



**Unconfirmed**

## **MINUTES OF A MEETING OF THE REGIONAL COUNCIL**

**Date:** Wednesday 18 December 2013

**Time:** 9.00 am

**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

**Present:** R Barker  
P Beaven  
TB Belford  
A J Dick  
R Graham  
D Hewitt  
D Pipe  
C Scott  
F Wilson - Chairman

**In Attendance:** M Mohi – Chairman – Maori Committee  
E Lambert – Chief Executive  
P Drury – Group Manager Corporate Services  
L Hooper – Governance & Corporate Administration Manager

**1. Welcome/Prayer/Apologies/Notices**

The Chairman welcomed everyone to the meeting, in particular Mayors Peter Butler (CHB), Bill Dalton (Napier), and Lawrence Yule (Hastings) followed by Cr Debbie Hewitt offering the prayer.

**Resolution**

RC4/13 That the apology from Mike Mohi for absence be accepted.

**Scott/Graham  
CARRIED**

**2. Conflict of Interest Declarations**

There were no conflict of interest declarations.

**3. Confirmation of Minutes of the Regional Council Meeting Held on 28 November 2013**

RC5/13 **Resolution**

Minutes of the Regional Council Meeting held on Thursday, 28 November 2013, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and accurate record.

**Hewitt/Scott  
CARRIED**

**4. Matters Arising From Minutes of the Regional Council Meeting Held on Thursday 28 November 2013**

There were no matters arising from the minutes.

**5. Follow-Ups From Previous Council Meetings**

There was discussion relating to how the charge-out rates are determined, which are set through the Annual Plan process, and what the calculation includes.

RC6/13

**Resolution**

1. That Council receives the report "Follow-ups from Previous Council Meetings".

**Scott/Beaven  
CARRIED**

**6. Call For Any Minor Items Not on the Agenda**

**Recommendations**

That Council accepts the following minor items not on the agenda, for discussion as item 17:

1. Centenary for WW1 (Cr Wilson)
2. Post Mortem Services in HB (Cr Barker)
3. OngaOnga Flood site visit, CHB councillor briefing, CHB Dairy awards (Cr Hewitt)
4. Napier Gisborne Rail Update (Cr Dick)
5. Awatoto Gravel Extraction (Cr Beaven)

6. Tyre burning plant (Cr Graham)

## 7. Affixing of Common Seal

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chairman or Deputy Chairman and Chief Executive or a Group Manager.

		<b>Seal No.</b>	<b>Date</b>
1.1	<b>Leasehold Land Sales</b>		
	1.1.1 Lot 581 DP 2497 CT 55/126 - Transfer	3739	22 November 2013
	1.1.2 Lot 4 DP 7422 CT C4/323 - Agreement for Sale and Purchase - Transfer	3741 3747	28 November 2013 9 December 2013
	1.1.3 Lot 39 DP 6391 CT E2/1453 - Agreement for Sale and Purchase	3742	28 November 2013
	1.1.4 Lot 10 DP 4488 CT 56/282 - Agreement for Sale and Purchase - Transfer	3744 3745	6 December 2013 6 December 2013
	1.1.5 Lot 98 DP 13378 CT F1/568 - Transfer	3746	6 December 2013
1.2	<b>Deed of Variation</b> <i>Local Authority Environmental Monitoring Group Production of EMS for freshwater data</i>	3740	25 November 2013
1.3	<b>Change 4 of Regional Resource Management Plan</b> Adopted at Council meeting 28 November 2013	3743	5 December 2013

RC7/13

### Resolutions

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Confirms the action to affix the Common Seal.

**Scott/Pipe**

**8. HBRIC Ltd and Ruataniwha Water Storage Scheme Monthly Update**

Mr Andrew Newman (HBRIC Ltd Managing Director), Mr Heath Caldwell (HBRIC Ltd Company Manager) and Duncan MacLeod (HBRIC Ltd Commercial Manager) spoke to the item.

Mr Newman noted the excellent performance of Napier Port as released at the AGM held recently, and the appointment of Wendy Harvey to the Board of Directors.

Mr Newman highlighted several points from the section of the report relating to the Ruataniwha Water Storage Scheme (RWSS), including the status of the financing, investment, and design and construction work streams.

Mr Macleod provided an overview of the uptake statistics, now reflecting uptake of 42,721,000 m3 which is a combination of deep water migration and new water. Further detail of the expression of interest documents, uptake incentives and forecast land uses was provided.

The EPA process involves expert (scientists) caucusing in arriving at detailed allocation and nutrient limits which are set in the Plan Change.

Further discussions traversed financing for the project, the potential investors' risks and a proposed HBRIC Ltd communications campaign.

RC8/13

**Resolution**

1. That Council receives the "***HBRIC Ltd and Ruataniwha Water Storage Scheme Monthly Update***" report.

Dick/Scott  
CARRIED

**9. Ruataniwha Water Storage Scheme Investment - Proposed Evaluation Process**

The Chairman invited the Mayors of Napier (Bill Dalton), Central Hawke's Bay (Peter Butler) and Hastings (Lawrence Yule) to the table to participate in the discussions.

Ms Lambert outlined the proposed evaluation process Council will undertake to decide on whether or not to invest in the RWSS should the HBRIC Ltd business case recommend investment. The Design and Construction and environmental, cultural and social matters will have been resolved by the EPA and HBRIC Ltd expert advisors as part of the HBRIC Ltd business case development. The areas of focus for the Council assessment will be any legislative requirements along with strategic, financial and economic issues around Council's investment.

It was noted that the cross-over with Crown Irrigation is related to testing the financial feasibility only.

In relation to timeframes there were queries in relation to process delays and possible impacts of those delaying construction start. An assessment of alternative investment options is required by the LGA, and will build on the assessment of options previously carried out during the LTP 2012-22 process.

It was noted that different elements of the Independent Peer Review will be carried out by separate consultants.

***The meeting adjourned at 10.35am and reconvened at 10.50am***

It was noted that the social and cultural issues were considered by the Stakeholder group through the feasibility study process, and that further consideration of these issues would be part of the Council's assessment of the business case. It was suggested that the value of the environmental benefits be included in the terms of reference for the peer review.

There was concern raised in relation to Crown Irrigation being a partner in any part of Council's peer review and how that may affect the public perception of the review being 'independent'.

### **Recommendations**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Notes this Evaluation Process for the proposed Ruataniwha Water Storage Scheme investment is limited to consideration of strategic, financial, environmental, economic, social and cultural issues other than those RMA matters resolved through the EPA process and through the external processes of HBRIC Ltd's design and construction, to the satisfaction of Council.

**Scott/Dick  
CARRIED**

Councillor Barker moved an amendment, which was seconded by Councillor Belford; being to delete 3 and 4 and replace with:

3. The Chief Executive will bring to the 29 January 2014 Regional Council meeting, expressions of interest from competent firms for the undertaking of the independent review of the HBRIC Ltd proposal for the RWSS, accompanied by a proposed Terms of Engagement and that this be independent of the Crown and any other interested party. The Terms of Engagement are to be expressly for the interests of the HBRC and the ratepayers' interests it represents.

**Barker/Belford  
CARRIED**

The amendment was **CARRIED**, therefore becoming part of the Substantive Motion.

Councillor Belford moved an amendment, which was seconded by Councillor Graham; being an additional resolution:

4. Confirms that until all five evaluation steps: *1. Testing the financial feasibility; 2. Evaluating the potential impacts of the investment on Council's future balance sheet, operating position and rates; 3. identifying, evaluating and comparing options for alternative investment; strategic evaluation of investment in RWSS or alternatives; and 5. Public consultation on Council's provisional decision* are completed, the official position of the Council with respect to proceeding (or not) with the RWSS is one of strict neutrality. Beyond authorising the full feasibility investigation now underway, at this time the HBRC neither supports nor opposes the scheme.

**Belford/Graham  
LOST**

## **14. Hawke's Bay Tourism Ltd Quarterly Report and Presentation**

Mr George Hickton (Chairman), Mr Sam Orton (Deputy Chairman) and Ms Annie Dundas (General Manager) introduced themselves and provided an overview of the history and development of the organisation, the state of tourism in Hawke's Bay, plans for the next year and highlighted their vision for tourism in the Region.

The presentation showed promotional materials being used, including brochures and video ads.

RC9/13

### **Resolution**

1. That Council receives the "Hawke's Bay Tourism Quarterly Update" report.

**Scott/Pipe  
CARRIED**

10.

### **HBRIC Ltd Board of Directors Membership and Constitution**

Ms Lambert introduced Andrew Weir (solicitor) and provided the detail and rationale surrounding the proposed resolutions, resulting from further discussions and legal advice on the Board's membership at the Corporate and Strategic Committee meeting.

RC10/13

### **Recommendations**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Confirms that it has considered the potential solutions for the perceived conflict of interest, and resolves to appoint Danelle Dinsdale and David Faulkner as Directors to replace the three Councillor Directors on the Transition Board of Hawke's Bay Regional Investment Company Limited for the period to 30 June 2014, noting that the number of Directors will be reduced from seven to five.

**Scott/Pipe  
CARRIED**

3. Agrees that Clause 8.1 of the HBRIC Ltd Constitution be amended, for immediate effect, to:

*"8.1 Minimum and maximum numbers: The minimum number of Directors shall be three (3) and the maximum number of Directors shall be seven (7)."*

4. Adopts the interim policy on the appointment and remuneration of Directors as follows.

***Hawke's Bay Regional Council  
Interim Policy on Appointment of Directors  
[Adopted 18 December 2013]***

***Purpose***

*The purpose of this policy is to set out Council's intentions for the appointment of directors to the Board of the HBRIC for the period from 18 December 2013 until 30 June 2014.*

***Appointment of Directors***

1. *The Hawke's Bay Regional Council shall not appoint any of its members ("Councillor Directors") to the Board*
2. *The Hawke's Bay Regional Council shall appoint up to seven Directors who are independent of the Council to the Board ("Independent Directors")*
3. *If the need arises, in addition to those already appointed,*

*directors will be appointed based on merit*

5. Notes that the final HBRC Appointment and Remuneration of Directors Policy is under development and will be presented to the 12 March 2014 Corporate and Strategic Committee meeting for consideration, and for adoption at the 26 March 2014 Regional Council meeting.
6. Agrees that Clause 8.3(a) of the HBRIC Ltd Constitution be amended to:  
“8.3 *Appointment of Directors and Chairperson:*”
  - a. *HBRC shall appoint at least three (3) and up to seven (7) Directors to the Board of the company (including the right to appoint and remove and nominate alternates) in accordance with HBRC’s Policy concerning Director appointments of existing Council Members (Councillor Directors), and Directors who are independent of the Council (Independent Directors). HBRC shall appoint a Chairperson from amongst the Directors so appointed;*”
7. Agrees that Clause 2.4 of Schedule 2 of the HBRIC Ltd Constitution be amended to:  
“2.4 *Chairperson: In accordance with clause 8.3 of the Constitution, HBRC shall appoint a Chairperson of the Board from amongst the Directors.*”
8. Agrees that Clause 2.2 of Schedule 2 of the HBRIC Ltd Constitution be amended to:  
“2.2 *Quorum: A quorum for a meeting of the Board, other than an adjourned meeting, is a majority of the Directors who are entitled to vote at that meeting to include not less than three (3) Directors.*”

**Scott/Dick  
CARRIED**

***The meeting adjourned at 12.40pm and reconvened at 1.15pm***

#### **11. Recommendations From the Maori Committee**

Councillor Graham provided an update on the issue of water supply at Bridge Pa which was raised at the Maori Committee meeting and the subject of the Mangaroa hui.

RC11/13

#### **Resolutions**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.

#### **Appointment of Tangata Whenua Representatives to the Maori Committee**

2. Appoints Fred McRoberts, Shaun Haraki and Adrian Manuel representing the Wairoa area; Piri Prentice, Joinella Maihi-Carroll and Beverley Kemp-Harmer representing the Ahuriri area; Haami Hilton, Michael Paku and Marei Apatu, representing the Heretaunga area; Roger Maaka, Mike Mohi and Brian Gregory, representing the Tamatea area, as members of the Māori Committee of the

Hawke's Bay Regional Council.

3. Appoints Bill Blake (Wairoa), Rangi Puna (Ahuriri) and Marge Hape (Tamatea) as short term replacement members of the Māori Committee of the Hawke's Bay Regional Council.

#### **Election of Chairman and Deputy Chairman of the Maori Committee**

4. Confirms the appointment of Mr Mike Mohi as Chairman of the Māori Committee, as elected by the members of that Committee.
5. Confirms the appointment of Mr S Haraki as Deputy Chairman of the Maori Committee, as elected by the members of that Committee.

#### **Membership of Council Committees by Tangata Whenua Nominated Members of the Maori Committee**

6. Appoints Mrs **Joinella Maihi-Carroll** and **Mr Brian Gregory** as members of the Environment and Services Committee.
7. Appoints **Mr Piri Prentice** and **Mr Shaun Haraki** as members of the Corporate and Strategic Committee.
8. Appoints **Mr Brian Gregory** as a member of the Regional Transport Committee.

**Graham/Pipe  
CARRIED**

## **12. Recommendations From the Corporate and Strategic Committee**

Councillor Hewitt provided an overview of discussions which occurred at the Corporate and Strategic Committee meeting leading to the recommendations for Council's consideration today.

There was discussion surrounding Council representation on the HB Tourism Board, including an explanation that HB Tourism is not a CCO and that it is therefore not within Council's purview to change their Constitution.

### **RC12/13 Resolutions**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.

#### **HBRC Staff Accommodation - Guppy Road Operations and Wairoa**

2. Agrees to proceed with refurbishments to the office accommodation building at HBRC's Guppy Road site as outlined below, at an estimated cost of \$410,000 plus GST.
  - 2.1 Renewal of the main roof and guttering, added insulation, replacement of cracked exterior panels, removal of damaged ceiling panels, fitting of a plasterboard ceiling, provision of appropriate access for disabled persons including widening all corridors and enlarging existing toilet, and the creation of a ramp leading into the entrance of the building.
  - 2.2 Extension to the rear of the building to increase the size of the existing store room, creation of a meeting room, extension of the reception area, and



additional toilet block and shower facilities.

3. Does not proceed with improvements of the HBRC Wairoa office at this time and pending further investigations by staff.

**Hewitt/Graham  
CARRIED**

#### **Hawke's Bay Local Government Reorganisation Draft Proposal**

4. Decides to lodge a submission to the Local Government Commission on its Draft proposal for the reorganisation of local government in Hawkes Bay, based upon reinforcing the need for any local government structure within Hawke's Bay to have a specific focus on the management of natural resources in recognition of the region's strong linkages to its primary production sector.
5. Requests that a draft submission is brought to the 12 February 2014 Environment and Services Committee and the 25 February 2014 Maori Committee meetings for consideration and input prior to the final submission being presented at the 26 February 2014 Regional Council meeting for adoption.

**Hewitt/Graham  
CARRIED**

#### **Oil and Gas Exploration Policy Development**

6. Endorses, in-principle, the draft public engagement proposal for oil, gas and energy policy development.
7. Notes that staff will present a further report to the Corporate and Strategic Committee meeting on 12 March 2014 (including a revised memorandum of understanding; revised terms of reference for multi-stakeholder group; stakeholder group composition; and details of resourcing and budget implications) about a public engagement proposal for oil, gas and energy policy development in Hawke's Bay.

**Hewitt/Graham  
CARRIED**

#### **Appointment to the HB Tourism Board**

Councillor Beaven moved an amendment, which was seconded by Councillor Barker; to amend recommendation 8 and add recommendation 9, being:

8. Appoints a representative to the Board of Hawke's Bay Tourism; being Councillor Dave Pipe; **and Councillor Tom Belford as alternate.**
9. Seeks the opportunity from HB Tourism to have two councillor directors on the HB Tourism Board.

**Beaven/Barker  
LOST**

The amendment was **LOST** and the original motion was therefore put, as the substantive motion.

#### **Appointment to the HB Tourism Board**

8. Appoints a representative to the Board of Hawke's Bay Tourism; being Councillor Dave Pipe.
9. Notes that the following reports were received at the Corporate and Strategic Committee meeting.
  - 9.1 Follow-ups From Previous Corporate and Strategic Committee Meetings

9.2 Approach/Timelines for Annual Plan 2014/15

9.3 Public Transport Update

**Hewitt/Graham  
CARRIED**

**13. Reformatting of Financial Reporting for Council**

Mr Drury explained the proposed changes to the financial reporting for Council, resulting from suggestions made at the 28 November Regional Council meeting and to be implemented for the next financial reports to Council for the 9 months ending 31 March 2014.

RC13/13

**Resolutions**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Approves the changes made to the financial reporting format and content to be provided to Council, noting that this revised format will be effective for reporting on the seven months to 31 January 2014 which will be presented to Council on 26 February 2014.

**Graham/Hewitt  
CARRIED**

**15. Monthly Work Plan Looking Forward Through January 2014**

Ms Lambert provided additional detail, in response to queries, surrounding the HeatSmart communication strategy and the Regional Planning Committee legislation and resulting Regional Council obligations.

In response to a query, Mr Adye explained that the draft strategy for the coast between Tangoio and Clifton would likely be developed over a period of years and that Council's input on the scope of that strategy would be sought at the outset of that process, along with the relevant TLAs.

Mr Adye provided an update of the situation in CHB where flood damage was being repaired. Discussions covered whether flood modelling would assist in helping residents understand what the effects were, for use in discussions at a public meeting.

Mr Iain Maxwell provided an update on progress finding solutions to irrigator issues in the Twyford area.

RC14/13

**Resolutions**

1. That Council receives the Monthly Work Plan Looking Forward Through January 2014 report.

**Belford/Scott  
CARRIED**

**16. Chairman's Monthly Report**

The report was tabled, and the Chairman elaborated as queried in relation to the dairy farm awards, Icehouse and monthly Labour caucus meetings.

## Resolution

RC15/13 That the **Chairman's monthly report for December 2013** be received.

**Wilson/Scott  
CARRIED**

### 17. Minor Items Not on the Agenda

ITEM	TOPIC	COUNCILLOR / STAFF
1.	Centenary for WW1 Councillors Wilson and Barker provided information about the commemoration of the centenary of the First World War and how the Regional Council might participate.	Cr Wilson
2.	Post Mortem Services in HB Entirely outside the functions of the regional council – however Councillors had been approached by members of the community asking that the issue of not having post mortem services available in Hawke's Bay be raised with the District Health Board. Cr Barker requested that the issue be raised by Chairman Wilson during his next meeting with the Region's mayors.	Cr Barker
3.	Ongaonga Flood site visit, CHB Dairy awards, CHB councillor briefing Cr Hewitt thanked Chairman Wilson and Mr Adye for assistance dealing with flood affected communities on recent site visits to the area. Cr Hewitt attended the Dairy Farm Awards in Central Hawke's Bay, which celebrated farmers' five years of 100% compliance with consent conditions and were awarded to 16 farmers. Very well received. Cr Hewitt attended a briefing on the CHB pathways and advised that the CHB council had committed \$100k to the project.	Cr Hewitt
4.	Napier Gisborne Rail Update Cr Dick provided an update on the development of a proposition for re-opening the line, and a meeting with Minister Brownlee on 4 December.	Cr Dick
5.	Awatoto Gravel Extraction Gravel extraction is specifically provided for in the Regional Coastal Plan in this area (Awatoto Gravel Extraction Area). It is a controlled activity as per Rule 90B of the Regional Coastal Environment Plan (RCEP) and therefore processed as a non-notified application given that it complied with the conditions of that controlled activity.	Cr Beaven
6.	Tyre burning plant Consent has been sought and the application has been 'limited' notified to affected parties adjacent or near the proposed site. If there are submissions, then the application will be heard by a Hearing Panel.	Cr Graham
7.	Workshop of Local Government Report There is a workshop being held (NCC-led) on Wednesday 15 January 2014 from 12-5pm. Email with specifics will be forwarded to Councillors. Invitation has	Ms Lambert

	been issued to all elected representatives and senior management staff.	
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**18. Confirmation of the Public Excluded Minutes of the Regional Council Meeting Held on 28 November 2013**

**Resolutions**

RC16/13 1. That Council excludes the public from this section of the meeting, being Agenda Item 18 **Confirmation of the Public Excluded Minutes of the Regional Council Meeting Held on 28 November 2013** with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Confirmation of the Public Excluded Minutes of the Regional Council Meeting Held on 28 November 2013	7(2)(c)(ii) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of that information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide and would be likely otherwise to damage the public interest.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**Hewitt/Barker  
CARRIED**

2. The Public Excluded Minutes of the Regional Council meeting held on Thursday, 28 November 2013, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and accurate record.

**Scott/Pipe  
CARRIED**

**19. Matters Arising From the Public Excluded Minutes of the Regional Council Meeting Held on Thursday 28 November 2013**

There were no matters arising from the minutes.

**Resolution**

RC17/13 That the meeting moves out of Public Excluded session.

**Scott/Pipe  
CARRIED**

***The meeting went into public excluded session at 2.56pm and out of public excluded session at 2.57pm***

**Closure:**

There being no further business the Chairman declared the meeting closed at 2.58pm on Wednesday, 18 December 2013.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....