

Graham Smith (Mayor) and Wayne Barnett (CEO) and all Councillors

Mackenzie District Council

P O Box 52

Fairlie

South Canterbury 7949

Hydro Flood Hazard – Pukaki Airport

16th April 2017

Workshop with MEL 18th April 2017

Dear Council,

During our discussions at the Council workshop last week we were very concerned about an apparent lack of understanding displayed about the severity of the potential risk to the airport of the proposed hydro flood hazard zone at Pukaki Airport. Far from wishing to be "spoon-fed" by Council, the Airport Board wish simply to be properly informed when issues arise within Council which could have a bearing on commercial, and in this case possible safety issues, at the airport. The Airport Board is charged by Council to achieve good commercial outcomes as well as providing open access for the region's aviators. We have always substantially exceeded the commercial targets we set ourselves in our annual Statements of Intent, and as far as we know we are the only publicly owned airfield in New Zealand which at this point in time has no rate payer investment involved. This has only been achieved after a great deal of careful planning and hard work from a dedicated Board of Directors.

Furthermore at the workshop there was an obvious concern within Council about the Board appointing its own legal Counsel. We make no apology for this, and depending on future outcomes we may require that help again, especially if we find the Airport situation is compromised because parties did not follow court instructions to consult.

These are some issues which Council may not appreciate;

Both Council and Meridian were instructed by the Environment Court on a number of occasions during the last few years to identify and consult with land owners and affected parties. Neither the Airport Board nor the airport private land owners were consulted in spite of the airport being clearly identified on the Hazard maps from 2011 onwards. Our impression is that until recently Council and Council advisors and Meridian treated the flood risk and Plan Change 13 as an issue which only affected farmers in spite of the fact that the Airport was clearly identified as being in the "High Hazard Zone". There also appears to have been such a focus within Council towards being an impartial regulator that sight has been lost of protecting Council's own assets. The Environment Court Judge instructed MDC to not only identify and consult with farm base areas but also "residential and tourism subzones identified on the Hazard map". The Council did not consult. The Airport remains in the Hazard Zone until the Environment Court judge agrees to remove it. This may or may not be

significant depending on Meridian's approach to the Airport flood risk, their requirements for LIM's at the Airport, and their proposed input into the new District Plan. At least with the hazard issue being placed in the District Plan we have a chance to participate in the wording they may propose. If Meridian insist that the flood hazard be dealt with "within the context of PC13" it could be very significant in terms of the legal risk to the Board and Council. The Board feel at least a moral responsibility to the Lot holders we sold sections to while Council had full knowledge of the flood hazard issues, and the hazard map, (while not informing the Airport Board), especially considering the fact that we were selling during the period Council was instructed by the court to consult the land owners and affected parties. (The Board operate as representatives of Council). The Board and Council may have a multi-million dollar legal risk if it now turns out those buyers are not able to build on those Lots as they had previously planned. On top of that risk there is the potential that this could substantially devalue the Council's unique and potentially very valuable airport asset.

At this point in time we are not aware of the health and safety legal risk from the flood hazard involved but this also is a potential issue for the Board and the Council.

Earlier Councils showed a great deal of vision and wisdom by creating the Pukaki Airport asset and appointing an independent commercial board. The planning foresight shown is remarkable in that they established the Zone and the Designation. The Pukaki Airport Zone is a unique rare asset which would be almost impossible to achieve today. It must be protected, preserved, and if possible enhanced, and any proposed changes to the District Plan which affect the airport must be carefully considered, and involve the Board. If Airport protections are lost they may be impossible to restore.

In preparation for our workshop on Monday it is important that Councillors are aware of the background outlined above but also to keep in mind the following issues as discussions progress;

- We must be aware that it is unlikely that the flood hazard can be mitigated by raising building heights. During the planning of the subdivision taxi-way heights and Lot height levels were carefully calculated so that aircraft can access their hangers. Substantially raising hanger foundations will not be an option to mitigate flood risk.
- In terms of reverse sensitivity issues the airport existed well before the hydro scheme was built.
- The Zoning and Designation of the Pukaki Airport has been identified in the MDC District Plan for many years.
- In a Memorandum to the Environment Court in 2014 Meridian and Genesis assured the court, "That the draft maps have been discussed with all significantly affected stakeholders". The Airport Board and the private owners of land at the airport were not consulted by MEL in spite of this reassurance given to the Court.

- Meridian Energy Ltd endorsed the Pukaki Airport subdivision in an agreement for water extraction needed for the subdivision, signed by the Board and Meridian in 2007, in which Meridian agreed not to oppose Airport Resource Consents.
- It may be possible for Meridian to mitigate the airport flood risk with earth works. The Board would much prefer this option rather than becoming involved in a legal battle.

The Board are hopeful that this workshop will produce good results for the airport and our focus can shift back to the outcomes we have been working so hard to achieve.

Yours sincerely

Derek Kirke
Chairman Pukaki Airport Board