve the algal bloom problem. Ms Dawson didn't believe the Region needed more water, and mentioned a decreasing trend in water usage. She believed funding would be a subsidy for irrigators. Ms Dawson believed the economic reports were flawed, and suggested that a regional water authority should be established.

Cr Mailing returned 4:21pm

Submitter 16138, Waimea Irrigators and Water Inc.

Mr Halstead spoke on behalf of Waimea Irrigators and Water Inc. He said they had large interest in this project with reference to droughts and the need for water augmentation. Mr Halstead didn't believe Council had investigated all of the alternatives and believed the project was not possible. Mr Halstead referred to Council advertisements and was of the view incorrect information had been published. He believed river flows were not affected by aquifer use, there was enough water, and it should be a user pays funding model.

Cr Mailing left the meeting at 4.35pm.

The Hearing Panel broke at 4.40pm and reconvened at 5:00pm.

5:00pm- Resolution was passed to extend the meeting. Moved Cnr King/ Cnr Bryant.

Submitter 16745, Mr Bealing

Mr Bealing is an engineer who specialises in water. He emphasised the financial and time investments taken out by farmers who rely on water. Mr Bealing believed there was a need for water augmentation, and said the dam would act as additional storage. He cited Council's requirements to secure urban water supply and discussed environmental aspects. Mr Bealing believed the joint venture made sense as all parties wanted more, reliable water. With regard to nitrogen leaching, Mr Bealing said this was mainly from dairy farming which was reducing on the Waimea Plains.

Submitter 16156, Mr Cross

Mr Cross discussed his involvement in a failed project and cautioned against advisors becoming advocates. Mr Cross said that while he acknowledged the investment, he believed reflection over concerns raised by submitters was necessary. He was alarmed with regard to the CCO model as the Northington report was not done on a post-tax basis. Mr Cross said he had modelled the analysis and calculated tax would have to be paid due to profits and cited supporting documents. It was clarified the dam company would be a CCO not CCTO, but that if the company did make a profit it would pay income tax.

Submitter 17726 (16872 on submissions database for attachment), Mr Evans

Mr Evans tabled a handout. He referred to the potential failure of the dam and the implications for Brightwater. Mr Evans cited his personal history of water connection and supply, and said he had already paid for a water scheme. He said he fully supports a user pays model and suggested securing money to help people set up their own storage tanks. Mr Evans believed that the project financially supports the irrigators at a regional cost.

Submitter 16203, Mr MacLennan

Mr MacLennan tabled a handout. He said Council needed to address supply challenges and environmental problems. He believed it was not the ratepayers who were extracting the water, but irrigators. For the project to be financially sustainable, Mr MacLennan believed all the costs, including depreciation should be paid by irrigators. His view was that the only aspect that will benefit the community is the opportunity for population growth. Mr

MacLennan questioned whether the costs had been researched properly. He suggested Councillors look at OAG guidelines for project management. He also questioned whether the proposed water flow in the Waimea River of 1100 l/s was correct.

Cr Mailing returned at 6:00pm

Submitter 15929, Mr MacLennan

Mr MacLennan tabled a handout. He did not believe the p95 confidence level was correct, saying there were potential costs that hadn't been accounted for. Mr MacLennan believed the figures for water requirements were inaccurate, and cited specific figures. He discussed potential silting, slope steepness and possible landslides which he said were all factors missing in the operating costs. Mr MacLennan expressed concerns over the financial viability of the proposal, and believed there were other options for augmentation and storage. Mr MacLennan asked Council to stop and restart the process with clear, responsible, sustainable values in mind.

Submitter 16202, Mr Garnett

Mr Garnett tabled a handout. He primarily discussed the hydrology underpinning the proposal. Mr Garnett questioned if the dam would actually recharge wells and said there were problems with inconsistency of information regarding well recharging. Mr Garnett referred to his handout, and asked for assurance of how much water would reach the aquifers. He referred to the Local Government Act and objected to his speaking time restriction. He asked that Council provide him with the number of wells that would be recharged, how much by, and those that wouldn't be.

Submitter 16245, Mr Sharplin

Mr Sharplin tabled a handout. He objected to the proposal on the basis of a potential residential costing for future. He stated his background was as a civil engineer. Mr Sharplin believed the installation was expensive and unnecessary. He expressed concern over the dam's ability to hold water once filled and he believed leaching would occur and seismic activity in the region. Overall, he said he believed the project was too risky for the costs involved. Mr Sharplin suggested a specialist authority undertake responsibility for research and finality.

Submitter 16601, Mr Leith

Mr Leith said he was in support of the project. He discussed his personal experience with both building dams and in horticulture. He said he built a 40,000 cubic metre storage dam in 1981 and grew various food products, and another in 2003. Mr Leith said the Region's 2001 drought cost more than the second dam did to build. He believed the Waimea Plains had some of best soil, and that maximising the use of good soils would increase productivity. He briefly discussed land use. Mr Leith said the project should be independently managed and become independent in terms of project planning.

Submitter 16300, Mr Heath

Mr Heath tabled an extensive handout which he referred to throughout his oral submission. He questioned the forecasted water availability figures and suggested a revision of the water need statistics was required. He discussed the projected costs to irrigators, and said he believed there would be a subsidy for large users by smaller ones.

Submitter 15968, Greensquare

Mr Mangin spoke on behalf of Greensquare. He was a horticulturalist who had investigated and selected crops to suit his land. He said his business was experiencing good times in the market, and was undergoing growth and development. Mr Mangin said his business works to improve the land through providing biodiversity. He discussed details of their crop and said it requires little water input, tolerates dry conditions, uses drip irrigation only, and has a low environmental impact. Mr Mangin said although he had a somewhat ideal crop, a period of drought would damage them and the business would suffer. He said a no dam scenario would be detrimental to his business. Clarification was sought on whether Greensquare would have any other options for securing a water supply. Mr Mangin said they had explored alternatives such as plastic tunnel houses to collect rainwater off roof, but was unconvinced it would get them through one dry month. He also discussed problems with storage on land hindering production. Clarification was sought on whether he thought moving his crops was an option, to which Mr Mangin said the unique micro climate on the Waimea Plains which protects from the worst frosts was part of the reason his crops were able to be grown.

Cr Mailing left the meeting at 6:46pm.

The Hearing Panel was adjourned at 6:54pm to be reconvened in Motueka on Friday 15 December 2017 at 9:00am.