

# **OPEN**

# **MINUTE ITEM**

# **ATTACHMENTS**

**Ordinary meeting of the**  
**Nelson Regional Sewerage Business Unit**

**Friday 11 September 2020**  
**Commencing at 1.30p.m.**  
**Rūma Waimārama**

**Floor 2A, Civic House**  
**110 Trafalgar Street, Nelson**

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### **7.1 Nelson Regional Sewerage Business Unit - Draft Business Plan 2021/22 and Draft Activity Management Plan 2021 - 2031**

A. A2463639 NRSBU PowerPoint

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# CAPITAL BUDGET FORECAST

## NRSBU BOARD MEETING

11 September 2020



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# BACKGROUND

- Changed focus from do as little as possible....
- **Now**
- Priority 1 – Public Health...Contain and convey away from the public, capacity, reliable, resilient, and maintainable
- Priority 2 – Community and environment – capacity to treat to suitable standard, and minimise adverse effects for current consents.
- Priority 3 –Resource recovery and reuse – Activities that allowing ongoing reduced effects on the environment and community.

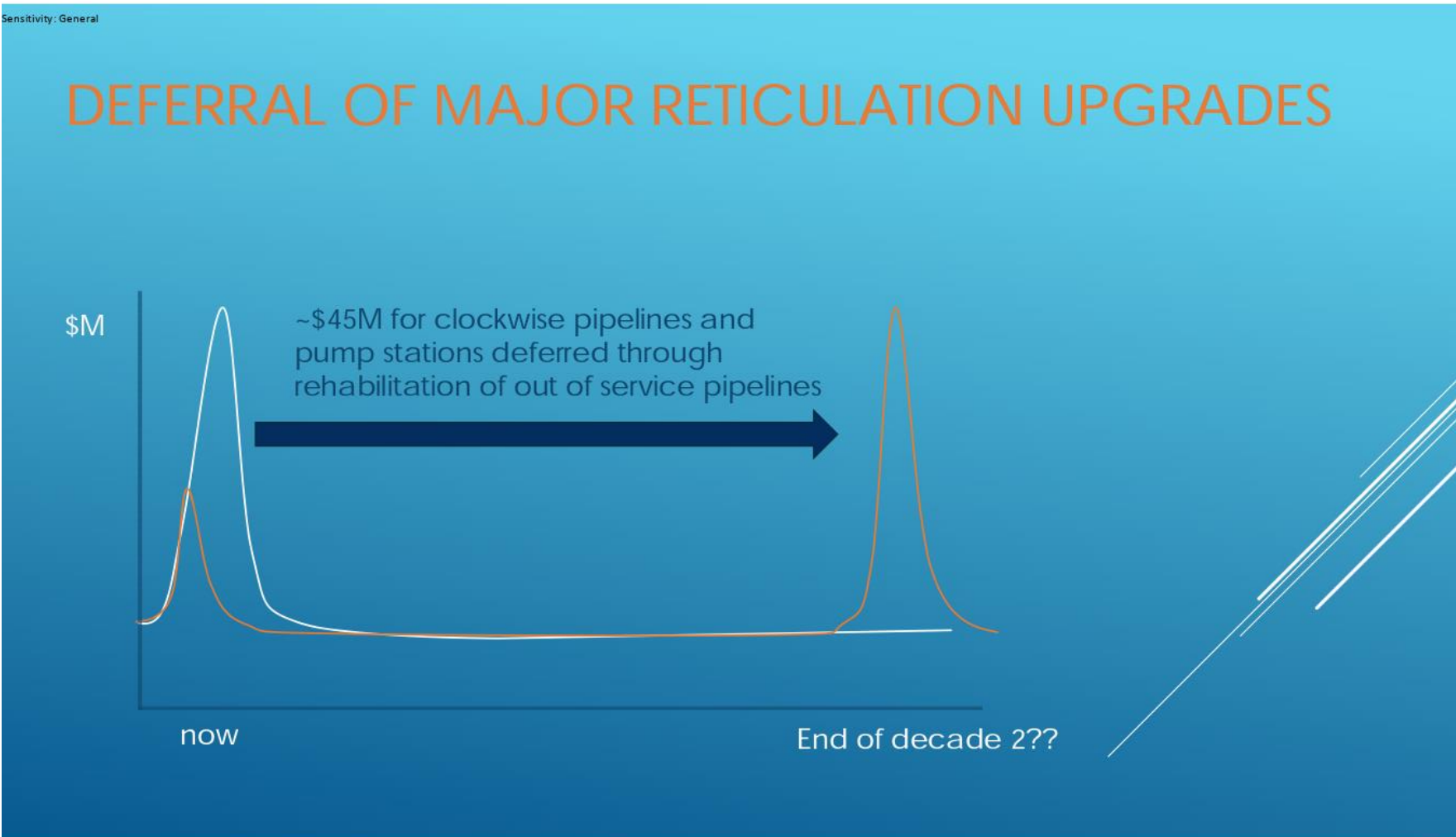
- Long term vision that considers the future needs of the community
- Effective management of people and facilities
- Use of ongoing improvement processes to identify, implement and operate feasible biosolids reuse
- Identify implement and operate feasible systems and infrastructure for the reuse of wastewater
- Alternative methods of biosolids disposal that protect public health and the environment and are sensitive to cultural values
- Resilient wastewater treatment that minimises the impact on the environment and community
- Containment and conveyance that is resilient and minimises adverse impacts on the health of the environment and community
- Capex renewals with overlapping strategic goals

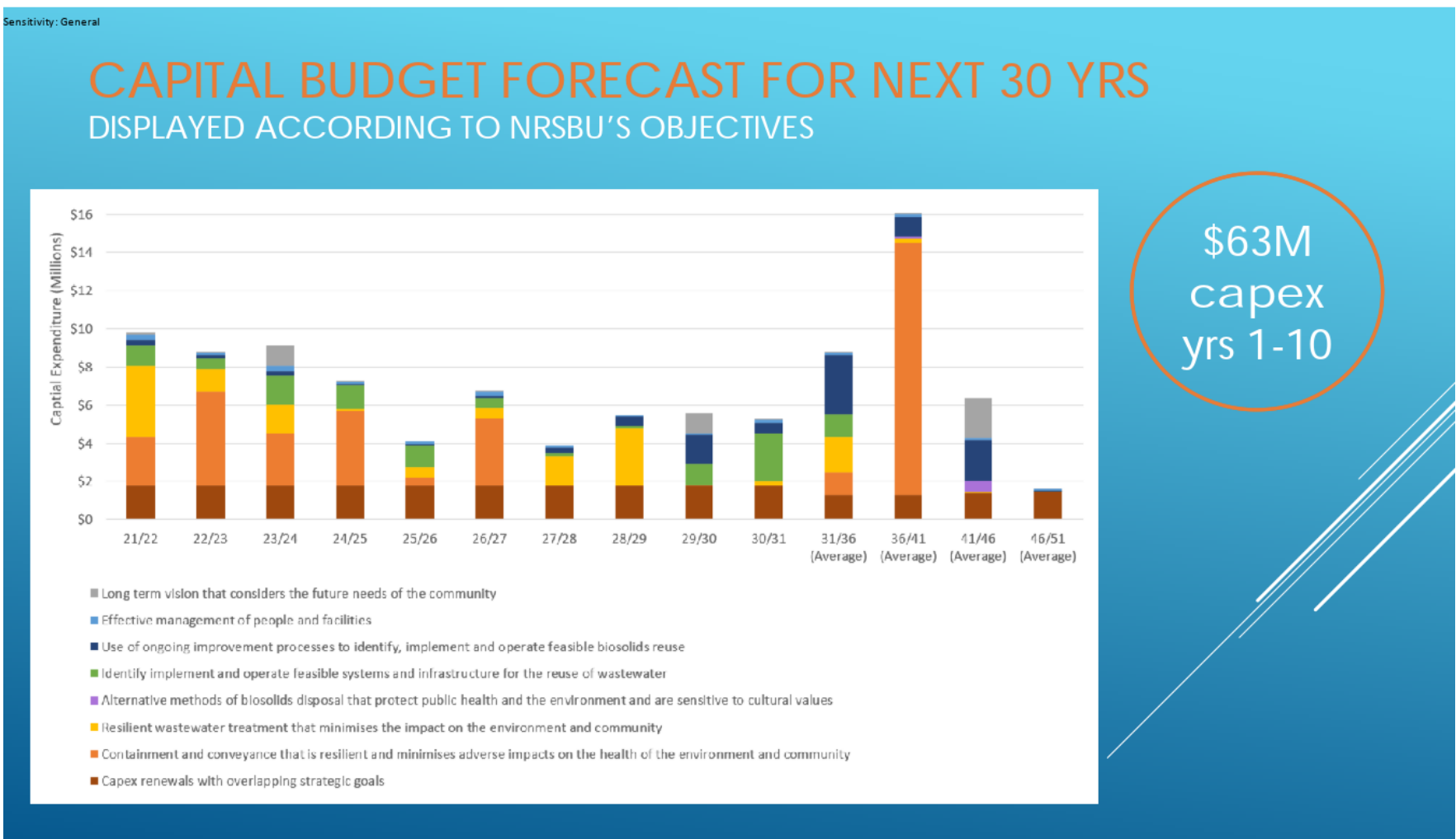
Sensitivity: General

## BACKGROUND

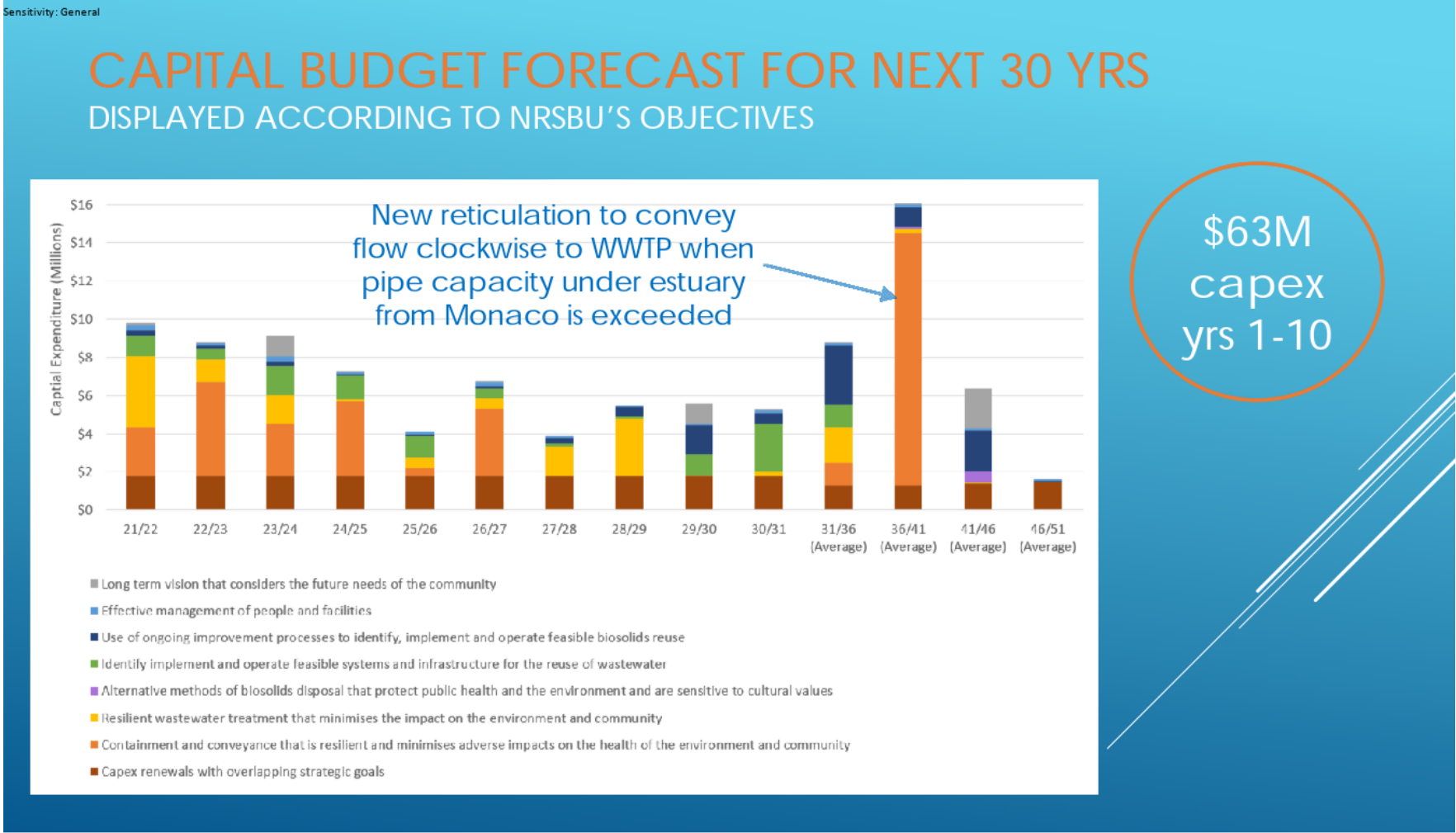
- ▶ June 2020 - Workshop discussing programme of works
- ▶ July 2020 - Survey seeking feedback from board to assist in prioritisation of capital works
- ▶ August 2020 - Discussion paper providing overview of proposed AMP spending profile
- ▶ Recent feedback from NCC Group Manager challenging achievability of spend profile.
- ▶ Feedback from TDC Engineering Services Manager concerning the quantum of expenditure

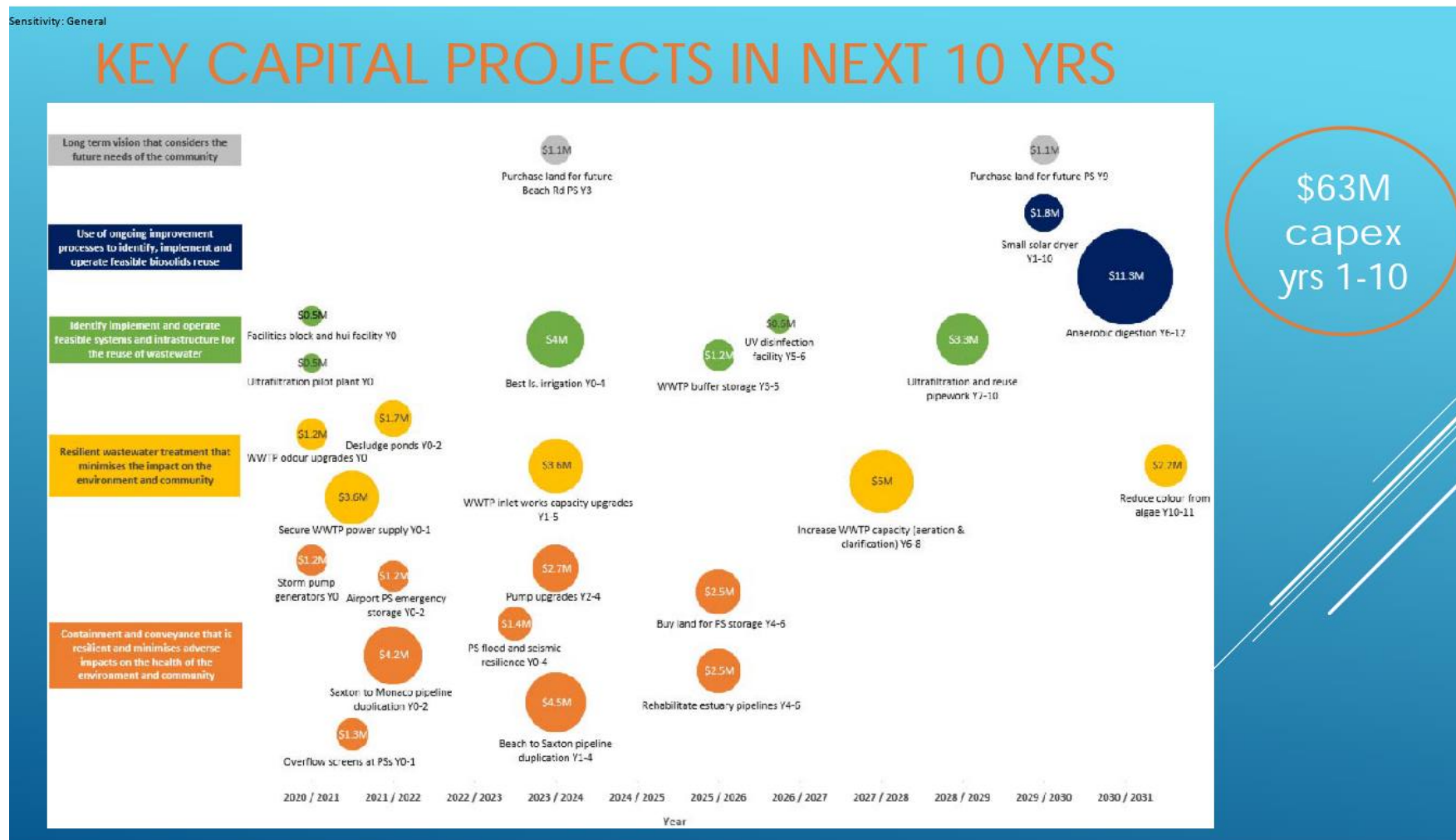
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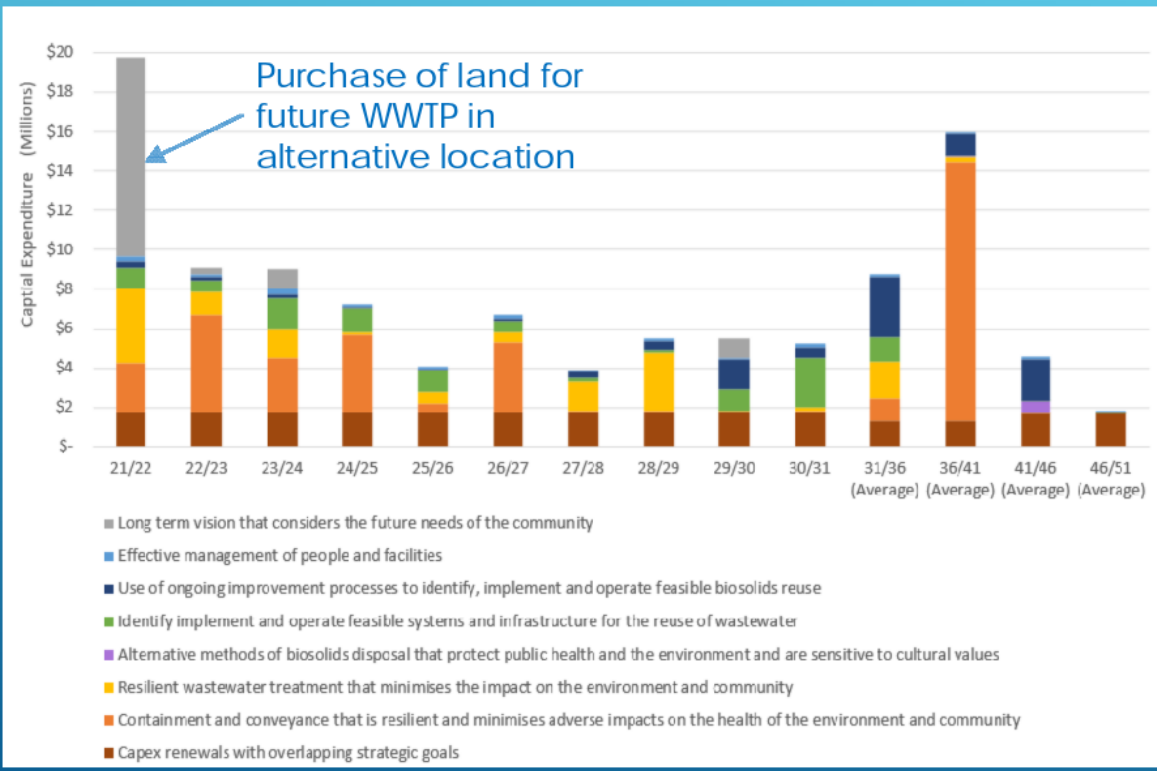




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# CAPITAL BUDGET FORECAST FOR NEXT 30 YRS

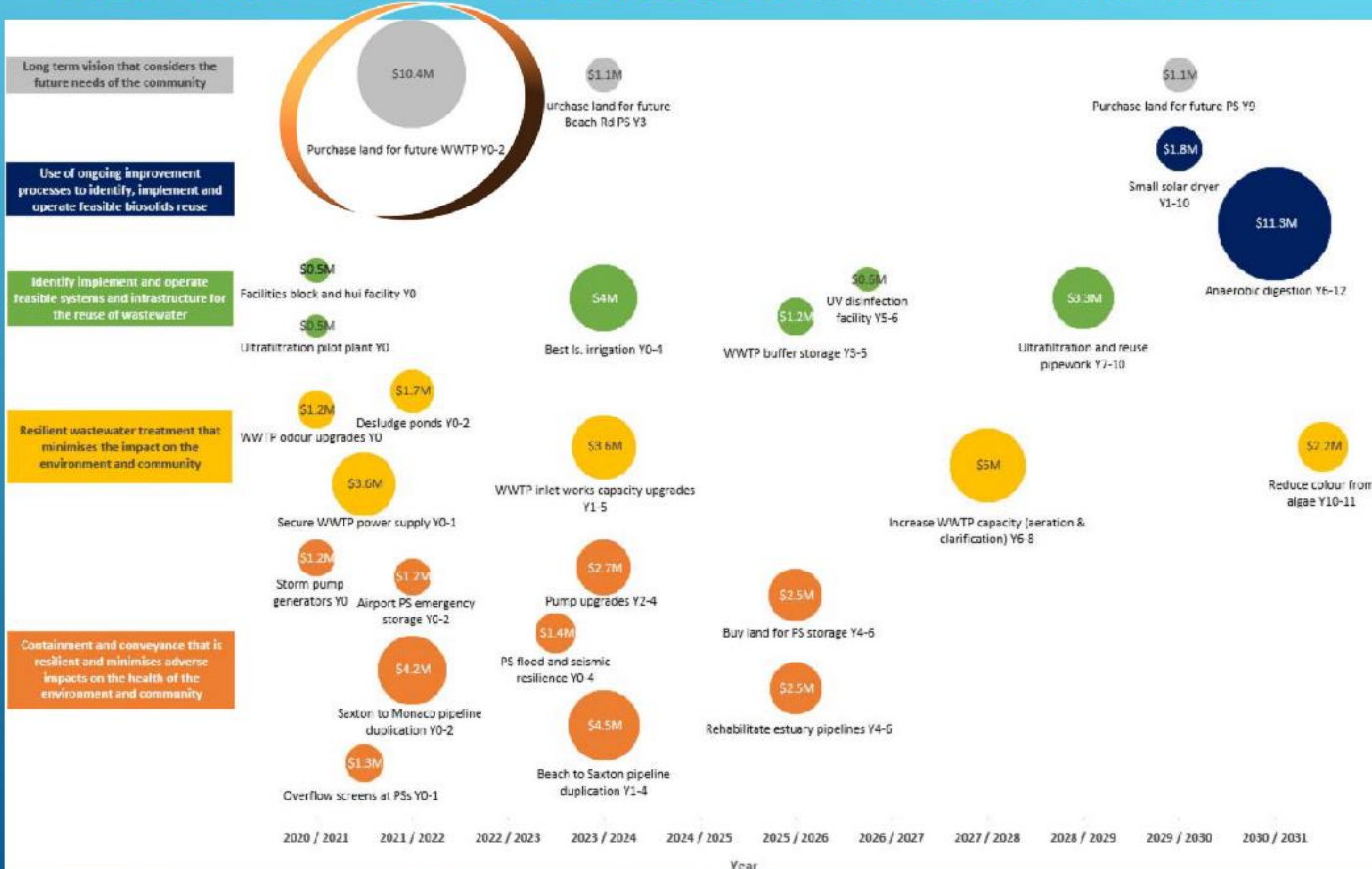
DISPLAYED ACCORDING TO NRSBU'S OBJECTIVES



\$73M capex yrs 1-10

Sensitivity: General

## KEY CAPITAL PROJECTS IN NEXT 10 YRS



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## REASONS TO PURCHASE LAND FOR FUTURE WWTP


- ▶ Would lease land until needed to offset purchase costs
- ▶ Widest selection now - availability of suitable land will reduce with time
- ▶ Potential for land to be significantly more expensive in future
- ▶ Encroaching development will make designation more difficult
- ▶ Risk otherwise forced to accept less than ideal location with significant additional capex and opex costs for reticulation and effluent/biosolids disposal
- ▶ Risk of prolonged expensive process if have to use Public Works Act in future

\$10.4M  
capex  
addition  
(yrs 0-10)

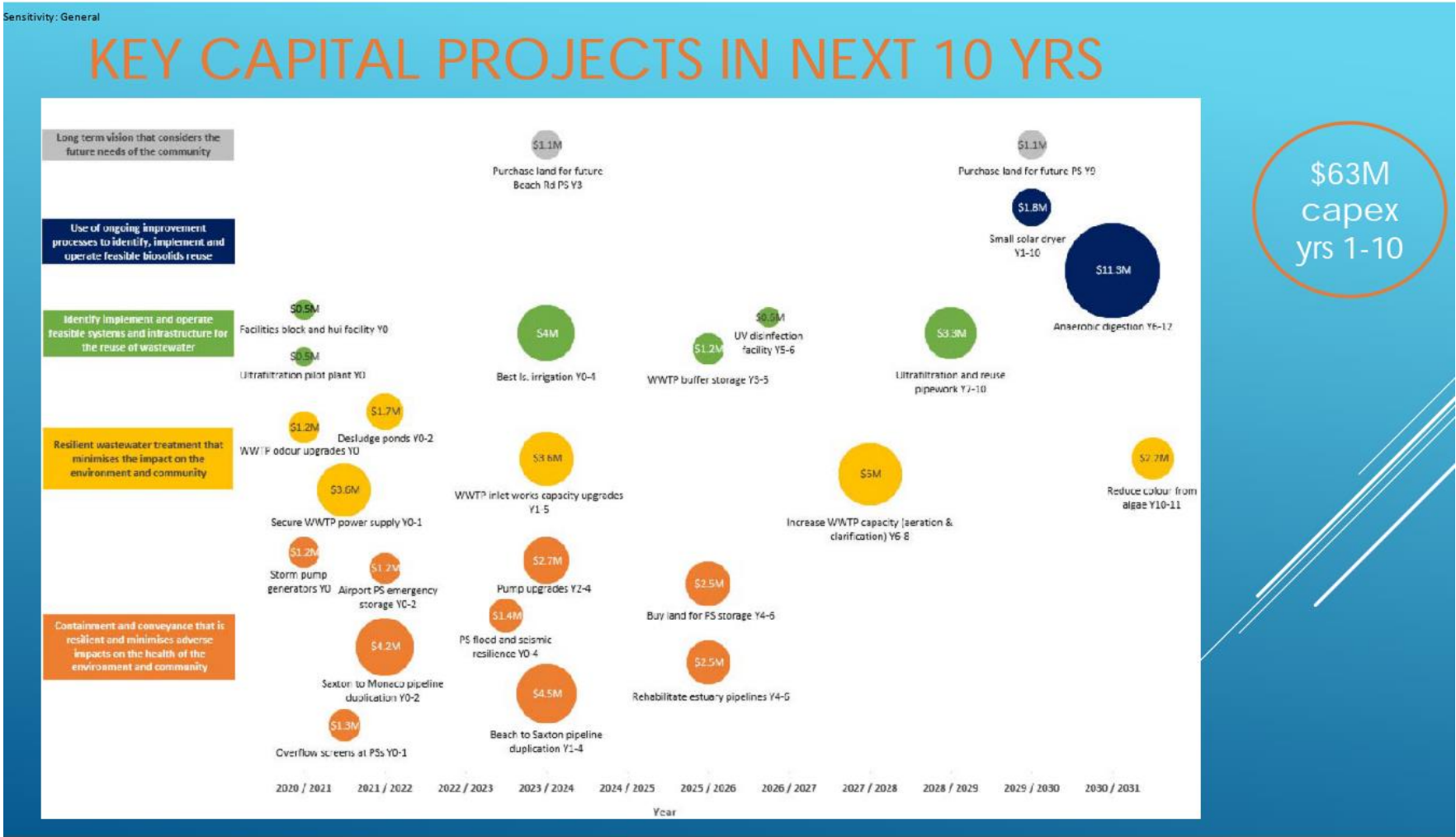
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# DISCUSSION

- ▶ ANY QUESTIONS OR CONCERNS?









## CONSEQUENCES OF NOT PURCHASING LAND FOR FUTURE PUMP STATIONS

- ▶ Availability of suitable land reduces with time
- ▶ Encroaching development makes designation more difficult
- ▶ Potential for land to be significantly more expensive
- ▶ Risk forced to accept less than ideal location with significant additional capex and opex costs
- ▶ Prolonged expensive process if have to use Public Works Act
- ▶ Risk of loss of service (due to flooding, etc) increases over time that pump station(s) remain in current location

\$2.2M  
capex  
reduction  
(\$1.1M each  
yrs 3 & 9)

Sensitivity: General

## CONSEQUENCES OF NOT PURCHASING LAND FOR PUMP STATION STORAGE

- ▶ Availability of suitable land reduces with time
- ▶ Potential for land to be significantly more expensive
- ▶ Risk forced to accept less than ideal location with significant additional capex and opex costs
- ▶ Prolonged expensive process if have to use Public Works Act

\$2.5M  
capex  
reduction  
(yrs 4-6)

Sensitivity: General

## CONSEQUENCES OF NOT PILOTING SOLAR DRYER

- ▶ Would be unable to establish market, unable to implement full-scale solar drying within next 30 years

\$1.8M  
capex  
reduction  
(yrs 1-10)

Sensitivity: General

## CONSEQUENCES OF NOT IMPLEMENTING IRRIGATION AT BEST ISLAND

- ▶ Cultural sensitivities not addressed
- ▶ Increased risk that daily discharge limit to water breached
- ▶ Could lease land until decide to develop

\$4M  
capex  
reduction  
(yrs 1-4)

Sensitivity: General

## CONSEQUENCES OF NOT IMPLEMENTING ANAEROBIC DIGESTION

- ▶ No associated reduction in odour
- ▶ \$6-7M costs to renew ATADs and upgrade capacity
- ▶ No opportunity for beneficial use of gas
- ▶ No opportunity for potential co-digestion of food waste or similar

\$1.3M  
capex  
reduction in  
decade 1

\$11.3M  
total capex  
reduction  
(yrs 6-12)



