

6.2 APPOINTMENT OF A COUNCIL STEERING GROUP TO DISCUSS THE FUTURE OF THE KAURI DAM WITH THE NGAKAHU WHENUA TRUST

File Number: A3512603
Author: George Swanepoel, In-House Counsel
Authoriser: Shaun Clarke, Chief Executive Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

The appointment of an Elected Member Steering Group to enter into discussions about the future of the Kauri Dam with the Ngakahu Ngakohu Whanau Ahuwhenua Trust (the Trust).

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The Kauri Dam is an earth dam built in the mid-60s and is currently a part of the Kaitaia water supply.
- The Dam is accessed through a right of way easement over Ngakahu land and Council also has a pipeline easement over Ngakahu land.
- The retirement of the Dam is part of the Kaitaia Water Project and is dependent on the successful commissioning of Sweetwater bore
- An exit from Kauri Dam needs to be managed in a prudently, risk and financial cost managed responsible manner
- As Ngakahu land borders the Dam and has Council easements over it, it is important and necessary to obtain The Ngakahu Whenua views and aspirations and take those into consideration in developing its exit strategy.
- This report recommends the appointment of an Elected Member steering group to enter discussions with the Trust

TŪTOHUNGA / RECOMMENDATION

That Council:

- a) establish a steering group named Ngakahu Steering Group,
- b) appoint Crs Radich, Vujcich, Collard and Tepania to the Ngakahu Steering Group,
- c) request the steering group enter into discussions with Ngakahu/Ngakohu Whanau Ahuwhenua Trust to
 - obtain and understand their aspirations and concerns regarding the future of the Dam and surrounding land,
 - identify mutually acceptable exit options
- d) request the Steering Group report back to Council their findings and recommendations.

1) TĀHUHU KŌRERO / BACKGROUND

The Kauri Dam is situated on a Council water conservation reserve vested in Council and is under a treaty claim. Its Spillway is also on Council land acquired through the PWA process. The Dam is accessed through a right of way easement over Ngakahu land and Council also has a pipeline easement over Ngakahu Land.

The retirement of the Dam is part of the Kaitaia Water Project and is dependent on the successful commissioning of Sweetwater bore as a second, alternate water source.

The Dam's current importance is that it is part of the Kaitaia's emergency backup system, but because of the problem with algae bloom in summer it cannot be used in

summer.

For the Kauri Dam, Council holds consent AUT.002835.01.03, AUT.002835.02.04 and AUT.002835.03.022. The consents allow Council to dam and divert the Kauri Stream as well as take a maximum of 5,190 cubic metres of water in any consecutive 24-hour period. The consent is due to expire in November 2032.

The Council holds consent AUT.002837.01.023 for abstraction from the **Okahu Stream** (lower take). The consent allows Council to take a maximum of 455 cubic metres of water in any 24 consecutive hours so long as the rate of abstraction does not exceed 5.3 litres per second and the residual flow in the stream is greater than 11 litres per second. The consent is due to expire in November 2032.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

It is anticipated that Sweetwater will be commissioned in or about May 2022 as the second alternate water source for Kaitia. It is therefore prudent to start developing an exit strategy for FNDC from Kauri Dam by planning for it and managing the foreseeable risks. The risks being legal, financial, Health & Safety, political and reputational.

- Legal Risk

The Dam land and easements are all classed as strategic assets and the above consents have value. Therefore, any decision or proposal to dispose of a strategic asset will trigger the threshold for public consultation in terms of the significance and engagement policy and LGA 2002.

Further as the Dam is on reserve land this would also require public notice and consultation requirements under the Reserves Act 1977.

In terms of the Public Works Act 1981 the disposal provisions only apply to land no longer required for public works. It is anticipated that those provisions will be triggered by Council if it decides that no longer requires access to the land for public works. This would also require an application to the Maori Land Court. (*Refer s40, 41, 42 of the PWA 1981*).

In discussions with the Trustees of the Trust it will be important to obtain and understand their aspirations and concerns surrounding the Dam and land surrounding it. The Steering Group must ensure that it does not agree or bind Council in any way.

Financial Risk

There are numerous financial risks that may arise with exiting the Kauri Dam that will need to be identified and examined in order to determine the best or most viable exit strategy for Council. The most acceptable option will need to be fully engineered and costed.

Health & Safety Risk

The decommissioning of any major Dam has physical risks and there are exposed and broken unused asbestos pipes on the land.

Political and Reputational Risk

There is a high political and reputational risk with the manner with which the decommissioning is approached. Council needs to approach its exiting from the Dam with an open mind.

The Steering Group will at all times be respectful to all parties, and work in good faith with Ngakahu trustees. The Steering Group will keep meeting records, and provide regular updates to Council. Council will support the Steering Group and not enter into any action that would compromise the effectiveness of the Steering Group in achieving its purpose.

Recommendation

It is therefore recommended that Council appoint Crs Mate Radich, John Vujcich, Dave Collard and Moko Tepania to form a Steering Group to enter into discussions with the Trust to:

- a) obtain and understand the Trust's aspirations and concerns regarding the future of the Dam and land surrounding it,
- b) identify mutually acceptable exit options, *and*
- c) report back to Council with their findings and recommendations.

Take Tūtohunga / Reason for the recommendation

On the 28th June 2018 a resolution of Council was passed to exit the Kauri Dam as soon as possible. The appointment of the Steering Group to enter into dialogue with the Trust and report back to Council will be the first steps in achieving the 2018 resolution.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND

BUDGETARY PROVISION

Nil

ĀPITIHINGA / ATTACHMENTS

Nil