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**Minutes of a meeting of the Nelson Regional Sewerage Business Unit**

**Held in Ruma Mārama, Level 2A, Civic House, 110 Trafalgar Street, Nelson**

**On Friday 16 September 2016, commencing at 1.04pm**

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**Present:** Councillors M Higgins (Chairperson) and B Dowler (Tasman District Council), Councillor R Copeland (Nelson City Council), and Mr D Shaw (Nelson City Council Representative)

**In Attendance:** Nelson Regional Sewerage Business Unit Manager (R Kirby), Senior Asset Engineer – Solid Waste (J Thiant), Industry Customers' Representative (P Wilson), Management Accountant (A Bishop), and Administration Adviser (J McDougall)

### **Apologies**

There were no apologies.

#### **1. Confirmation of Order of Business**

There was no change to the order of business.

#### **2. Interests**

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

#### **3. Public Forum**

There was no public forum.

#### **4. Confirmation of Minutes**

##### **4.1 24 June 2016**

Document number M1959, agenda pages 5 - 9 refer.

Resolved NRSBU/2016/006

***THAT the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 24 June 2016, be confirmed as a true and correct record.***

Shaw/Copeland

Carried

## **5. General Manager's report**

Document number R6501, agenda pages 10 - 45 refer.

Nelson Regional Sewerage Business Unit Manager, Richard Kirby, presented the report.

### **5.1 Bell Island Wastewater Treatment Plant – Electricity Supply**

It was noted that the risk of catastrophic failure of the cable either by dragging anchors or through an earthquake was low. It was suggested that instead of replacing the cable, consideration be given to installing back-up generators for use if the cable failed, as the generators could also be used for other emergency situations. It was also suggested that power savings might be possible if generators were installed.

Mr Kirby agreed to explore options and costings for back-up power sources, including mobile generators. It was noted that this information could then feed into any negotiations with Network Tasman.

### **5.2 Bokashi Logic Proposal**

Mr Kirby advised that contributions to the cost of the trial by the different parties were under discussion, adding that if the trial of the process was at no cost to the Councils, then it would go ahead. Mr Kirby said that he would advise the group about costs at the proposed December meeting of the Business unit.

### **5.3 Pond Sludge Management**

Mr Kirby advised that the information that had been received from Gurney Environmental would be collated into a technical report which would be presented at the proposed December meeting of the Business Unit.

It was noted that it was important that modelling of products related to the current design of the ponds.

In response to a query, Senior Asset Engineer – Solid Waste, Johan Thiart, advised that the investigation of Bells Island as a location for sludge if a pond were removed, had been put on hold while other options were considered.

#### 5.4 Coastal Effects – Bell Island Wastewater Treatment Plant Discharge

It was noted that not all effects from wastewater treatment discharge were detrimental to the environment.

Mr Thiart said he would follow up on the positive aspects of the discharge such as the enhanced growth of seabed lettuce, which was a food source for fish.

#### 5.5 Discharge Consent Renewal

It was noted that the environmental impact assessment for discharge needed to be undertaken by an independent party. Mr Kirby agreed to report back once the report had been received. Mr Thiart advised that the costs up to the point of submission were likely to be approximately \$170,000, with the overall cost budgeted at approximately \$500,000.

The public perception of the safety of the scheme was noted as very important in terms of the success of the consent approval. Therefore it was important to minimise any accidental discharges. The current public perception was good, and work needed to be done to ensure that did not change.

It was suggested that the investment in the process meant that it was important to apply to the Tasman District Council for the 35 year maximum allowable consent period.

#### 5.6 Trade Waste Agreement Amendments

Mr Kirby advised that the amendments to the Trade Waste agreement would be finalised on 21 September 2016

#### 5.7 Valuations

Mr Kirby advised that the Audit Manager was progressing with the valuations and was working to align the two asset registers, and ensure an appropriate level of detail. Mr Kirby said that to meet the completion target of the end of March 2017, it may be necessary to add a small amount of extra staffing resource.

Attendance: Councillor Copeland left the meeting at 2.03pm.

#### 5.8 Biosolids Pipeline Blowout

Mr Kirby advised that a small blowout of the biosolids pipeline had been notified to the group and that the pipe was now being pegged three times a week.

Attendance: Councillor Copeland returned to the meeting at 2.04pm

It was noted that there were a variety of reasons for the pipe failure but now that ongoing maintenance had been resumed, the problem should not recur. Mr Kirby advised that there was now improved access to the pipe so any future failures could be dealt with more easily.

## 5.9 Biosolids Volume Increase

In response to a query about the current increase in the volume of biosolids, it was noted that only 105 cubic metres of biosolids was allowed per year at the landfill. Mr Thiart advised that there was a need to get the balance right, and this might be achieved by loading more into the active sludge area before it goes in to ATADs.

## 5.10 Health and Safety

In response to a query, Mr Thiart advised there was a better awareness amongst staff and contractors about the importance of health and safety issues. Mr Kirby advised that the health and safety procedures would be adjusted in order to incentivise the recording of near-misses which was now required.

## 5.11 Financial

Management Accountant, Andrew Bishop, advised that for the first two months of the year to 31 August 2016, costs were tracking below budget but that it was too early to see any trends. He also noted that the rate of return on investments was lower than budgeted, due to lowering of interest rates.

## 5.12 Submission on Draft Moturoa/Rabbit Island Reserves Management Plan

Mr Kirby tabled a late item with reference to item (e) on the NRSBU Status Report of 16 September 2016. Mr Kirby advised that item (e) related to the minutes of the meeting on 24 June 2016.

The late item was a submission on Draft Moturoa/Rabbit Island Reserves Management Plan dated 18 July 2016 (A1631129) which had been sent to Tasman District Council for consideration. Mr Kirby advised that the document had been distributed to the Business Unit by email on 15 September 2016.

### Attachments

- 1 A1631129 - Submission on draft Moturoa/Rabbit Island Reserves Management Plan

## 5.13 Draft meeting dates December 2016 – December 2019

Mr Kirby tabled draft meeting dates December 2016 – December 2019 (A1620664) for information and for confirmation at the next meeting of the Business Unit (proposed for 9 December 2016).

**Attachments**

1 A1620664 - Draft meeting dates December 2016 - December 2019

Resolved NRSBU/2016/007

**Receives the report General Manager's report (R6501) and its attachments (A1517758, A1617464 and A1618644);**

Dowler/Shaw

Carried

Resolved NRSBU/2016/008

**Approves a contribution of up to 50% towards the cost of installing a second power cable to the Bell Island Wastewater Treatment Plant, up to a maximum of \$223,500, excluding GST; subject to:**

- **further investigation on onsite generation and long run costs, to confirm fair value and**
- **final approval from NRSBU Board members on the outcomes of those investigations on fair value**

Dowler/Shaw

Carried

Resolved NRSBU/2016/009

**Approves funding the upgrade cost of improvements to the biosolids transfer pipeline from within the capital budget approved in the 2016/2017 Business Plan;**

Higgins/Shaw

Carried

Resolved NRSBU/2016/010

**Approves progressing with engaging the appropriate expertise to prepare and submit a resource consent application that will allow for the renewal of the discharge of treated wastewater to the Waimea Inlet, discharge of treated wastewater to land at Bell Island, and the discharges to air related to the wastewater treatment plant at Bell Island.**

Higgins/Shaw

Carried

## 6. Draft Nelson Regional Sewerage Business Unit Annual Report 2015/2016

Document number R6520, agenda pages 46 - 79 refer.

Nelson Regional Sewerage Business Unit Manager, Richard Kirby, presented the report.

### 6.1 Level of Service Performance

It was requested that a detailed explanation be added under 3.9.1 about the causes of the three overflows and the actions taken to remedy the situation. It was suggested that a similar format could be used to the information and explanation supplied in the report for the overflow event that had occurred on 22 June 2016.

### 6.2 Performance Measured Against Strategic Business Objectives

Officers were asked to provide more detail against the Key Performance Measure 3.1.4: "All capital projects are delivered within budget". It was suggested that it would be useful to have recorded whether any other projects had been delayed, and to also list the projects that were being progressed.

It was noted that under 3.1.4 the Key Performance Measure was "Peak storm water inflows are reduced by 10% per year and that this target will be reviewed annually". Officers were asked to add to the current wording ("It is not possible to measure the storm water component") the following wording "and this performance measure needs to be reviewed".

It was noted that under 3.1.8 the Key Performance measure was "Stakeholders are identified and communication targets are set and met by June 2014". Officers were asked to amend the wording as discussed and also to change the target date to June 2017.

### 6.7 Financial Performance – draft Annual Report

Management Accountant, Andrew Bishop, noted that in relation to the Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016, the actuals for 2015/16 were very similar to those for 2014/15.

Mr Bishop also noted that savings had been possible in electricity usage, so that expenditure was below budget and also below the figure for 2014/15.

Resolved NRSBU/2016/011

***Receives the report Draft Nelson Regional Sewerage Business Unit Annual Report 2015/2016 (R6520) and its attachments (A1619083, A1619080 and A1623133);***

Higgins/Copeland

Carried

Resolved NRSBU/2016/012

**Approves the Annual Report (R6520), as amended, subject to audit.**

Higgins/Copeland

Carried

There being no further business the meeting ended at 3.10pm.

Confirmed as a correct record of proceedings:

\_\_\_\_\_ Chairperson \_\_\_\_\_ Date