

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

**Friday 1 March 2024
Commencing at 9.30a.m.
Council Chamber
Floor 2A, Civic House
110 Trafalgar Street, Nelson**

Membership:

Chairperson	Tasman District Councillor Kit Maling
Deputy Chairperson	Nelson City Councillor Tim Skinner
Members	Tasman District Councillor Barry Dowler
	Nelson City Councillor Kahu Paki Paki
	Independent Member Tallat Mehmood
	Industry Representative (non-voting) Philip Wilson

Quorum: 3

Nelson Regional Sewerage Business Unit

The Nelson Regional Sewerage Business Unit (NRSBU) ([NDOCS-1974015928-495](#)) is a joint committee of Nelson City and Tasman District Councils. Operation of the NRSBU is governed by a Board, as established by a Memorandum of Understanding (NDOCS-1974015928-495).

Areas of Responsibility:

- To manage and operate the wastewater treatment facilities at Bells Island and the associated reticulation network efficiently and in accordance with resource consent conditions to meet the needs of its customers.

Powers to Decide:

- The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be with the Board, and in particular the Board shall without the need to seek any further authority from the Councils:
 - Operate a bank account for the Business Unit;
 - Comply with the Procurement Policy of the Administering Council;
 - Enter into all contracts necessary for the operation and management of the Business Unit in accordance with the approved budgets and intent of the Business Plan;
 - Authorise all payments necessary for the operation and management of the Business Unit within the approved budgets and intent of the Business Plan;
 - Do all other things, other than those things explicitly prohibited by this Memorandum of Understanding or relevant statutes, that are necessary to achieve the objectives as stated in the Strategic Plan, Asset Management Plan or Business Plan approved by the Councils;
 - Comply with the Health and Safety Policy and requirements of the administering Council
- Contribute to the sanitary services assessment process of the Councils
- Contribute to and comply with the waste management plans of the Councils
- Contribute to the development of the Councils' Development and Financial Contribution policies
- Contribute to the Councils' Regional Policy Statement and Regional Plan Reviews
- Develop and keep under review an appropriate contract for the delivery of waste collection and disposal services with each of its customers
- Follow generally accepted accounting practices
- Follow good employment practices

Powers to Recommend to Councils:

- Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding.
- All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.

Quorum:

- The Memorandum of Understanding governing the NRSBU allows for either six or seven members to be appointed. The quorum at a meeting is either three (if six members are appointed), or four (if seven members are appointed), including at least one from each local authority.

Procedure:

- The Standing Orders of the Council providing administration to the committee will be applied at each meeting.
- The Chairperson will not have a casting vote.
- Copies of minutes of meetings of the Joint Committee will be retained by each Council for record keeping purposes.

1. Apologies

Nil

2. Confirmation of Order of Business

3. Interests

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

5. Confirmation of Minutes

5.1 28 November 2023

5 - 7

Document number M20387

Recommendation

That the Nelson Regional Sewerage Business Unit

1. **Confirms** the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 28 November 2023, as a true and correct record.

6. Nelson Regional Sewerage Business Unit General Manager Update Report March 2024

7 - 16

Document number R28316

Recommendation

That the Nelson Regional Sewerage Business Unit

1. **Receives** the report Nelson Regional Sewerage Business Unit General Manager Update Report March 2024 (R28316).



Minutes of a meeting of the

Nelson Regional Sewerage Business Unit

Te Rōpū ā-Rohe Para, Whakatū / Te Tai o Aorere

Held in the Council Chamber, Floor 2A, Civic House, 110 Trafalgar Street, Nelson on Tuesday 28 November 2023, commencing at 1.30p.m.

Present: Tasman District Councillor K Maling (Chairperson), Councillor B Dowler, Nelson City Councillors K Paki Paki and T Skinner (Deputy Chairperson) Independent Member T Mehmood

In Attendance: Deputy Chief Executive/Group Manager Infrastructure (A Louverdis), General Manager Regional Services (N Clarke), Team Leader Governance (R Byrne) and Assistant Governance Adviser (A Bryce-Neumann)

Apologies : Nil

1. Apologies

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 17 November 2023

Document number M20363, agenda pages 5 - 7 refer.

Resolved RSBU/2023/032

That the Nelson Regional Sewerage Business Unit

1. **Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 17 November 2023, as a true and correct record.**

Paki Paki/Dowler

Carried

6. **Nelson Regional Sewerage Business Unit - Business Plan 2024-25**

Document number R28142, agenda pages 8 - 28 refer.

General Manager Regional Services, Nathan Clarke, took the report as read, noting there had been no additional feedback from the joint workshop held for both councils. Mr Clarke answered questions on the alignment of the master plan with the Business Plan and the impacts of any changes.

Attendance: Councillor Skinner joined the meeting at 1.47p.m.

Resolved RSBU/2023/033

That the Nelson Regional Sewerage Business Unit

1. **Receives the report Nelson Regional Sewerage Business Unit - Business Plan 2024-25 (R28142) and its attachment (1080325921-756); and**
2. **Adopts the Nelson Regional Sewerage Business Unit Business Plan 2024-25 (1080325921-756) for distribution to the Nelson City Council and Tasman District Council.**

Dowler/Skinner

Carried

Recommendation to Council RSBU/2023/034

That the Nelson City Council and Tasman District Councils

1. **Receive the Nelson Regional Sewerage Business Unit Business Plan 2024-25 (1080325921-756), and**
2. **Approves the Nelson Regional Sewerage Business Unit Business Plan 2024-25 (1080325921-756).**

Dowler/Paki Paki

Carried

7. **Nelson Regional Sewerage Business Unit - Activity Management Plan 2024-34**

Document number R28143, agenda pages 29 - 142 refer.

General Manager Regional Services, Nathan Clarke, took the report as read and answered questions on reusing waste water and engagement with iwi.

Resolved RSBU/2023/035

That the Nelson Regional Sewerage Business Unit

1. **Receives the report Nelson Regional Sewerage Business Unit - Activity Management Plan 2024-34 (R28143) and its attachment (1080325921-753); and**

2. **Adopts the Nelson Regional Sewerage Business Unit Activity Management Plan 2024-34 (1080325921-753) for distribution to Nelson City Council and Tasman District Council.**

Maling/Skinner

Carried

Recommendation to Council RSBU/2023/036

That the Nelson City Council and Tasman District Councils

1. **Receive the Nelson Regional Sewerage Business Unit Activity Management Plan 2024-34 (1080325921-753); and**
2. **Approves the Nelson Regional Sewerage Business Unit Activity Management Plan 2024-34 (1080325921-753) as the version to inform the development of the Long Term Plan 2024-34.**
3. **Notes that the Nelson Regional Sewerage Business Unit Activity Management Plan 2024-34 (1080325921-753) will be updated, and the final Activity Management Plan approved by Council after the adoption of the Long Term Plan 2024-2034.**

Maling/Skinner

Carried

There being no further business the meeting ended at 2.03p.m.

Confirmed as a correct record of proceedings by resolution on (date)

Resolved



Nelson Regional Sewerage Business Unit

1 March 2024

Report Title: Nelson Regional Sewerage Business Unit General Manager Update Report March 2024

Report Author: Nathan Clarke - General Manager Regional Sewerage and Landfill

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R28316

1. Purpose of Report

- 1.1 This report is an update by the General Manager (GM) on activities undertaken to 31 December 2023 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report March 2024 (R28316).**

3. Background

- 3.1 The Operations and Maintenance contract is running smoothly.
- 3.2 There were three odour notifications for the period to the end of January 2024.
- 3.3 Financial performance to 31 December 2023 finished behind budget by \$752,000.
- 3.4 The new Contract and Sustainability Engineer started in January and is getting up to speed quickly.

4. Health and Safety

- 4.1 H&S for the operations contract is being managed well, and no significant safety issues are currently outstanding.
- 4.2 Health and Safety Event Register.

Classification	Date	Details	Follow up actions
Injury	2/10/2023	Tightening bolts on Pigging line and piece of metal used to tightened bolt slipped and hurt finger. Right hand index finger.	Take more care and awareness in future - Engineers to modify pigging station to minimise risk of this occurring again
Close Call (Near Miss)	2/10/2023	Slipped on walkway next to DAF - No steps loose gravel	Ideally this should have steps put in place - this has been raised previously but has not progressed due to funding
Injury	5/10/2023	While cleaning around Atad feed pumps, hose sprayed under safety glasses and into eye	Washed out eyes with eye wash - need to get better fitting safety glasses
Injury	26/10/2023	Scratch to shin from concrete plinth at wet well	Minor scratch was flushed with potable water. Sanitised and band aid applied
Injury	5/11/2023	Caught fingers on uncovered edge of small access hatch on milliscreen - minor cut to finger	Action assigned to fit a rubber strip around the hatch opening
Incident	11/12/2023	Reversing vehicle and backed into another Ute, accidentally pressed accelerator instead of brake. Possibly due to large work boots and small pedals in the vehicle.	This has been discussed with the team at tailgate meeting, new line marking has been painted to make the car parks larger and more visible
Hazzard ID (Improve It)	14/12/2023	Handrail by the s::can unit needs to be repaired/modified to make the area safe	Area has been cordoned off to ensure no access to hazard area. Final solution will be implemented once the new covers are installed along with new handrails
Close Call (Near Miss)	19/12/2023	Sub-contractor was accessing across causeway on foot while approx 500mm of water was running across the top of the causeway crossing	Spoke to contractor concerned + all other contractors on site about accessing the causeway on foot during high tides above 3.5m. Explained that walking across presented risks with current and slippery surfaces + stingrays etc and there was a boat available if staff really needed to get across.
Incident	12/12/2023	Stone from log truck flicked up and chipped Ute windscreen	Arrange repair to chip to prevent cracking

Table 1: Health and Safety Event Register

4.3 Nelmac have inducted 30 new personnel to NRSBU sites during the report period.

4.4 The following training was completed during the report period:

Month	Training Type/details	No of Staff
Nov 23	Chainsaw Use	2
Nov 23	Day Skipper	1
Nov 23	Internal SOP Training (18 SOPs total)	9
Dec 23	N/A	

Table 2: NRSS Operations and Maintenance Contract Training Completed

4.5 The following audit/interaction activities were completed during the report period:

Month	Audits	Prestarts	Tailgates
Nov 23	1	4	1
Dec 23	2	4	1

Table 3: Table 2: NRSS Operations and Maintenance Contract H&S Interactions Completed

5. Discussion

5.1 Operations & Maintenance

- 5.1.1 Operational performance of the Nelson Regional Sewerage Scheme (NRSS) continues at a high level.
- 5.1.2 The preliminary operating costs against the Target Outturn Cost (TOC) for the 2023/2024 year is slightly above the NRSBU 2023/2024 business plan forecast budget. The increase above budget year to date is expected to continue to reduce over the second half of the financial year. The increased costs were related to a higher maintenance programme at the start of financial year.
- 5.1.3 Graph of progress against TOC

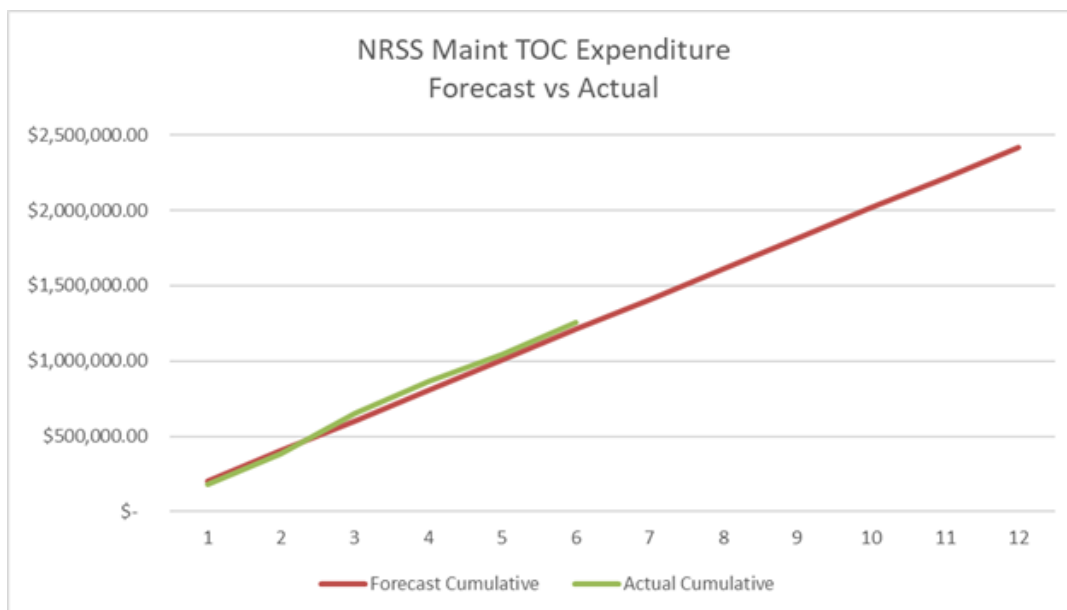


Figure 1: Expenditure against forecast - NRSS O&M Contract

- 5.1.4 Issues experienced on the inlet milliscreen drums late last year have not recurred, with only inspections and preventative maintenance being completed since.
- 5.1.5 The replacement drum is under construction at the screen manufacturers and remains on schedule for delivery in March.

5.2 Odour

- 5.2.1 There were three odour notifications for the period to end of Jan 2024. All odour notifications were reviewed as soon as possible after notification was received. In each case the source was considered to potentially be biosolids storage or application, but it was not possible to confirm the odour due to the time between the notification being made and NRSBU staff being informed. Two of the notifications were from the Mapua area and related to the same event and one was from Lower Queen Street.
- 5.2.2 Six independent odour assessments were undertaken during this report period. These identified that odour from the Bell Island and Rabbit Island facilities was normal and where identifiable was within consent parameters.

5.3 Wastewater overflow

5.3.1 No wastewater overflows occurred this period.

5.4 Beneficial reuse of Resources

5.4.1 NRSBU has applied 50,700m³ of treated effluent to land so far this irrigation season.

5.4.2 26,700m³ of treated effluent has been processed through the ultra-filtration (UF) plant for re-use onsite during the last 3 months.

5.4.3 The UF plant has approximately 250m³/day of spare capacity at present, which will be available for use at Greenacres Golf Course.

5.4.4 NRSBU applied 8,400 m³ of Biosolids during October to December 2023. This equates to 17 tonnes of Nitrogen for fertiliser to the Motoroa/Rabbit Island pine forests.

5.5 Projects

5.5.1 Works recently completed:

- ATAD odour treatment upgrade, including duplicate biofilter, ammonia scrubber, upgraded odour ducting, tank protection valves and control systems:



Figure 2: ADAT Ammonia Scrubber & Blowers

5.5.2 Projects underway at present include:

- Update of the Business Continuity Plan.
- Regional wastewater philosophy development.
- Moturoa/Rabbit Island biosolids discharge consent finalisation.
- Consideration of sites for overflow storage at Saxton Rd, including negotiations for land acquisition for Saxton Rd pump station.
- Condition assessment of the concrete rising main between Monaco and Bell Island.
- Sludge and biosolids tanks renewals.
- Staff facilities/workshop upgrade on Bell Island.



Figure 3: Facilities/Workshop Building Foundation

- Pump replacement at Beach Rd, Wakatu and Airport pump stations.
- Emission management plan development.
- Biosolids application facility tank cover installation.

5.5.3 Site improvement works at Bell Island include:

- Solar power supply development discussions.

5.5.4 Other Bell Island projects:

- Repair of the inlet works corroded concrete is scheduled to begin during autumn 2024, and planning for the project has commenced.
- Installation of isolation valves to rising mains at the treatment plant inlet structure. Detailed design is completed, with component orders placed.

5.5.5 Greenacres Golf Course water reuse supply works are well progressed, with the supply tanks & pumps installed. Pipework is completed from the ultra-filtration plant through to the causeway. Works on the estuary crossing adjacent to the causeway have commenced and is scheduled for completion in late February.



Figure 4: Greenacres Reuse Supply Tanks

5.6 Update on significant projects

Moturoa/Rabbit Island biosolids application consent:

- 5.6.1 The Resource Consent was granted in April 2023. The NRSBU appealed the decision to the Environment Court under section 120 of the Resource Management Act 1991 (RMA). The appeal related to 3 issued consent conditions and was resolved via agreement outside of the Environment Court.
- 5.6.2 One of the appealed conditions severely limited the ability of the Business Unit to effectively continue operations due to restricting any vehicles or staff from entering any wāhi tapu exclusion sites – including via forestry access roads. This condition was revised to ensuring the biosolids irrigator does not enter cultural or archaeological exclusion zones unless there is no other practical vehicle access.
- 5.6.3 The remaining conditions related to covering of the facility holding tanks vs enclosure as detailed in the original conditions; and upgrade of the biosolids flow valves to remotely actuated vs automated as detailed in the original conditions.
- 5.6.4 Final issue of the consent is expected shortly following minor amendment of a few remaining concerns, under section 133A of the RMA. These concerns relate to minor wording alterations in the consents approach to climate change adaption and buffer zones for sea level rise.
- 5.6.5 **NRSS Rising Main Duplication** – A significant amount of work is being undertaken on this project with multiple activities along the length of the pipeline.
 - Sections 5,6 and 7 – sections 6 (Kotua PI to Orphanage Creek) and 7 (Orphanage Creek to Saxton Rd) are now completed, with works on the cycleway between Bunnings & Placemakers completed ahead of schedule.
 - Progress on the section through the Barnicoat Developments property (Section 5) is being delayed awaiting the completion of the NCC Saxton Creek Stage 4 project.

- Sections 1- 4 (Beach Rd to Saxtons Creek) Construction commenced in November and good progress is being made.
- Final design work on the connections to Beach Rd and Saxton pumpstations is underway, with the tender package anticipated to be ready to go to market in late March.
- Overall, the progress has been good on the pipeline project.
- Inflationary costs have resulted in the project budget increasing by \$1.73 million over the duration of the project.

5.6.6 **Bell Island site designation** – NRSBU has begun preparing an application for the Designation of the Bell Island site under the Tasman Regional Management Plan.

5.7 Finance

5.7.1 The net income for the six months ending 31st December 2023 is \$752,417 behind budget.

Nelson Regional Sewerage Business Unit								
Financial Report								
Income Account for the period to				31st December 2023				
	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2023/24 Budget		
						YTD	Annual	YTD Variation
Income								
Contributions Fixed	633,123	691,333	3,798,737	92	46	4,148,000	8,296,000	(349,263)
Contributions Variable	380,984	450,500	2,478,785	92	46	2,703,000	5,406,000	(224,215)
Other Recoveries	29,933	27,500	174,737	106	53	165,000	330,000	9,737
Interest	237	-	300			-	-	300
Forestry Income	-	-	-			-	-	0
Total Income	1,044,277	1,169,333	6,452,559	92	46	7,016,000	14,032,000	(563,441)
Less Expenses								
Management	47,992	41,667	252,990	101	51	250,000	500,000	(2,990)
Electricity	70,545	92,499	505,588	91	46	555,000	1,110,000	49,412
Contract Maintenance	109,435	84,425	781,258	154	77	506,550	1,013,100	(274,708)
Reactive and Proactive Maintenance	89,018	92,592	455,585	83	42	547,950	1,095,900	92,365
Monitoring	24,280	25,835	142,409	92	46	155,000	310,000	12,592
Consultancy	26,489	23,333	113,664	81	41	140,000	280,000	26,336
Insurance	10,472	9,167	62,834	114	57	55,000	110,000	(7,834)
Sundry	6,712	12,250	85,997	117	59	73,500	147,000	(12,497)
Biosolids Disposal	101,766	97,500	598,540	102	51	585,000	1,170,000	(13,540)
Operating & Maintenance Expenses	486,709	479,268	2,998,864	105	52	2,868,000	5,736,000	(130,864)
Financial	188,598	145,750	1,017,267	116	58	874,500	1,749,000	(142,767)
Depreciation	251,392	265,500	1,508,345	95	47	1,593,000	3,186,000	84,655
Total Expenses	926,699	890,518	5,524,476	104	52	5,335,500	10,671,000	(188,976)
Net Income	117,578	278,815	928,083	55	28	1,680,500	3,361,000	(752,417)

5.7.2 Income

- Fixed recoveries year to date under budget by \$349,000.
- The variable income year to date is under budget by \$224,000.

5.7.3 Expenditure

- Operating and Maintenance expenses are over budget by \$131,000.
- Interest was \$143,000 over budget due to higher interest rates.

5.7.4 The financial trend year to date is for income to be low, and the financing costs are high compared to budget.

- 5.7.5 Both these issues are not able to be changed by NRSBU management, and as such it is expected that this trend will continue.
- 5.7.6 This under recovery results from changes to interest rates used in the charging model versus the budget and the timing of setting these interest rates. The budget process used means there is a significant time difference during which changes to interest rates can occur.
- 5.7.7 Maintenance costs are slightly above budget due a range of activities including heavy maintenance activities and purchase of pond emergency response chemicals.
- 5.7.8 Overall operational costs when aggregated are within five percent of the budgeted costs.

6.	Conclusion
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|-----|---|
| 6.1 | Business Unit operation is satisfactory with the exception that the fixed and variable incomes are lower than budgeted. This is leading to a shortfall in revenue. The variable income is lower than budget due to the dry summer resulting in lower than anticipated inflows, which will correct at year end with a wash-up charge to the 4 major customers. |
| 6.2 | The result of the shortfall is a lower than expected surplus. This trend was identified in the first quarter and has continued into the second quarter. |
| 6.3 | NRSBU operational costs are within a five percent of budget and therefore it is clear that cost controls are working. |
| 6.4 | At this time limited operational budget reductions are available to mitigate the lower revenue. |
| 6.5 | For the scheme owners the lower variable revenue means that they as customers have been making savings, and this will partly compensate for the lower annual surplus projected. |

Attachments

Nil