

CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY 2120

MINUTES OF THE NORTHERN CELL ASSESSMENT PANEL WORKSHOP 10 HELD AT THE HB REGIONAL COUNCIL, DALTON ST, NAPIER, COMMENCING AT 5.00 P.M. TUESDAY 7 NOVEMBER 2017

PRESENT

Panel Members:

Craig Daly, Garry Huata, Steve Loughlin, Mike Penrose, Dorothy Pilkington, Martin Rockel, Shaun Thompson-Gray, Michel de Vos, Mark Levick, Sarah Owen, Douglas Dickson.

Facilitation Team:

Peter Beaven (Chair), Stephen Daysh, Simon Bendall, Monique Thomsen (Minutes), Aramanu Ropiha (Kaitiaki o te Roopu).

Observers:

Mark Clews, Larry Dallimore, Craig Goodier, Graeme Hansen, Tania Huata, James Minehan, Paul Bailey, Bruce Allan, Caroline Thomson, Richard Munneke.

Technical Advisors:

Emma Ryan (Edge Research Team), Jon Clarke (Tonkin & Taylor), Adolf Stroombergen (Infometrics).

WELCOME AND KARAKIA

The Chairman welcomed those present and acknowledged Caroline Thomson and Richard Munneke of Napier City Council and Adolf Stroombergen of Infometrics who were presenting to the panel. Aramanu Ropiha opened the meeting with a karakia.

APOLOGIES

Oliver Postings, Hoani Taurima, Tim Tinker, Trudy Kilkolly.

Motion: That the apologies be accepted.

The motion was moved (Garry Huata), seconded (Shaun Thompson-Gray) and carried.

CONFIRMATION OF MINUTES

Minutes of the Workshop 9 were circulated prior to the meeting.

Motion

That the Minutes of Workshop 9 be confirmed as a true and correct record.

The motion was moved (Shaun Thompson-Gray), seconded (Craig Daly) and carried.

Matters Arising

There were no matters arising.

Mr Bendall provided an overview of the agreed actions table and updated members on the progress, noting some actions had been completed and others were in the process of being completed. An updated action list is included at the end of these minutes.

GENERAL BUSINESS

1. The Chairman advised of an update to the *Summary MCDA* sheet circulated by email with the agenda has been since updated. The sheet provided was now in pathway order rather than in ranking order.
2. The Chairman provided an overview of the presentations on the agenda, once the presentations had been given Simon would circulate a *Summary of MCDA Scores and Economic Analysis* sheet capturing the details presented and that would assist the panel with finalising their preferred pathway recommendations.
3. The Chairman invited Craig Goodier of Hawke's Bay Regional Council to give a short update on the observations of the dredging the Port of Napier were undertaking 200m from Westshore. GPS trackers were recording what was being picked up and dropped off and Craig showed a map of this and the disposal site. To date approximately 85,000m³ had been dredged. Photos taken along the beach show the shoreline has changed from a smooth profile to having a "bulge" which has never been seen before. This shows the dredging is having an effect on the beach. HBRC would continue to monitor the beach.

COSTING THE PATHWAYS – JON CLARKE, TONKIN & TAYLOR

1. Jon Clarke provided a powerpoint presentation on the high level cost estimates for the pathways.
2. Jon discussed the coastal defence options which have been assessed for all pathways in each unit over the three time periods, identifying that for the purposes of costings, the timing of the works begins in year 1 and the costs are based on the whole unit coverage.
3. The high level scheme design costs are based on similar projects in the Hawke's Bay region and from T&T's experience on projects in other parts of the country, and were based on the council rates for similar and proposed work, historic reports and cost estimates.
4. Jon explained the figures did look high but as an example the current cost of works at Westshore are approximately \$200,000 per year, that works out to be an equivalent to; \$4 million over 20 years, \$10 million over 50 years and \$20 million over 100 years.
5. The high level costs for each pathway in the units were shown on screen (refer to presentation material).
6. Jon noted that costs for sand replenishment assumed full costs would need to be met by Council (worst case scenario) but there could be significant cost savings if the Council was able to coordinate / work with the Port as part of their dredging programme.
7. The costs of Managed Retreat are difficult to estimate and could be developed in a number of different ways. The minimum cost estimate of \$50,000 per section would allow for making good of the section by demolition of building and disposal of materials, removal and capping of utilities to planning and landscaping. The medium ground cost estimate of \$150,000-\$250,000 per section would provide for the purchase and servicing of a new section to enable a relocation. The top end cost estimate is to simply use the full capital value of each section affected by managed retreat.
8. Jon confirmed the dollar values presented are today's dollar value (i.e. have not been discounted over time).

REAL OPTION'S ANALYSIS RESULTS – ADOLF STROOMBERGEN, INFOMETRICS

1. Adolf Stroombergen provided a powerpoint presentation.
2. Adolf used an example of the ROA on Unit L (Clifton) to show the process he went through and the results. He showed the maximum of inundation loss or erosion loss and the pathway investment costs setting out figures for the short, medium and long term, noting the figures included capital and maintenance costs.

3. The Dynamic Adaptive Policy Pathways approach allows for transition between pathways, this was important to note as the chosen pathway could be revised and changed to another option at the set review points (I.e. every 10 years) in response to new information / data etc.
4. To test the validity of the 6 pathways chosen in each unit, Adolf re-tested the different permutations of options to form pathways. For Unit L, this resulted in 16 additional pathways but Adolf found that the 6 pathways in Unit L identified by the panels were still considered to be preferred pathways.
5. MCDA example of the Clifton pathways showed that the pathway 5 had the highest MCDA score & lowest cost per MCDA point - so represents the best Value for Money. Pathway 6 which the ROA analysis suggests is the best choice, had the second lowest cost per point even though it's MCDA score was low.
6. Adolf noted that for managed retreat he used the full capital value of assets being relocated and did not use the \$50,000 per section figure Jon mentioned in his presentation.
7. Adolf concluded his presentation by noting that, from a strictly economic perspective, for some units it was better to 'do nothing' for a few decades; the least cost pathway from the ROA process may not be the most flexible option; and the most favoured pathway under MCDA may not be least cost, nor most flexible. There is chance to review options every 10 years, or indeed whenever a trigger point is reached and he advised the panel to think carefully before committing resources to expensive and/or inflexible protection pathways.

Simon circulated a hard copy of the *Summary of MCDA Scores and Economic Analysis* sheet and provided some commentary on what the figures in each column referred to. The sheet incorporated the findings from the MCDA, Real Options Analysis and Costings work and was provided to assist the Panels to make decisions about their pathway recommendations. It was noted that the Southern panel had received similar information and their results were simpler to discuss as the economic analysis and the MCDA scores generally lined up well, whereas for the Northern panel's results, the MCDA scores and economic assessments in some cases produced quite different rankings of pathways.

The meeting broke at 6.25 p.m. and resumed at 6.35 p.m.

Martin Rockel left the meeting

RICHARD MUNNEKE – INTRODUCTION

1. Richard Munneke of the Napier City Council (NCC) provided some introductory comments in regards to the NCC's position.
2. He noted that first and foremost, NCC supported the process and were looking forward to receiving the recommendation from the panel.
3. Richard advised that the NCC had not agreed or adopted the information that was about to be presented on public private splits and ratepayer impacts. He noted that the figures that Caroline would present in the next presentation were a possible scenario and would be helpful for analysis purposes.
4. Actual public / private splits would need to be further debated by Council and ultimately consulted on with all ratepayers.

Peter thanked Richard for his comments and noted that the figures Caroline would present were recommended by TAG and would provide a possible scenario for the Napier ratepayers.

APPORTIONING COSTS: BASE CASE PUBLIC/PRIVATE SPLITS AND THE MODIFICATIONS PROPOSED, CONSIDERING AFFORDABILITY – CAROLINE THOMSON, CFO, NAPIER CITY COUNCIL

1. Caroline Thomson provided a powerpoint presentation on the funding assessments, outlining the funding principles, TAG assessment of the public and private benefits and the financial model showing the indicative rating impacts that would be put onto the community.
2. The funding principles;
 - Intergenerational - consideration of the length of loan; it is recommended the maximum length of loan be 25 years as any longer and interests costs become very high and uneconomic. However if the length of the period of the benefit is less than 25 years then the maximum period of the loan should be of the benefit period.
 - Expenditure, allocation between: private good – targeted rates; and public good – general rates.
3. Caroline outlined the costings to date that have been based on the following assumptions: midpoint of costs between low & high, costs for first 50 years – first two parts of pathway, classes of private good based on 2065 and 2120 probability lines, loan period of between 20 and 25 years, interest rate of 5.5%, managed retreat & retreat the line still needs to be priced although not included in any of the short term pathways, and consideration of providing inducement payment or just clean up and make good costs.
4. Simon discussed the private and public splits recommended by TAG which assesses what would be impacted and what would be protected, taking into consideration the social impacts. The panel discussed the base case recommendations and the percentages for the private and public splits for each of the options, noting that the figures were TAG's recommendations on the splits and had not been confirmed by NCC.
5. Caroline then presented the findings from the financial model. These showed the indicative rating impacts for each pathway, outlining the capital and annual maintenance figures, the loan period and private and public splits as presented earlier. Depending on where your property was located based on the 2065 and 2120 probability lines, there were 3 areas ratepayers were split into; area 1 properties at high risk or fronting a road at risk, area 2 properties next in line just behind properties in area 1, and area 3 remaining properties in the unit. She noted the costings only included for short to medium term pathways and the immediate rating cost is for the short term options only. The panels looked at the rating impact of each pathway in each unit.

CONFIRMING PANEL RECOMMENDATIONS

1. Peter and Simon spoke through how to confirm the preferred pathways and panel recommendations.
2. Noting that the initial MCDA assessment had produced an order of preference of pathways in each unit, this had not considered cost or economic assessment.
3. Now that costs and economics has been presented, the panel were now to confirm if the current preferred pathway based on MCDA was still the preference, or to change to a different preferred pathway.
4. Panels should also consider what to do with the 2 extra potential pathways identified by Adolf through the ROA process, and whether these were valuable and should be considered through MCDA.
5. Using the summary of *MCDA Scores and Economic Analysis* sheet the panels discussed each unit in detail, looking closely at the MCDA ranking, the cost of each of the options and the pathways value for money, Simon captured the rationale behind the decision making on screen.

6. The panel identified their preferred pathways;

- **Ahuriri:**

- **Pathway 6: Status Quo – Sea Wall – Sea Wall**

Note: this pathway was ranked 2 in MCDA, 1 in cost + loss and 1 in value for money.

- The panel did consider changing to pathway 5 which was ranked 1 for MCDA, 5 in cost + loss and 4 in value for money, pathway 5 was the same apart from the long term option which was managed retreat.
 - Taking everything into account the panel decided pathway 6 was the best option because it was close to highest scoring MCDA pathway (PW4) but significantly better in economic analysis – offers best value for money.
 - **The vote: pathway 6 = 10 members (full support).**

Note: Shaun Thompson-Gray left the meeting at 7.32 pm and did not vote in the remaining pathway recommendations.

- **Pandora:**

- **Pathway 3: Inundation Protection – Inundation Protection – Inundation Protection**

Note: this pathway was ranked 3 in MCDA, 1 in cost + loss and 1 in value for money.

- Panel considered PW11 which was identified through the ROA assessment as a further possible pathway in addition to the 4 pathways identified by the Panel.
 - Agreed that PW11 was not sufficiently different to PW3 given that actual intervention would likely not occur until necessary, and status quo therefore may exist for some years in any case.
 - Panel agreed to change their preferred pathway recommendation from PW2 to PW3 – offers best value for money, MCDA score is not significantly different to highest scoring MCDA pathway.
 - Considered by the Panel to be a positive approach, given we are acknowledging there is a risk in the short term that should be addressed within the next 20 years.
 - One Panel Member still preferred PW11 on economic grounds; there was not a consensus, the panel voted.
 - **The vote: pathway 3 = 8 members, pathway 11 = 1 member.**

- **Westshore:**

- **Pathway 3: Renourishment – Renourishment + Control Structures – Renourishment + Control Structures**

Note: this pathway was ranked 4= in MCDA, 1 in cost + loss and 1 in value for money.

- PW3 offers best value for money, and good flexibility
 - Panel considered PW9 which was identified through the ROA assessment as a further possible pathway in addition to the 4 pathways identified by the Panel.
 - Panel agreed that PW9 was not significantly different to PW5 because it only differed in the long term; there would be many review points before then, and therefore did not consider that PW9 needed to be considered at this stage, costs were also not significantly different to PW3
 - **The vote: pathway 3 = 9 members (full support).**

- **Bayview:**

- **Pathway 3: Status Quo/Renourishment – Renourishment + Control Structures - Renourishment + Control Structures**

Note: this pathway was ranked 5 in MCDA, 2 in cost + loss and 2 in value for money.

- PW3 offers best value for money, and good flexibility
 - Bayview will benefit from the preferred pathway for Westshore (which has now been identified) but once control structures are placed at Westshore, something similar will need to happen at Bay View
 - Panel acknowledge that PW3 ranked 5th on MCDA scores alone, however the economics of this option are significantly improved over higher MCDA scores

- It was also noted that the reefs (Pania, Rangatira, Whirinaki north) are a key cultural concern and the impact of nourishment isn't certain
 - Bayview also relies strongly on what happens further south and this will impact when interventions are required
 - **The vote: pathway 3 = 9 members (full support).**
- **Whirinaki:**
 - Pathway 4: Status Quo/Renourishment – Renourishment + Control Structures – Sea Wall**
 - Note: this pathway was ranked 1 in MCDA, 3 in cost + loss and 3 in value for money.
 - Houses are much closer to the sea at Whirinaki – the houses here are the closest ones to the sea in the stretch from Westshore to Tangoio and need something more robust there as a result
 - Petane Marae, including urupa is in the area, better protection for these would be preferred – note any structures would need to avoid Waahi Tapu
 - State Highway is also there and is a critical link north
 - PW4 is clearly preferred based on MCDA scores – while ranked 3rd on economic factors actual numbers aren't significantly different
 - PW4 also retains good flexibility
 - Panel decided to keep with their preferred pathway based on MCDA scores and recommend PW4
 - Whirinaki also relies strongly on what happens further south and this will impact when interventions are required
 - **The vote: pathway 4 = 9 members (full support).**

EDGE EVALUATION SHEET

1. Evaluation sheets were handed out, with a reminder that the survey was also available for on-line completion.

NEXT STEPS

1. In line with the Terms of Reference, Stephen advised the panel he, Graeme Hansen and Judy Lawrence of the Edge were attending a Decision Making under Deep Uncertainty annual workshop in Oxford, London, where they will be presenting and having a poster display on the coastal hazards project and the work of the panels. There was no objection from the panel to having this presented. Stephen and Judy would report back at workshop 11.

Action: *Stephen and Judy to report back at the workshop 11.*

2. The results of tonight's workshop would be presented at a drop-in community session where the panels would seek feedback on their draft recommendations from the community. Simon confirmed there would be advertising via social media, community newspaper ads, billboards would be erected and a flyer would be available for panel members to circulate.. It was encouraged that panel members spread the word and let their community know of the meeting.
3. The drop-in session would be held on Wednesday 29 November 2017 between 5.30-7.30pm at the Westshore Surf Life Saving Club.

Action: *Monique to schedule a drop-in session in diaries.*

4. Simon advised the date for the workshop 11 would be Thursday 7 December 2017 and gave a brief overview of what would be presented at that final workshop.

Action: *Monique to schedule workshop 11 into diaries.*

Aramanu Ropiha closed the meeting with a karakia.

The meeting closed at 8.15 p.m.

AGREED ACTIONS:

Task	Meeting / Agenda Item	Actions	Resp.	Status/Comment
1.	Workshop 6, DE-BRIEF AND FEEDBACK FROM 6 JUNE COMMUNITY MEETING	Peter to circulate the presentation by the Port of Napier to the panel.	Peter Beaven	Port of Napier Consent Application not yet submitted. This should be done within 3 – 4 weeks. On hold pending consent application being lodged by the Port of Napier.
2.	Workshop 7, T&T AND EDGE PRESENTATION	Jonathan Clarke to put together some examples where an offshore reef has been successful, with information being circulated to the panel.	Jon Clarke	Completed.
3.	Workshop 7, T&T AND EDGE PRESENTATION	Recommendation be drawn up to highlight the need for better commonality between interpretation of the Building Code and the provisions of the District Plan / Regional Coastal Plan.	TAG	Recommendation to be added to Assessment Panel report.
4.	Workshop 8, SCORING OF CRITERIA – Cultural Values	Schedule a further workshop to score the cultural criteria for Westshore.	Monique	Completed.
5.	Workshop 8, SCORING OF CRITERIA	Circulate the scoring sheet to the panels once the Westshore cultural criteria has been completed.	Monique	Completed.
6.	Workshop 8, WRAP UP AND NEXT STEPS	Confirmation email including options for the final meeting date to be circulated to the panel.	Monique	Completed
7.	Workshop 8, WRAP UP AND NEXT STEPS	Schedule a workshop for both Northern and Southern panels on triggers.	TAG / Judy	This will form part of the implementation stage (Stage 4) – to be further discussed with the panels at the completion of Stage 3
8.	Workshop 9, REVIEW RECOMMENDED TECHNICAL CRITERIA SCORING, “A” and “B” Clarification	The number “15” to be added in Ahuriri Pathway 4 under Control Structures.	Simon	Completed.
9.	Workshop 9, REVIEW RECOMMENDED TECHNICAL CRITERIA SCORING, “A” and “B” Clarification	The definition of keys on the tables needs clarification – “A” and “B” mean different things in different tables.	Simon	Completed.
10.	Workshop 9, NEXT STEPS	Circulate the costing information to the panel as soon as possible.	TAG	Presented at workshop 10.
11.	Workshop 10, NEXT STEPS	Stephen and Judy to report back at the workshop 11 on their presentation at the Decision Making under Deep Uncertainty annual workshop in Oxford, London.	Stephen Judy	On workshop 11 agenda.
12.	Workshop 10, NEXT STEPS	Schedule a drop- in session in diaries for Wednesday 29 November 5.30-7.30pm	Monique	Completed.
13.	Workshop 10, NEXT STEPS	Schedule workshop 11 into diaries for Thursday 7 December 2017 5.00-8.00pm.	Monique	Completed.