

**Notice of the ordinary meeting of the**

**Regional Sewerage Business Unit**  
***Tira ā-Rohe mō te Parakaingaki o Whakatū,***  
***o Te Tai o Aorere***

Date:	13 December 2019
Time:	1.30p.m.
Location:	Tasman District Council Chamber 189 Queen Street Richmond

## **Agenda**

### ***Rārangi take***

<b>Chair</b>	Tasman District Cr Kit Maling
<b>Deputy Chair</b>	Nelson City Cr Tim Skinner
<b>Members</b>	Tasman District Cr Trevor Tuffnell Nelson City Cr Brian McGurk Brendon Silcock (Independent Member) Frank Hippolite (Iwi Representative) Philip Wilson (Industry Representative)

Quorum: 3

**Pat Dougherty**  
**Chief Executive**

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

## ***Nelson Regional Sewerage Business Unit – Delegations***

The Nelson Regional Sewerage Business Unit (NRSBU) 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 (A1983271).

### **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**

- 1.1 Apologies have been received from Nelson City Councillor B McGurk and Mr F Hippolite (Iwi Representative)

**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 4 December 2019 **6 - 8**

Document number M6606

Recommendation

***That the Nelson Regional Sewerage Business Unit***

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 4 December 2019, as a true and correct record.***

**6. Chairperson's Report**

**7. Nelson Regional Sewerage Business Quarterly Report**

**9 - 42**

Document number R13692

Recommendation

***That the Nelson Regional Sewerage Business Unit***

- 1. Receives the Nelson Regional Sewerage Business Quarterly Report R13692; and its attachments (A2313564 and A2314624); and***
- 2. Notes that there was no feedback from Nelson City Council regarding the draft Nelson Regional Sewerage Business Unit Business Plan 2020/21.***

***That the Nelson City Council and Tasman District Councils***

- 1. Approve the Nelson Regional Sewerage Business Unit Business Plan 2020/21 (A2314624).***

**CONFIDENTIAL BUSINESS**

**8. Exclusion of the Public**

Recommendation

***That the Nelson Regional Sewerage Business Unit***

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

***3.***

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Nelson Regional Sewerage Business Unit</b>	Section 48(1)(a)	The withholding of the information is necessary: <ul style="list-style-type: none"><li>• Section 7(2)(h)</li></ul>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
	<b>Meeting - Confidential Minutes - 4 December 2019</b>	The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	<p>To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</p> <ul style="list-style-type: none"> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>



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

**Held in Rūma Waimārama, Floor 2A, Civic House, 110 Trafalgar Street, Nelson**

**On Wednesday 4 December 2019, commencing at 11.00a.m.**

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Present: Tasman District Councillors K Maling and T Tuffnell, Nelson City Councillors B McGurk and T Skinner, Mr B Silcock (Independent Member) and Mr P Wilson (Industry Representative)

In Attendance: Nelson City Council Group Manager Infrastructure (A Louverdis), Tasman District Council Engineering Services Manager (R Kirby), Acting General Manager NRSBU (D Clifford), Acting NRSBU Operations Manager (N Clarke), and Nelson City Council Governance Adviser (J Brandt)

Apology: F Hippolite (Iwi Representative)

### **1 Appointment of Chairperson and Deputy Chairperson (agenda item 4)**

The Nelson City Council Group Manager Infrastructure welcomed those present to the first Nelson Regional Sewerage Business Unit (NRSBU) meeting of the triennium and called for nominations for the two vacancies.

Resolved NRSBU/2019/001

***That the Nelson Regional Sewerage Business Unit***

- 1. Appoints Tasman District Councillor Kit Maling as Chairperson of the Nelson Regional Sewerage Business Unit for the triennium 2019-2022; and***

Tuffnell/McGurk

Carried

Tasman District Cr Maling assumed the Chair for the rest of the meeting.

Resolved NRSBU/2019/002

- 2. Appoints Nelson City Councillor Tim Skinner as Deputy Chairperson of the Nelson Regional Sewerage Business Unit for the triennium 2019-2022.**

Maling/Tuffnell

Carried

## **2. Apologies**

Resolved NRSBU/2019/003

***That the Nelson Regional Sewerage Business Unit***

- 1. Receives and accepts the apology from Mr F Hippolite.**

Maling/McGurk

Carried

## **3. Confirmation of Order of Business (agenda item 1)**

There was no change to the order of business for the remaining items on the agenda.

## **4. Interests (agenda item 2)**

There were no updates to the Interests Register, and no interests with items on the agenda were declared. However, Tasman District Councillor Maling noted that a beneficiary of the piece of land to be discussed in the confidential part of the meeting was known to him.

## **5. Public Forum (agenda item 3)**

There was no public forum.

## **6. Exclusion of the Public (agenda item 4)**

Resolved NRSBU/2019/004

***That the Nelson Regional Sewerage Business Unit***

- 1. Excludes the public from the following parts of the proceedings of this meeting.**
- 2. *The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to***

***each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

McGurk/Tuffnell

Carried

<b>Item</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Particular interests protected (where applicable)</b>
<b>1</b>	<b>Land Purchase report</b>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> <li>• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities</li> <li>• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</li> </ul>

The meeting went into confidential session at 11.06a.m. and resumed in public session at 12.22p.m.

There being no further business the meeting ended at 12.22p.m.

Confirmed as a correct record of proceedings:

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





## **Nelson Regional Sewerage Business Unit Joint Committee**

**13 December 2019**

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**Report Title: NRSBU Quarterly Report**

**Report Author: Don Clifford, Acting General Manager**

**Report Number: R13692**

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### **1. Purpose of Report**

- 1.1 This report provides the three-monthly update on activity for the Nelson Regional Sewerage Business Unit (NRSBU).

### **2. Report Summary**

- 2.1 Operations are generally running well.
- 2.2 The Resource Consent Hearing for Bell Island ran smoothly; we expect a decision in March 2020.
- 2.3 Good progress is being made with Maintenance, Renewals and new Capital projects.

### **3. Recommendations**

***That the***

- 1. Receives the NRSBU Quarterly Report R13692; and its attachments (A2313564 and A2314624); and***
- 2. Notes that there was no feedback from Nelson City Council regarding the draft Nelson Regional Sewerage Business Unit Business Plan 2020/21.***

***That the Nelson City Council and Tasman District Council***

- 1. Approve the Nelson Regional Sewerage Business Unit Business Plan 2020/21 (A2314624).***

#### **4. Background and Discussion**

##### **5. Health and Safety**

- 5.1 A comprehensive review of health and safety risks was undertaken earlier this year. The implementation of the identified improvement works is ongoing.
- 5.2 No serious incidents have been reported.

##### **6. Contract 3458 – Operations and Maintenance**

- 6.1 The current contract expires June 2020.
- 6.2 A consultant has been engaged to prepare and tender a new contract.
- 6.3 Operations are generally running well.
- 6.4 The contractor's team has issued the updated Odour Management Plan and the updated Pond Management Plan.

##### **7. Odour Management**

- 7.1 We have achieved some good improvements at Bell Island; however, odour management will require ongoing vigilance.
- 7.2 Odour from biosolids disposal at Moturoa (Rabbit Island) has been reported by members of the public. We are investigating methods to mitigate this issue.
- 7.3 Our odour monitoring person will be unavailable for a few months, so we need to find a replacement.

##### **8. Biosolids Operation**

- 8.1 The biosolids operation on Moturoa (Rabbit Island) continues to perform well (other than odour issues).
- 8.2 The Bell Island contractor has expressed some concern about the capacity of the sludge systems. The acting Operations Manager will advise the Board about this at the meeting.

##### **9. Bell Island Land Irrigation**

- 9.1 The lease to Raine farms has been extended to mid-2020. Staff have been considering whether there are better uses of the land for NRSBU e.g. direct irrigation to land by NRSBU.

##### **10. Regional Pipeline**

- 10.1 Works are ongoing to comply with some of the conditions of the aberrational discharge consent at pump stations.

- 10.2 Initial studies have been commenced to assess flow capacity for the concept design for extra pipe capacity downstream of the Beach Road pump station.
- 10.3 Higher power output back-up generators are being procured for the pump stations. The existing generators will be relocated to Bell Island; and installed there.

## **11. Trade Waste Agreements**

- 11.1 Nothing new to report.

## **12. Trade Waste Management:**

- 12.1 The Nelson City Council Trade Waste officer has reported improvements to identification of significant sources of grease; and has advised that this should lead to an improved quality of discharge to the NRSBU system.

## **13. Bell Island Resource Consent Application**

- 13.1 The Hearing was held in mid-November.
- 13.2 The Acting General Manager and the Chair were in attendance for the entire Hearing.
- 13.3 It was felt that we received a fair hearing; and that the submitters presented reasonable points-of-view.
- 13.4 Through the course of the Hearing it was decided to modify some of our proposed consent conditions.
- 13.5 Those changes have been circulated to submitters and to the consent authority for feedback.
- 13.6 We have received positive feedback from the Waimea Inlet Forum.
- 13.7 The NRSBU legal counsel will submit a final submission on 20 December 2019.
- 13.8 We anticipate receiving a decision from the Commissioners in March 2020.

## **14. Treated Wastewater Re-use Trial**

- 14.1 The order has been placed for the equipment to house the membrane filters.
- 14.2 Arrangements are underway for the civil works and other ancillary equipment.

## **15. Emissions**

- 15.1 Nothing new to report.

## **16. Business Plan**

- 16.1 At the 16 July 2019 meeting the Board approved the Business Plan 2019/20.
- 16.2 We have now received approval from each Council for the Business Plan 2019/20.
- 16.3 The Memorandum of Understanding requires a draft Business Plan for 2020/2021 to be issued to both councils for comment by 31 December 2019.
- 16.4 The draft Business Plan 2020/2021 was approved by the Board at the September 2019 meeting, subject to minor text changes to be approved by the Chair, and has been submitted to both councils.
- 16.5 NCC officers presented the 2020/21 draft Business Plan to their Infrastructure Committee in November 2019. No changes were requested by the NCC Infrastructure Committee.
- 16.6 TDC will be considering the draft Business Plan 2020/21 at its Council meeting 12 December 2019.
- 16.7 The NRSBU Business Plan 2020/21 final draft (Rev1) is attached to this report for receipt by the Board.
- 16.8 The Acting GM NRSBU recommends that the Board recommends to both Councils to approve the revised Business Plan 2020/21.

## **17. Annual Report**

- 17.1 The Annual report (2018/2019 year) has been submitted to both councils.

## **18. Finance**

- 18.1 Attachment 1 includes three financial reports up to the end of October 2019:
- Income Account for the period to 31 October 2019.
  - Balance Sheet as at 31 October 2019.
  - Detailed Budget – Capital Expenditure.
- 18.2 Total income was 101% of YTD budget.
- 18.3 Total O&M Expenses were 104% of YTD budget.

## Item 7: Nelson Regional Sewerage Business Quarterly Report

- 18.4 Total expenses were 98% of YTD budget.
- 18.5 Net income was 114% of YTD budget.
- 18.6 Renewals and Capital Expenditure was \$474k vs annual budget of \$5m.
- 18.7 Management costs were up (133%) against budget due to the extra activity and external pricing of the acting General Manager and the acting Operations Manager.
- 18.8 Maintenance costs are over budget (110%) due to numerous items at Rabbit Island, the pump stations and at Bell Island.

### **19. Asset Management Plan**

- 19.1 The Asset Management Plan (AMP) 2017 is due for review.
- 19.2 A consultant has been engaged to undertake a review in conjunction with the Acting General Manager and the Acting Operations Manager.
- 19.3 It is proposed that following these initial reviews a workshop is held with the Board and key staff from both Councils.
- 19.4 The outcome of that workshop would be the finalised content of the AMP.

### **20. General Management**

- 20.1 In the past the quarterly reports have contained considerable operational detail.
- 20.2 It is considered that the level of information that the Board primarily needs to address is at a higher level of overview and governance.
- 20.3 Therefore, this report does not include the typical technical details of past reports.
- 20.4 The responsibilities of the NRSBU are described in the Governance Charter and the Memorandum of Understanding.
- 20.5 Those documents list the next tier of management plans including the Asset Management Plan, Strategic Plan, and Business Plan.
- 20.6 Within each of the Plans there are many activities and targets that the Board has agreed to undertake and achieve.
- 20.7 To measure the overall performance of the board against these undertakings, some tracking lists have been created.
- 20.8 Samples of these tracking lists are shown below:

## Item 7: Nelson Regional Sewerage Business Quarterly Report

Environmental	Category	Levels of Service	Status
Treatment and Disposal	RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions	Underway
	RMA Consent – Discharge of Contaminants to Air.	100% compliance with consent conditions	Not done
	RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions	Done
	Equipment Failure of critical components within the treatment and disposal system.	No equipment failures that impact on compliance with resource consent conditions.	Underway
Pumpstations	Odour complaints from pumpstations	No odour complaints originating from pumpstations	Done
	Pumpstation wet weather overflows	No overflow events occurring for the contracted contributor flows	Underway
	Pumpstation overflows resulting from power failure	No overflow events occurring	Done
	Pumpstation overflows resulting from mechanical failure.	No overflow events occurring	Not done
Pipelines	Reticulation Breaks	No reticulation breaks.	Done
	Air valve malfunctions	No air valve malfunctions that result in overflows	Done
Capacity	Category	Levels of Service	Status
Treatment and Disposal	Overloading system capacity	Treatment and disposal up to all contracted loads and flows	Done
Pump Stations	Overloading system capacity	No overflows for all pumpstations for the contracted contributor flows	Underway
Reliability	Category	Levels of Service	Status
Treatment and Disposal	Equipment failure of critical components	No equipment failures that lead to non-compliance with resource consent conditions	Not done
Pumpstations			
Pipelines			
Responsiveness	Category	Levels of Service	Status
Treatment and Disposal	Speed of response for emergency and urgent maintenance works	Achievement of response times specified in the maintenance contract	Done
Pumpstations	Speed of response for routine and programmable maintenance works	Achievement of response times specified in the maintenance contract	Done
Pipelines			
Key Customer Relationships	Category	Levels of Service	Status
Treatment and Disposal	Customer satisfaction	Agreed levels of service provided to all customers	Done
Pumpstations			
Pipelines			Robust charging structure is in place

## Item 7: Nelson Regional Sewerage Business Quarterly Report

Long Term Objectives	Key Performance Measures	Status	Employee Responsible
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of the system components.	Done	Asset Manager
Intergenerational equity is maintained.	Loans are repaid over 30 years (the average life of the assets).	Done	General Manager
Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings.	Underway	General Manager
	Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.	Not done	Operations Manager
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.	Underway	Operations Manager
The costs of reticulation, treatment and disposal are minimised.	The operational costs of reticulation, treatment and disposal processes are benchmarked against costs incurred up to 30 June 2014.	Underway	Op Mgr/Gen Mgr
	All capital projects are delivered within budget.	Done	General Manager
The economic lives of all assets are optimised.	Three yearly independent audit of asset management practices confirms this.	Not done	Asset Manager
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Combined loads do not exceed the capacity of the components of the system.	Done	Op Mgr/Gen Mgr
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost-benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.	Underway	Operations Manager
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	No event, which impacts on agreed levels of service, occurs that has not been identified in the NRSBU risk management plans.	Underway	Asset Manager
	Customer representatives review and approve the risk management plan annually and following any incidents that require activation of the plan.	Not done	Asset Manager
Contingency plans adequately address emergency events.	Customer representatives review and approve the plans annually.	Not done	Asset Manager
	Effectiveness of plans is reviewed and confirmed following incidents that require activation of the plan.	Not done	Asset Manager
Those engaged with the NRSBU have the right skills, experience, and support to perform well.	Annual staff performance reviews include assessment of the skills and experience required in their role in NRSBU and their development needs are identified and met.	Not done	Board/Gen Mgr
	Development and succession plans are in place.	Underway	General Manager/Council CEO
	The Board reviews its performance at least annually.	Done	Board/Gen Mgr
Operation and maintenance manuals reflect best practice for the management of the plant and reticulation systems and are followed consistently.	An independent audit every three years confirms this.	Underway	Operations Manager
NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.	That progress towards meeting energy efficiency targets reported on and reviewed annually in June.	Done	Operations Manager
	Current capacity to utilise beneficial application of biosolids to land is sustained.	Done	Operations Manager
	Beneficial economic and environmental reuse of treated wastewater is maintained or increased.	Underway	General Manager
	Environmental, social and cultural impacts are considered in all decision making.	Underway	General Manager
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	All strategic and business plans are approved by shareholders.	Underway	General Manager
	All budget projections are met.	Underway	General Manager
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	All complaints or objections are addressed promptly.	Done	Operations Manager
	All applications for resource consents are approved.	Underway	General Manager
	Up to date information on activities and achievements are publicly available.	Not done	Asset Manager
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.	Underway	Operations Manager
All resource consent requirements are met.	100% compliance with all resource consents.	Underway	Operations Manager

## Item 7: Nelson Regional Sewerage Business Quarterly Report

Long Term Objectives	Key Performance Measures	Status	Employee Responsible
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of the system components.	Done	Asset Manager
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Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings.	Underway	General Manager
	Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.	Not done	Operations Manager
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.	Underway	Operations Manager
The costs of reticulation, treatment and disposal are minimised.	The operational costs of reticulation, treatment and disposal processes are benchmarked against costs incurred up to 30 June 2014.	Underway	Op Mgr/Gen Mgr
	All capital projects are delivered within budget.	Done	General Manager
The economic lives of all assets are optimised.	Three yearly independent audit of asset management practices confirms this.	Not done	Asset Manager
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Combined loads do not exceed the capacity of the components of the system.	Done	Op Mgr/Gen Mgr
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost-benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.	Underway	Operations Manager
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	No event, which impacts on agreed levels of service, occurs that has not been identified in the NRSBU risk management plans.	Underway	Asset Manager
	Customer representatives review and approve the risk management plan annually and following any incidents that require activation of the plan.	Not done	Asset Manager
Contingency plans adequately address emergency events.	Customer representatives review and approve the plans annually.	Not done	Asset Manager
	Effectiveness of plans is reviewed and confirmed following incidents that require activation of the plan.	Not done	Asset Manager
Those engaged with the NRSBU have the right skills, experience, and support to perform well.	Annual staff performance reviews include assessment of the skills and experience required in their role in NRSBU and their development needs are identified and met.	Not done	Board/Gen Mgr
	Development and succession plans are in place.	Underway	General Manager/Council CEO
	The Board reviews its performance at least annually.	Done	Board/Gen Mgr
Operation and maintenance manuals reflect best practice for the management of the plant and reticulation systems and are followed consistently.	An independent audit every three years confirms this.	Underway	Operations Manager
NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.	That progress towards meeting energy efficiency targets reported on and reviewed annually in June.	Done	Operations Manager
	Current capacity to utilise beneficial application of biosolids to land is sustained.	Done	Operations Manager
	Beneficial economic and environmental reuse of treated wastewater is maintained or increased.	Underway	General Manager
	Environmental, social and cultural impacts are considered in all decision making.	Underway	General Manager
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	All strategic and business plans are approved by shareholders.	Underway	General Manager
	All budget projections are met.	Underway	General Manager
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	All complaints or objections are addressed promptly.	Done	Operations Manager
	All applications for resource consents are approved.	Underway	General Manager
	Up to date information on activities and achievements are publicly available.	Not done	Asset Manager
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.	Underway	Operations Manager
All resource consent requirements are met.	100% compliance with all resource consents.	Underway	Operations Manager



## Item 7: Nelson Regional Sewerage Business Quarterly Report

Year	Description of Projects	Estimated Cost	Actual cost	Balance	Status
2019/20	Partial Desludging oxidation ponds	\$ 750,000.00		\$ 750,000.00	Underway
	Studies and initial design of capacity improvement to regional pipeline downstream of Beach Road pump station to Point Road.	\$ 550,000.00		\$ 550,000.00	Underway
	Pumpstation, Biosolids and Treatment Plant Upgrade (Resource Consent related; plus Operational and H&S improvements).	\$ 3,300,000.00		\$ 3,300,000.00	Underway
	Total	\$ 4,600,000.00	\$ -	\$ 4,600,000.00	

Activity	Paper required	Status	Employee Responsible	Due date
Review draft Annual Report and Financial Statement.	Draft annual report and financial statement.	Done	General Manager	31/08/19
Deliver annual financial statement to Councils.	Financial Statement.	Done	Finance Manager	30/09/19
Review board planning/meeting timetable.	Planning/meeting timetable.	Done	Board/General Manager	31/12/19
Adopt draft business plan for presentation to Tasman District Council and Nelson City Council.	Business Plan.	Done	Board/General Manager	31/12/19
Review and update Interests Register.	Interests Register.	Done	Board	31/12/19
Adopt business continuity plan.	Draft business continuity plan.	Not done	General Manager	31/12/19
Present Annual Report and Business Plan to Tasman District Council and Nelson City Council.	Annual Report and Business Plan.	Done	General Manager	20/03/20
Review board performance	Checklist for committee effectiveness.	Not done	Board/General Manager	30/06/20
Review governance policy	Governance Policy	Not done	Council CEOs	30/06/20
Review Demand Management Plan	Draft Demand Management Plan.	Not done	Operations Manager	30/06/20
Receive report on Contingency Plan review by customer representatives.	Report on Contingency Plan review by customer representatives.	Not done	General Manager	30/06/20
Receive report on Risk Management review by customer representatives.	Report on Risk Management review by customer representatives.	Not done	General Manager	30/06/20
Review customer satisfaction survey results	Customer survey report.	Not done	Operations Manager	30/06/20
Annual review of Strategic Plan	Strategic plan.	Underway	Board/General Manager	30/06/20
Adopt Energy Conservation Plan	Energy Conservation Programme.	Not done	Operations Manager	30/06/20
Review Audit Management Report		Not done	Finance Manager	30/06/20

The NRSBU intends to:	Status	Employee Responsible
reduce overflow into the coastal marine environment and Tasman Bay beyond.	Underway	Board/General Manager
have a greater focus on the immediate coastal marine environment and impacts on the ecology of Tasman Bay.	Underway	Board/General Manager
consider water quality, biodiversity and estuary health as priorities over the next three years.	Underway	Board/General Manager
reduce the volume of wastewater discharged to Waimea Inlet.	Underway	Board/General Manager
To implement this vision, the NRSBU will:	Status	Employee Responsible
develop a programme of work to investigate and implement ways to reduce overflows from the sewerage pump stations to the estuary.	Underway	Operations Manager
implement the conditions associated with the pumpstations Aberrational Discharge resource consent.	Underway	Operations Manager
undertake a trial to re-use treated wastewater to clean the inlet screens (reducing the use of potable water and consequently the volume discharged to the estuary).	Underway	Operations Manager
further develop investigations into the potential re-use (by others) of treated wastewater.	Not done	General Manager
investigate potential tree and vegetation planting around the perimeter of Bell Island.	Not done	General Manager
continue to operate the treatment plant well and achieve high quality effluent.	Underway	Operations Manager
commission a high-level report into alternative wastewater treatment systems (that would avoid or significantly reduce the discharge of treated wastewater to the Waimea Inlet).	Underway	General Manager

20.9 Feedback from the Board is sought on the preferred format and content of the quarterly report.

## Item 7: Nelson Regional Sewerage Business Quarterly Report

### **Attachments**

A2313564 – Financial reports up to the end of October 2019

A2314624 – Nelson Regional Sewerage Business Unit Business Plan 2020/21

Nelson Regional Sewerage Business Unit			
Balance Sheet as at 31st October 2019			
	Current	Last Month	June 2019
<b>Equity</b>			
Opening Equity (July)	49,562,837	49,562,837	48,867,719
Plus Net Income YTD	471,147	366,650	0
Plus Revaluation	0	0	695,117
<b>Closing Equity</b>	<b>50,033,984</b>	<b>49,929,487</b>	<b>49,562,837</b>
Contingency Reserve	100,000	100,000	100,000
	<b>50,133,984</b>	<b>50,029,487</b>	<b>49,662,837</b>
Which was Invested as follows -			
<b>Current Assets</b>			
Bank	285,073	572,723	244,462
Debtors	124,058	137,174	552,781
NCC Current account	427,281	559,507	0
<b>Total Current Assets</b>	<b>836,412</b>	<b>1,269,403</b>	<b>797,243</b>
<b>Fixed Assets</b>	<b>64,056,939</b>	<b>64,158,883</b>	<b>64,261,580</b>
<b>Current Liabilities</b>			
Creditors	(341,367)	(409,613)	(60,919)
NCC Loan	(420,000)	0	0
TDC Current Account	0	(989,187)	(514,939)
NCC Current account	0	0	(820,128)
<b>Total Current Liabilities</b>	<b>(761,367)</b>	<b>(1,398,800)</b>	<b>(1,395,986)</b>
<b>Term Liabilities</b>	<b>(14,000,000)</b>	<b>(14,000,000)</b>	<b>(14,000,000)</b>
Derivative Financial Instruments	0	0	0
	<b>50,131,984</b>	<b>50,029,487</b>	<b>49,662,837</b>

NRSBU Ledger and Financial Report 2019 20 (A2264421).xlsx

**Nelson Regional Sewerage Business Unit  
Financial Report**

Income Account for the period to 31st October 2019

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2019/20 Budget YTD	Annual	YTD Variation
<b>Income</b>								
Contributions Fixed	321,545	327,833	1,286,180	98	33	1,311,333	3,934,000	(25,153)
Contributions Variable	335,344	338,478	1,357,277	100	33	1,353,911	4,061,732	3,366
Other Recoveries	18,645	13,189	94,300	179	60	52,756	158,268	41,544
<b>Total Income</b>	<b>675,533</b>	<b>679,500</b>	<b>2,737,803</b>	<b>101</b>	<b>34</b>	<b>2,718,000</b>	<b>8,154,000</b>	<b>19,803</b>
<b>Less Expenses</b>								
Management	50,793	49,880	264,618	133	44	199,521	598,563	(65,097)
Electricity	60,153	75,027	278,364	93	31	300,107	900,322	21,743
Contract Maintenance	63,667	58,877	257,063	109	36	235,497	706,492	(21,566)
Reactive and Proactive Maintenance	94,953	61,469	269,667	110	37	245,867	737,600	(23,800)
Monitoring	21,932	19,602	38,900	49	16	80,167	240,500	41,267
Consultancy	-	6,250	7,253	29	10	25,000	75,000	17,747
Insurance	6,200	6,250	24,801	99	33	25,000	75,000	199
Sundry	19,636	18,998	64,472	85	28	75,991	227,974	11,519
Biosolids Disposal	53,326	54,881	261,800	119	40	219,524	658,571	(42,276)
<b>Operating &amp; Maintenance Expenses</b>	<b>370,661</b>	<b>351,234</b>	<b>1,466,939</b>	<b>104</b>	<b>35</b>	<b>1,406,674</b>	<b>4,220,022</b>	<b>(60,265)</b>
Financial	30,614	39,083	120,667	77	26	156,333	469,000	35,666
Depreciation	169,762	185,333	679,049	92	31	741,333	2,224,000	62,284
<b>Total Expenses</b>	<b>571,037</b>	<b>575,650</b>	<b>2,266,655</b>	<b>98</b>	<b>33</b>	<b>2,304,340</b>	<b>6,913,022</b>	<b>37,685</b>
<b>Net Income</b>	<b>104,497</b>	<b>103,850</b>	<b>471,147</b>	<b>114</b>	<b>38</b>	<b>413,660</b>	<b>1,240,978</b>	<b>57,487</b>
<b>Capital Expenditure</b>								
Renewals	67,817		437,466				432,534	
New Capital Expenditure	(0)		36,941				4,600,000	
<b>Total Capital Expenditure</b>	<b>67,817</b>		<b>474,408</b>				<b>5,032,534</b>	
<b>Contributors refund (payment)</b>	<b>(33,983)</b>		<b>(104,329)</b>					
<b>Owners surplus incl Septage</b>	<b>138,480</b>		<b>575,476</b>					

NRSBU Ledger and Financial Report 2019 20 (A2264421).xlsx/12/2019

**Nelson Regional Sewerage Business Unit  
Detailed Budget - Capital Expenditure**

	Month Actual 31st October 2019	Actual YTD 31st October 2019	Full Budget 2019/20	Budget Unspent
<b>Capital Expenditure</b>				
<b>Renewals</b>				
80407120 Renewals: Buildings			95,000	95,000
80407305 Renewal Inlet	4,763	143,528	-	143,528
80407320 Renewals: Pump Stations and Rising Mains	-	-	67,000	67,000
80407355 Road renewal	-	-	25,000	25,000
804073300455 Renewal Aeration Basin	5,966	99,637	-	99,637
804073300781 Renewal: Sludge Treatment (ATAD)	582	20,715	165,000	144,285
80407140 Renewal: Sundry Plant	1,374	83,317	256,000	172,683
Inlet. Aeration Basin, Clarifer & Ponds			88,000	88,000
804073400800 Bell Island Discharge Consent	53,331	82,287	-	82,287
804070750800 AM: Bell Island Discharge Consent	-	-	136,000	136,000
804073900666 Rabbit Island renewals	-	-	38,000	38,000
804073900782 Renewal: Ponds	1,801	7,982	-	7,982
<b>Total renewals</b>	<b>67,817</b>	<b>437,466</b>	<b>870,000</b>	<b>432,534</b>
80407615 Pipeline & Pumpstation Upgrades	-	4,500	840,000	835,500
804073302476 NRSBU Expand solids treatment	-	19,742	1,491,000	1,471,258
80407930 Bells Island Road Improvements	-	-	110,000	110,000
80407630 Capital: Primary Clarifier	-	-	70,000	70,000
804076050540 Inlet upgrades	-	-	10,000	10,000
804076300545 Sludge management	-	-	320,000	320,000
804073302477 Sludge Management in Ponds at Bell	-	-	750,000	750,000
80407340 Capital: Resouce Consent Accid	-	3,881	-	3,881
8040 7950 0544 Capital: Oxidation Ponds	- 0	8,818	80,000	71,182
8040 7930 0800 Washwater and Water recycling	-	-	230,000	230,000
Biosolid Consent & Contingency			500,000	500,000
Thicking Building modification			80,000	80,000
Data and record systems			64,000	64,000
8040 7740 Capital: Plant and Equipment	-	-	55,000	55,000
<b>Total New Capital</b>	<b>- 0</b>	<b>36,941</b>	<b>4,600,000</b>	<b>4,563,059</b>
<b>Total Capital Expenditure</b>	<b>67,817</b>	<b>474,408</b>	<b>5,470,000</b>	<b>4,995,592</b>

Sensitivity: General

**Nelson Regional Sewerage Business Unit**

**BUSINESS PLAN  
2020/2021**



Sensitivity: General

## NRSBU Business Plan 2020-2021

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Prepared by: Don Clifford with input from Nathan Clarke, Acting Operations Manager

Approved by: Don Clifford, Acting General Manager

Approved by: NRSBU 13 September 2019 (with minor changes approved by Chair 7 October 2019) **Rev 1**

**Cover photograph** Bell Island

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*Nelson Regional Sewerage Business Unit Business Plan  
2020/21 **(Rev 1)***

Sensitivity: General

## 1. PURPOSE

The purpose of the Nelson Regional Sewerage Business Unit Business Plan 2020/2021 is to summarise management goals and objectives to deliver wastewater collection and treatment services to the region; and to improve the effectiveness and efficiency in the delivery of those services.

## 2. MEMORANDUM OF UNDERSTANDING REQUIREMENTS

The Memorandum of Understanding states that the NRSBU Board shall by 31 December each year supply to the councils (Nelson City and Tasman District Councils) a copy of its draft Business Plan. The Business Plan outlines the management of the Nelson Regional Sewerage Business Unit and the assets for the ensuing year, together with any variations to the charges proposed for that financial year.

The Memorandum of Understanding (MoU) commenced on 1 July 2015 and shall terminate on 30 June 2025. The MoU was updated in March 2019.

## 3. INTRODUCTION

This Business Plan 2020/21 outlines the projects and initiatives to be implemented during the year. It also outlines the associated funding required and the details of the performance targets and measures.

The Business Plan is aligned with the NRSBU Strategic Plan and the NRSBU Wastewater Asset Management Plan 2017 (although some budgets have increased, some have decreased, and/or the timing has changed). It includes business objectives and performance targets (Section 7) and the three-year financial forecasts (Section 8). The following key pieces of information from those other documents are included in the appendices of this business plan:

Appendix A – Committee Activity Schedule

Appendix B - Targeted levels of service established by the Asset Management Plan

Appendix C - Internal business improvement plan

Appendix D - The 10-year financial plan

Appendix E - Schematic layout of the NRSBU operations

Appendix F – Reduction of Adverse Environmental Effects

## 4. MISSION STATEMENT

The NRSBU's mission statement is:

"To identify the long-term wastewater processing and reticulation needs of our customers and to meet current and future needs in the most cost effective and sustainable manner."

## 5. STRATEGIC GOALS

The NRSBU aspires to achieve the following goals:

- Wastewater reticulation, treatment and disposal services meet customers' long-term needs.

*Nelson Regional Sewerage Business Unit Business Plan  
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- The wastewater reticulation, treatment and disposal services are delivered cost effectively.
- Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.
- We engage the right people with the right skills and experience.
- The NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social and cultural impacts.
- NRSBU understands its Carbon Emissions and manages them in a responsible way.
- Good relationships are maintained with all stakeholders.
- All statutory obligations are met.

The NRSBU functional activities are managed by the Nelson City Council and therefore the NRSBU functional activities shall comply with the requirements of the Nelson City Council Health and Safety Policy and fully subscribe to the vision for a Zero Harm Culture.

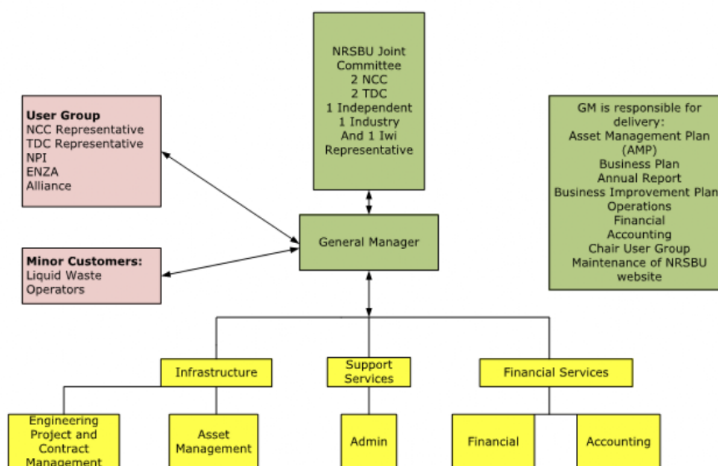
All strategic goals are important and no one goal will be pursued at the expense of another.

It is important to note that discussion is occurring nationally in regard to the delivery of water services in New Zealand. This discussion includes the implementation of national discharge standards for wastewater treatment facilities. This work could have a significant influence on NRSBU.

If it is necessary for NRSBU to maintain an understanding of these issues so that an appropriate response can be made if required.

## 6. NRSBU STRUCTURE

The structure of the Nelson Regional Sewerage Business Unit is as follows:



The Nelson Regional Sewerage Business Unit was established in July 2000, replacing the former Nelson Regional Sewerage Authority established in the 1970s.

Following the adoption of a new Strategic Plan in August 2013, the 2017 Wastewater Asset Management Plan was developed and adopted on 15 September 2017. A draft of the long-term financial plan based on the Asset Management Plan, was provided to Tasman District Council and Nelson City Council in July and October 2017 respectively to enable them to consolidate the NRSBU long-term plan into their own strategic documents.

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## 7. BUSINESS OBJECTIVES AND PERFORMANCE MEASURES

The objectives outlined below describe the long-term aims of the business unit. Performance measure targets and dates (where they are not specified below) are set annually in the Business Plan along with performance measures for projects identified in the Asset Management Plan. Performance will be reported quarterly to the Board and annually to the shareholding councils.

Long Term Objectives	Key Performance Measures
<i>Wastewater reticulation, treatment and disposal services meet customers' long-term needs</i>	
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of the system components.
Intergenerational equity is maintained.	Loans are repaid over 30 years (the average life of the assets).
Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings.  Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.
<i>Wastewater reticulation, treatment and disposal services are delivered cost effectively</i>	
Reticulation, treatment and disposal services are delivered cost effectively	The operational costs of reticulation, treatment and disposal processes are benchmarked against costs incurred up to 30 June 2014.  All capital projects are delivered within budget.
The economic lives of all assets are optimised.	Three yearly independent audit of asset management practices confirms this.
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Combined loads do not exceed the capacity of the components of the system.

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Long Term Objectives	Key Performance Measures
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost-benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.
<i>Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.</i>	
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	<p>No event, which impacts on agreed levels of service, occurs that has not been identified in the NRSBU risk management plans.</p> <p>Customer representatives review and approve the risk management plan annually and following any incidents that require activation of the plan.</p>
Contingency plans adequately address emergency events.	<p>Customer representatives review and approve the plans annually.</p> <p>Effectiveness of plans is reviewed and confirmed following incidents that require activation of the plan.</p>
<i>We engage the right people, with the right skills and experience.</i>	
Those engaged with the NRSBU have the right skills, experience, and support to perform well.	<p>Annual staff performance reviews include assessment of the skills and experience required in their role in NRSBU and their development needs are identified and met.</p> <p>Development and succession plans are in place.</p> <p>The Board reviews its performance at least annually.</p>
Operation and maintenance manuals reflect best practice for the management of the plant and reticulation systems and are followed consistently.	An independent audit every three years confirms this.
<i>NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact</i>	

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Long Term Objectives	Key Performance Measures
NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.	<p>That progress towards meeting energy efficiency targets reported on and reviewed annually in June.</p> <p>Current capacity to utilise beneficial application of biosolids to land is sustained.</p> <p>Beneficial economic and environmental reuse of treated wastewater is maintained or increased.</p> <p>Environmental, social and cultural impacts are considered in all decision making.</p>
<b><i>NRSBU understands its Carbon Emissions and manages them in a responsible way.</i></b>	
The <b>NRSBU</b> measures the greenhouse gas emissions of wastewater conveyance, treatment and Biosolids reuse activities	<p>The emissions from each of:</p> <ul style="list-style-type: none"> <li>Nelson Regional Sewerage Scheme</li> <li>Bell Island WWTP</li> <li>Rabbit Island Biosolids reuse system</li> </ul> <p>are assessed and reported annually, by June 2021.</p> <p>This will include the development of a model that allows regular and ongoing assessment of emissions using operations and maintenance data.</p>
The <b>NRSBU</b> reduces the greenhouse gas emissions rate for wastewater treatment activities	<p>A target for emissions per unit of wastewater is established by June 2021 and reviewed annually.</p> <p>The <b>NRSBU</b> will annually <b>assess</b> the business case for reducing emissions from wastewater conveyance, treatment, and biosolids disposal operations</p>
<b><i>Good relationships are maintained with all stakeholders</i></b>	
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	<p>All strategic and business plans are approved by shareholders.</p> <p>All budget projections are met.</p>
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	<p>All complaints or objections are addressed promptly.</p> <p>All applications for resource consents are approved.</p> <p>Up to date information on activities and achievements are publicly available.</p>

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<i>All statutory obligations are met</i>	
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.
All resource consent requirements are met.	100% compliance with all resource consents.

Sensitivity: General

**8. THREE YEAR RENEWAL EXPENDITURE FORECAST (\$'000)**

<b>Renewal Plan (\$,000)</b>	<b>Projected 2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Miscellaneous	120	120	120	120
Pump Stations and Rising Mains	67	50	251	537
Inlet, Aeration Basin, Clarifier and Ponds	88	828	814	41
Solids Handling	55	723	172	217
ATAD rust proofing	110			
Rabbit Island	38		78	49
Biosolids and sludge storage tank refurbishment		75		
Facilities (Operator Buildings)	95	150		
Replace isolation switches	25			
Replace microscope	12			
PLC renewal	100	100		
Roads	24	75		
Consents	154			
<b>Total</b>	<b>870</b>	<b>2121</b>	<b>1435</b>	<b>964</b>

The renewal programme of the NRSBU assets is developed around lifecycle and condition assessment. An iterative process is followed whereby the renewal programme is considered annually with inputs from the Operation and Maintenance operator and a review of remaining useful life of assets. In the preparation of this business plan a review of the asset renewals list has been undertaken; and it has been identified that, when an asset life was extended, the renewal budget for the asset was not being carried forward for the replacement of the asset. The result of this has been underspending of renewals budgets and some corresponding previously approved budget allowances being dropped. This review has been undertaken for the assets due for renewal in 18/19 and 19/20; and has resulted in a significant increase in the required renewal budget compared to previous years.

Condition assessment reports may be commissioned where additional information is required to ensure optimal spend on renewals.

Miscellaneous items are at the discretion of the General Manager.

Sensitivity: General

## 9. NRSBU Capital Upgrade Plan

The following table outlines the capital upgrades proposed over the next three years. This is followed by a commentary outlining more detail on each of the proposals.

Year	Description of Projects	Estimated Costs \$
2020/21	Commence Regional Pipeline Capacity Upgrade (Proposed for Saxtons Road to Monaco)	5,000,000
	Treatment Plant Upgrade (Resource Consent dependent; plus facilities improvements)	2,800,000
	Rabbit Island Biosolids Consent	240,000
	Partial Desludging oxidation ponds	750,000
	Carbon Management System	100,000
2021/22	Completion of Regional Pipeline Capacity Upgrade (Proposed for Beach Road to Saxton Road)	8,000,000
	Pump station and Treatment Plant Upgrade (Resource Consent related)	500,000
2022/23	Treatment Plant and Network Upgrade (Consent related)	500,000
	Modify Facultative Pond (Consent dependent)	420,000

### Commentary on Upgrade Proposals for 2020/21

**Desludging of Ponds:** Partial desludging is being carried out over two financial years. The intention is to reduce the depth of sludge in ponds F1 and F3 to improve the available vertical space in those ponds.

Pump station upgrade is to comply with the conditions of the aberrational discharge consent and to increase network resilience. For example, to install screens at Saxton Rd pump stations and to develop a programme of work to investigate and implement ways to reduce overflows from the sewerage pump stations to the estuary. Reduced overflow options include emergency generators for storm pumps.

The regional pipeline downstream of Beach Road has insufficient capacity to prevent raw sewage overflows under moderate rainfall conditions. In line with the aspirations and intentions described in Appendix F, we will investigate, design and implement capacity improvements. This is an item that was not expressly identified in the 2017 AMP however there was an estimate of \$1m for the 2020/2021 year for Regional Pipeline (Demand dependent). A likely solution will be to rehabilitate existing infrastructure; as that would be significantly more affordable than completely new infrastructure.

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### **Treatment Plant and Biosolids upgrade covers items such as:**

- trials to re-use treated wastewater to clean the inlet screens (reducing the use of potable water and consequently the volume discharged to the estuary)
- further develop investigations into the potential re-use (by others) of treated wastewater
- investigate and implement potential tree and vegetation planting around the perimeter of Bell Island
- commission a high-level report into alternative wastewater treatment systems (that would avoid or significantly reduce the discharge of treated wastewater to the Waimea Inlet)
- equipment and physical improvements to improve health & safety on-site
- biosolids odour reduction activities
- biosolids disposal improvements and future resilience studies

The modification of ponds budget is an allowance that is conditional on the review of the performance of improvements made to the final maturation pond. Therefore, this expenditure may be deferred, and/or the amount amended.

The consent for the application of biosolids at Rabbit Island expires 8 November 2020 and needs renewal.

### **Regional Pipeline Upgrade:**

- Monaco to Bell Island pipe condition assessment and pipe flushing connection, valves and installation.
- Regional pump stations consent compliance, plus storm surge defence plan and implementation programme.
- Capacity improvements (in particular, downstream of Beach Road)

### **Emission Management System**

This Emission Management work is expected to involve an assessment of the emission profile from the Bell Island WWTP, Rabbit Island Biosolids application system, and the Nelson Regional Sewerage system. It will include a draft model that can be used annually to redo the Carbon Emission Assessment based on the information collected as part of the operations and Maintenance. This model should be suitable for use by NRSBU staff to annually assess and report on the emissions from the NRSS.

### **NRSBU Records and data:**

Additionally, we will investigate the benefits of collating all the NRSBU historic and current information into a single access point electronic storage location.



Sensitivity: General

**10. FINANCIAL PLAN**

Nelson Regional Sewerage Business Unit  
Budget Summary for 2020 to 2023

		<b>Projection</b>	<b>Budget</b>		
		19/20	20/21	21/22	22/23
<b>Income</b>					
	Contributors	7,815	8,442	9,079	9,719
	Interest	0	0	0	0
	Other Recoveries	158	158	158	158
<b>Total Income</b>		7,974	8,601	9,238	9,878
<b>Expenditure</b>					
	Operations & Maintenance	3,476	3,517	3,622	3,474
	Management	500	500	500	500
	Interest	459	712	1,053	1,268
	Insurance	75	75	75	75
	Depreciation	2,224	2,263	2,359	2,648
<b>Total Operating Cost</b>		6,735	7,068	7,610	7,966
<b>Surplus/Deficit</b>		1,239	1,533	1,628	1,912
<b>Use of Funds</b>					
	Loan Repayment	1,353	142	924	1,684
	Renewals	871	2,121	1,435	964
	Owners Distribution	1,239	1,533	1,628	1,912
	Upgrades	4,600	8,890	8,500	920
		8,063	12,586	12,487	5,480
<b>Sources of Funds</b>					
	Surplus/Deficit	1,239	1,533	1,628	1,912
	Depreciation	2,224	2,263	2,359	2,648
	New Loans	4,600	8,890	8,500	920
		8,063	12,586	12,487	5,480

**APPENDIX A****Nelson Regional Sewerage Business Unit Committee Activity Schedule 2020-2021**

<b>Date</b>	<b>Activity</b>	<b>Papers required</b>
By 31 August 2020	Review draft Annual Report and Financial Statement.	Draft annual report and financial statement.
By 30 September 2020	Deliver annual financial statement to Councils.	Financial Statement.
By 31 December 2020	Review board planning/meeting timetable. Adopt draft business plan for presentation to Tasman District Council and Nelson City Council. Review and update Interests Register. Adopt business continuity plan.	Planning/meeting timetable. Business Plan. Interests Register. Draft business continuity plan.
By 20 March 2021	Present Annual Report and Business Plan to Tasman District Council and Nelson City Council.	Annual Report and Business Plan.

Sensitivity: General

Date	Activity	Papers required
By 30 June 2021	Review board performance Review governance policy Review Demand Management Plan Receive report on Contingency Plan review by customer representatives. Receive report on Risk Management review by customer representatives. Review customer satisfaction survey results Annual review of Strategic Plan Adopt Energy Conservation Plan Review Audit Management Report Annual Carbon Emission Review	Checklist for committee effectiveness. Governance Policy Draft Demand Management Plan. Report on Contingency Plan review by customer representatives. Report on Risk Management review by customer representatives. Customer survey report. Strategic plan. Energy Conservation Programme. Carbon Mission Measurement System development

Sensitivity: General

**APPENDIX B****LEVELS OF SERVICE**

The following levels of service are included in the Nelson Regional Sewerage Business Unit Asset Management Plan 2017 and compliance demonstrates progress towards achieving the strategic goals:

<b>Environmental</b>	<b>Category</b>	<b>Level of Service</b>
Treatment and Disposal	RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions
	RMA Consent – Discharge of Contaminants to Air.	100% compliance with consent conditions
	RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions
	Equipment Failure of critical components within the treatment and disposal system.	No equipment failures that impact on compliance with resource consent conditions.
Pump stations	Odour complaints from pump stations	No odour complaints originating from pump stations
	Pump station wet weather overflows	No overflow events occurring for the contracted contributor flows
	Pump station overflows resulting from power failure	No overflow events occurring
	Pump station overflows resulting from mechanical failure.	No overflow events occurring
Pipelines	Reticulation Breaks	No reticulation breaks.
	Air valve malfunctions	No air valve malfunctions that result in overflows
<b>Capacity</b>	<b>Category</b>	<b>Level of Service</b>
Treatment and Disposal	Overloading system capacity	Treatment and disposal up to all contracted loads and flows
Pump Stations	Overloading system capacity	No overflows for all pump stations for the contracted contributor flows
<b>Reliability</b>	<b>Category</b>	<b>Level of Service</b>
Treatment and Disposal Pump stations Pipelines	Equipment failure of critical components	No equipment failures that lead to non-compliance with resource consent conditions

Sensitivity: General

<b>Responsiveness</b>	<b>Category</b>	<b>Level of Service</b>
Treatment and Disposal	Speed of response for emergency and urgent maintenance works	Achievement of response times specified in the maintenance contract
Pump Stations		
Pipelines	Speed of response for routine and programmable maintenance works	Achievement of response times specified in the maintenance contract
<b>Key Customer Relationships</b>	<b>Category</b>	<b>Level of Service</b>
Treatment and Disposal	Customer satisfaction	Agreed levels of service provided to all customers
Pump Stations		
Pipelines		Robust charging structure is in place

Sensitivity: General

**Appendix C****BUSINESS IMPROVEMENT PLAN**

This section describes initiatives to improve the efficiency and effectiveness of the Business Unit and is based on the Nelson Regional Sewerage Business Unit Strategic Plan and referenced to the 2017 Wastewater Asset Management Plan.

<b>IP</b>	<b>Description</b>	<b>Resource Requirements</b>	<b>Progress</b>
IP-1	Consolidate all data and information; and review ease of access	In-house and consultants	2020-2021
IP-2	Renewal of biosolids disposal permits.	In-house, Legal and technical Consultants	Ongoing from 2020
IP-3	Continue sludge removal programme.	In-house and Contractor	On-going 2019-2021
IP-4	Determine the long-term strategy	In-house and consultants	2020
IP-5	Review AMP	In house and consultants	2020
IP-6	Investigate use of gravity belt thickener for use to thicken secondary sludge.	In-house and consultants	2020-2021

Sensitivity: General

**APPENDIX D****10 YEAR PLAN****CAPITAL EXPENDITURE**

<b>Upgrade programme</b>		
<b>Year</b>	<b>Description of Projects</b>	<b>Estimated Costs \$</b>
2020/21	Commence Regional Pipeline Capacity Upgrade (Demand dependent)	5,000,000
	Treatment Plant Upgrade (Bell island Resource Consent dependent; plus facilities improvements)	2,800,000
	Rabbit Island Biosolids Consent Application	240,000
	Desludging oxidation ponds	750,000
	Carbon Emission Measurement System	100,000
2021/22	Complete Regional Pipeline Capacity Upgrade (Demand dependent)	8,000,000
	Treatment Plant and Network Upgrade (Consent related)	500,000
2022/23	Treatment Plant and Network Upgrade (Consent related)	500,000
	Modify Facultative Pond (Consent dependent)	420,000
2023/24	Treatment Plant and Network Upgrade (Consent related)	500,000
2024/25	Disposal of dried sludge	700,000*
2025/26	Songer street PS upgrade (Demand dependent)	100,000
	Disposal of dried sludge	700,000*
2026/27	Disposal of dried sludge	700,000*
2029/30	Activated sludge management (2 <sup>nd</sup> Secondary clarifier)	2,800,000
2030/31	Yet to be determined	

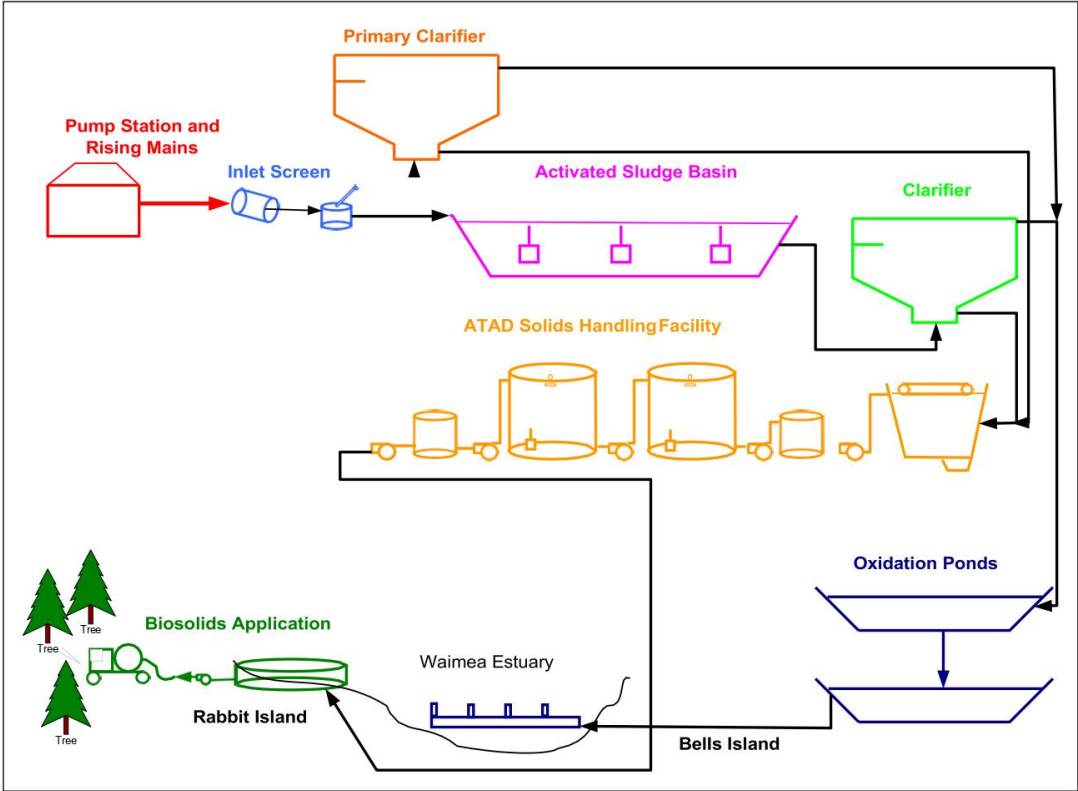
\*Note: These forecast amounts will not be required if the NRSBU successfully obtains resource consent to use the material in bunds on site (to protect the low-lying area adjacent to the ATADs)

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*Nelson Regional Sewerage Business Unit Business Plan  
2020/21 (Rev 1)*

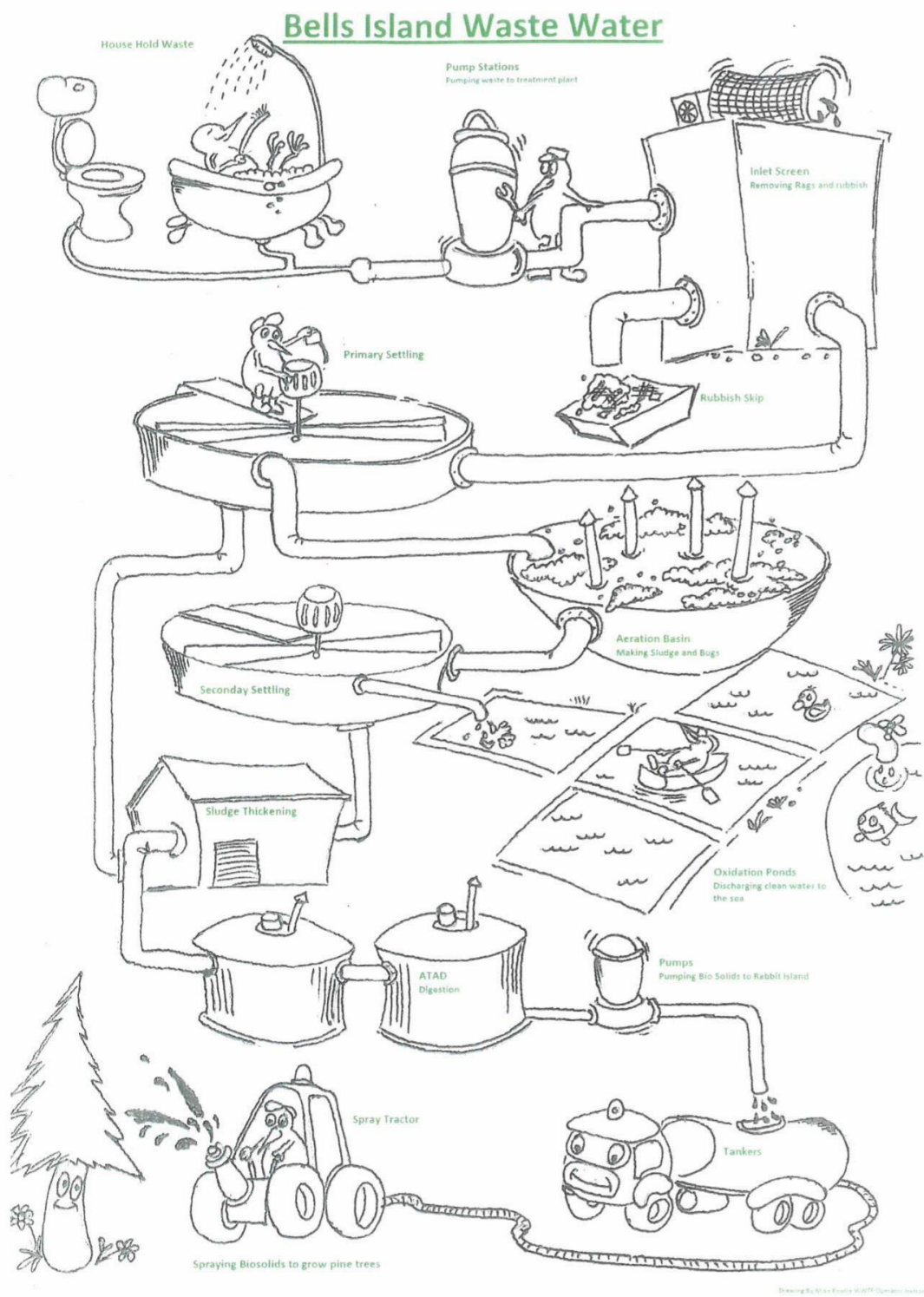
Sensitivity: General

**APPENDIX E**  
**BELL ISLAND TREATMENT PLANT SCHEMATICS**





Sensitivity: General



Sensitivity: General

### APPENDIX F

#### REDUCTION OF ADVERSE ENVIRONMENTAL EFFECTS

The NRSBU intends to:

- reduce overflow into the coastal marine environment and Tasman Bay beyond.
- have a greater focus on the immediate coastal marine environment and impacts on the ecology of Tasman Bay.
- consider water quality, biodiversity and estuary health as priorities over the next two years.
- reduce the volume of wastewater discharged to Waimea Inlet.

To implement this vision, the NRSBU will:

- develop a programme of work to investigate and implement ways to reduce overflows from the sewerage pump stations to the estuary.
- implement the conditions associated with the pump stations Aberrational Discharge resource consent.
- undertake a trial to re-use treated wastewater to clean the inlet screens (reducing the use of potable water and consequently the volume discharged to the estuary).
- further develop investigations into the potential re-use (by others) of treated wastewater.
- investigate potential tree and vegetation planting around the perimeter of Bell Island.
- continue to operate the treatment plant well and achieve high quality effluent.
- commission a high-level report into alternative wastewater treatment systems (that would avoid or significantly reduce the discharge of treated wastewater to the Waimea Inlet).