

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

Friday 10 March 2023
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

Nelson City Councillor Kahu Paki Paki

Tasman District Councillor Barry Dowler

Independent Member Tallat Mehmood

Industry Representative (non-voting) Philip Wilson

Quorum: 3

Nelson Regional Sewerage Business Unit

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

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 26 January 2023

5 - 7

Document number M19965

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 26 January 2023, as a true and correct record.***

6. Nelson Regional Sewerage Business Unit - 2023/24 Business Plan

8 - 30

Document number R27524

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit - 2023/24 Business Plan (R27524) and its attachment (1080325921-246); and***

2. ***Approves the Nelson Regional Sewerage Business Unit 2023/2024 Business Plan (1080325921-246) subject to minor changes approved by the Chairperson; and***
3. ***Recommends the Nelson Regional Sewerage Business Unit Business Plan 2023/24 (1080325921-246) be presented to the Tasman District Council and Nelson City Council.***

Recommendation to the Nelson City Council and Tasman District Council

That the Nelson City Council and Tasman District Council

1. ***Receive the Nelson Regional Sewerage Business Unit Business Plan 2023/24 (1080325921-246).***

7. Nelson Regional Sewerage Business Unit General Manager Update Report 31 - 45

Document number R27525

Recommendation

That the Nelson Regional Sewerage Business Unit

1. ***Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report (R27525).***



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 Thursday 26 January 2023, commencing at 10.30am

Present: Tasman District Councillors K Maling and B Dowler, Nelson City Councillors K Paki Paki and Independent Member T Mehmood

In Attendance: Nelson City Council Group Manager Infrastructure (A Louverdis), General Manager Regional Services (N Clarke), Operations Manager Regional Services (B Nixon), Governance Adviser (T Kruger) and Assistant Governance Adviser (A Bryce-Neumann)

Apologies: Nelson City Council Councillor T Skinner and Industry Representative (non-voting) P Wilson

1. Appointment of Chairperson

Group Manager Infrastructure, A Louverdis, assumed the Chair to receive nominations to appoint the Chairperson.

Councillor B Dowler nominated Councillor K Maling, seconded by Councillor K Paki Paki.

Resolved RSBU/2023/001

That the Nelson Regional Sewerage Business Unit

- 1. Appoints Councillor K Maling as Chairperson of the Nelson Regional Sewerage Business Unit for the 2022-25 triennium.***

Dowler/Paki Paki

Carried

Councillor K Maling assumed the Chair.

2. Apologies

Resolved RSBU/2023/002

That the Nelson Regional Sewerage Business Unit

- 1. Receives and accepts the apologies from Industry Representative (non-voting) P Wilson and Nelson City Council, Councillor T Skinner.***

Paki Paki/Dowler

Carried

3. Confirmation of Order of Business

The appointment of the Chairperson had been moved to the first item of business.

4. Interests

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

5. Public Forum

There was no public forum.

6. Confirmation of Minutes

There were no minutes to confirm.

7. Nelson Regional Sewerage Business Unit - Chair and Deputy Chair Appointment

Councillor K Maling nominated Councillor T Skinner as the Deputy Chair.

Document number R27423, agenda pages 4 - 5 refer.

Resolved RSBU/2023/003

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit - Chair and Deputy Chair Appointment (R27423); and***

2. Appoints Councillor T Skinner as the Deputy Chairperson of the Nelson Regional Sewerage Business Unit for the triennium 2022-2025.

Paki Paki/Dowler

Carried

There being no further business the meeting ended at 10.33a.m.

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

Resolved



Nelson Regional Sewerage Business Unit

10 March 2023

Report Title: Nelson Regional Sewerage Business Unit - 2023/24 Business Plan

Report Author: Brad Nixon - Operations Manager Regional Services

Report Number: R27524

1. Purpose of Report

1.1 To update the Nelson Regional Sewerage Business Unit (NRSBU) on feedback provided to NRSBU by Tasman District Council (TDC) and Nelson City Council (NCC) in relation the NRSBU 2023/24 Business Plan (Business Plan).

2. Summary

2.1 NRSBU has approved the Draft NRSBU 2023/24 Business Plan (1080325921-63) and has submitted this to NCC and TDC for consideration and feedback.

2.2 NCC and TDC have both considered the report and have provided no feedback.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit - 2023/24 Business Plan (R27524) and its attachment (1080325921-246); and***
- 2. Approves the Nelson Regional Sewerage Business Unit 2023/2024 Business Plan (1080325921-246) subject to minor changes approved by the Chairperson; and***
- 3. Recommends the Nelson Regional Sewerage Business Unit Business Plan 2023/24 (1080325921-246) be***

presented to the Tasman District Council and Nelson City Council.

Recommendation to the Nelson City Council and Tasman District Council

That the Nelson City Council and Tasman District Council

- 1. Receive the Nelson Regional Sewerage Business Unit Business Plan 2023/24 (1080325921-246).***

4. Background and Discussion

4.1 The NRSBU was established by NCC and TDC to manage and operate regional sewerage facilities and the Memorandum of Understanding requires the Business Plan to be submitted to the two Councils for feedback prior to confirmation by the NRSBU board.

4.2 The NRSBU resolved on 16 September 2022 as follows:

Resolved RSBU/2022/016

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Draft Business Plan 2023/24 Report. (R27155) and its attachment (1080325921-63); and*
- 2. Approves the Nelson Regional Sewerage Business Unit Draft Business Plan 2023/24 (1080325921-63) for submission to Nelson City Council and Tasman District Council for their consideration and feedback.*

And:

Recommendation to Council RSBU/2022/017

That the Nelson City Council and Tasman District Council

- 1. Receives the Nelson Regional Sewerage Business Unit Draft Business Plan 2023/24 (1399367370-7649) for review and provide feedback to the Nelson Regional Sewerage Business Unit, if required.*

4.3 The NRSBU is required to produce a Business Plan for the coming year and submit this to the Councils by 31 December each year. After the Councils have had an opportunity to discuss and comment on the draft Business Plan the Board shall finalise the Business Plan, incorporating any agreed changes, and shall present the plan to the Councils by 20 March.

Item 6: Nelson Regional Sewerage Business Unit - 2023/24 Business Plan

- 4.4 The Board can only formally adopt the Business Plan after receiving and considering feedback from the two Councils and is then required to present both to each Council by 20 March 2023, for inclusion in each Council's draft Annual Plan.
- 4.5 Minor amendments to the Draft Business Plan wording have been made, reflecting minor changes to targets & accomplishments since preparation of the Draft version, however the financial components (both operational and capital) have not changed.

5. Feedback Received

- 5.1 Nelson City Council (NCC) considered the Business Plan at the full Council meeting on 22 September 2022, and resolved as follows:

Resolved CL/2022/214

That the Council

- 1. Receives the Nelson Regional Sewerage Business Unit Draft Business Plan 2023/24 (1399367370-7649) for review and provide feedback to the Nelson Regional Sewerage Business Unit, if required.*

The NCC gave no feedback on the Business Plan.

- 5.2 Tasman District Council considered the Business Plan at the full Council meeting on 15 December 2022, and resolved as follows:

Resolved CN22-12-11

That the Tasman District Council:

- 1. receives the Nelson Regional Sewerage Business Unit - Business Plan 2023/2024 and Annual Report 2021/2022 report RCN22-12-25; and*
- 2. confirms receipt of the draft Nelson Regional Sewerage Business Plan 2023-2024; and*
- 3. notes the budgets in the draft Nelson Regional Sewerage Business Plan 2023-2024 have been included in the draft Annual Plan 2023-2024.*

The TDC gave no feedback on the Business Plan.

6. Conclusion

- 6.1 The NRSBU has received no feedback that requires changes to the Draft NRSBU 2023/24 Business Plan (1080325921-63).

Item 6: Nelson Regional Sewerage Business Unit - 2023/24 Business Plan

- 6.2 Minor wording changes have been made that do not affect the business plan finances.
- 6.3 It is recommended that the NRSBU adopt the 2023/24 NRSBU Business Plan (1080325921-246) and forward the Business Plan to both Council's.

Attachments

Attachment 1: 1080325921-246 NRSBU Business Plan 2023/24 Final Feb 2023 V1 [↓](#)

Important considerations for decision making

Fit with Purpose of Local Government

The NRSBU is a joint committee constituted pursuant to the provisions of Schedule 7 to the Local Government Act 2002 and contributes to the four Local Government well-beings of social, economic, environmental, and cultural.

Consistency with Community Outcomes and Council Policy

Our infrastructure is efficient, cost effective and meets current and future needs.

Risk

This report allows the NRSBU board to consider business planning requirements and review the ongoing operations of the NRSBU. The business planning incorporates funding to mitigate health and safety, environmental and business continuity risks.

Financial impact

This report outlines the next financial years expenditure and activities and allows both Councils to consider the impact of these activities and provide feedback where required.

Degree of significance and level of engagement

The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans

Climate Impact

The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans.

Inclusion of Māori in the decision making process

No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.

Delegations

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:

Enter into all contract necessary for the operations and management of the Business Unit in accordance with approved Budgets and the intent of the Business Plan.

Authorise all payments necessary for the operations and management of the business unit within the approve budgets and the intent of the Business Plan

Do all other things, other than those things explicitly prohibited by this MOU 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.

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.

Item 7: Nelson Regional Sewerage Business Unit General Manager Update Report.



Nelson Regional Sewerage Business Unit

10 March 2023

Report Title: Nelson Regional Sewerage Business Unit General Manager Update Report.

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

Report Number: R27525

1. Purpose of Report

1.1 This report is an update by the General Manager (GM) on activities undertaken to 31 January 2023 and finances to 31 December 2022 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Summary

- 2.1 Operations are generally running well.
- 2.2 High temperatures during January resulted in several odour notifications, but the system recovered effectively, and no ongoing issues were encountered.
- 2.3 The aeration basin and secondary clarifier were removed from service and were inspected and painted during late January and early February, some repairs were required to both, and these repairs have been completed.
- 2.4 A new operations manager has been engaged for the Nelson Tasman Regional Landfill Business Unit, and Brad Nixon is now the Operations Manager focussed principally on NRSBU works. Additional staff recruiting is still being worked on.
- 2.5 There were 7 odour notifications for the period September 2022 to 31 January 2023. Of these notifications 6 related to odour from pond F3 as it suffered from high temperatures releasing sulphides from the sludge. The other two notifications related to intermittent light odours that were unable to be positively identified.

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- 2.6 The negotiation with Infratec for the development of a solar array on Bell Island have been completed and the agreements have been signed by both Infratec and NRSBU. Infratec has agreed that non commercially sensitive aspects of this project can now be shared. A press release has been drafted and is due for release once reviewed by Infratec.
- 2.7 The regional pipeline rehabilitation project is proceeding well. The new Section 8 pipework (Saxton Rd) has been completed.
- 2.8 Work has commenced for Section 10 (Estuary side of Whakatu Drive) and is due for completion at the start of April 2023.
- 2.9 The overall regional pipeline rehabilitation project programme remains on target for completion around the end of the 2023 calendar year, although this will depend on the actual completion date of the NCC Saxtons Creek Stage 4 stormwater project.
- 2.10 Overall NRSBU O&M costs to date for the 2022/2023 financial year are generally in alignment with the Nelson Regional Sewerage Business Unit 2022/2023 Business Plan budget, except for consultancy costs. Consultancy costs are significantly above budget. Consultancy costs will be discussed further in the report.
- 2.11 Financial performance to 31 December 2022 is above budget with a surplus year to date of \$430,000.
- 2.12 Some capital and renewals work implementation has been delayed by tendered prices received being more than budget allowances. Rescoping of these projects is being undertaken.
- 2.13 The facilities management upgrade is now recommencing now that the resource consent has been received.
- 2.14 The sludge and biosolids storage tank project has been rescoped and repricing will be undertaken over the next two months.
- 2.15 The delivery of the capital/renewals works remains behind schedule except for the regional rising main project.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report (R27525).***

4. Health Safety and Environment (HS&E)

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

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- 4.2 One near miss occurred during the period which was considered a serious concern - a Lock Out failure occurring on a project onsite at Bell Island. This failure occurred where wastewater unexpectedly filled a chamber that was being worked on. The event occurred when no staff were in the chamber, but staff believed that the chamber was isolated. The event has been investigated and the investigation has highlighted that improvements are necessary to lock out and tag out (LOTO) procedures the O&M Contractor is following on NRSBU sites.
- 4.3 A new and more encompassing LOTO process has been drafted and is awaiting approval by Nelmac management. The new process is in use onsite while awaiting sign off. Staff have started internal training on the process, and will also be trained on the use of the hardware by an external training provider. The procedure includes significantly more involvement by senior management for permitting and corrective action management, including a specific lock removal process that requires the Nelmac Divisional Manager approval if the lock owners is not present.
- 4.4 To ensure that the correct equipment was available during isolation works involving pipes NRSBU purchased a number of inflatable pipe bungs, for use by the O&M Contractor. These have already proved their worth – being well utilised during NCCs recent operations upstream of the Airport pump station.
- 4.5 Table 1 below shows a list of H&S notifications for the period September 2022 to January 2023

Notification Type	Number	Description of Events
Hazard Identifications	10	Various safety improvements opportunities identified.
Environmental Incidents	4	1 minor diesel leak, 2 hydraulic oil leaks and 1 septage tanker caught dumping oil into septage facility.
Property Damage	3	2 vehicle windows were damaged, 1 gas strut on a pump station lid failed.
Near Misses	3	1 lockout failure – serious 1 truck reversing issue 1 lock out tag needed to be cut off due to operator leaving site.
Injuries	5	1 Subcontractor required medical treatment. This incident occurred with the contractors own truck and was cause

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		by a lid on his truck striking his head while closing the lid. 4 minor grazes to fingers/hand and leg.
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5. NRSBU Activities

5.1 NRSBU staff continue to be very busy during the period with numerous activities and projects in progress.

5.2 Projects / Improvement works completed:

- Overflow screen construction at Songer St Pumpstation is complete, with the Wakatu overflow screen still to be installed.
- The solar power supply Licence and Options agreement has been completed and signed. The subsequent long-term Licence and Power Purchase Agreement (PPA) are completed in draft form, with minor amendments required as a result of the investigation and approval work to be completed under the Licence and Options agreement.
- Inspection of pipework within Bell Island inlet area and at the interface with NCC pipework at Airport Pumpstation.
- Repair of the chamber C18 and Bell Island grit removal system corroded concrete is now complete.

5.3 Projects underway at present include:

- Moturoa Rabbit Island Biosolids discharge consent.
- Rising main pipework upgrades including negotiation with Barnicoat Developments Ltd for an easement across their site.
- Emergency generators installation.
- Consideration of sites for overflow storage at Saxton Rd.
- Consideration regarding future options to adapt to sea level raise for both pumpstations and the Bell Island facility.
- Condition assessment of the concrete rising main between Monaco and Bell Island
- Sludge and Biosolids tank renewals
- Bell Island facilities upgrade
- Best Island foreshore rehabilitation planting has commenced.

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- 50 year plan development and liaison with Te Tau Ihu iwi to support the incorporation of cultural values in the strategic planning for wastewater in the top of the south. This work is being undertaken in partnership with TDC. NCC is also taking part but are not currently contributing financially to this project.
- Designation of Bell Island.
- Pumps replacement at Beach Rd, Wakatu and Airport pumpstations

5.4 Site improvement works at Bell Island including:

- Generator procurement and installation.
- Covers to chambers.
- Pond desludging and sea defence bund.

5.5 Other Bell Island Projects

- Odour upgrade work on the ATAD system is nearly complete with commissioning waiting on the delivery of pressure/vacuum relief valves.
- Upgrade to the "reuse" water system is nearly complete, the remaining work is to assemble the weather protection to cover the upgraded system.
- Investigations into water treatment and piping requirements for industrial water users has commenced.
- Installation of isolation valves to rising mains at the treatment plant inlet structure has commenced, with valves ordered.

5.5 Renewals and maintenance on buildings and equipment.

5.6 Greenacres Golf Course (Greenacres) water reuse and NRSBU water reuse pipeline consents have been submitted to TDC for consideration.

6. Update on Significant projects

6.1 **Rabbit Island Biosolids Application Consent** –The resource consent hearing was held on 2 and 3 August 2022. TDC has provided revised conditions which NRSBU are reviewing. NRSBU will provide finalised volunteered conditions and final legal submissions to the commissioner panel on 17 March 2023.

6.2 **Rabbit Island O&M contract** - The Biosolids application operations and maintenance contract is running smoothly.

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6.3 **NRSS pipeline** – A significant amount of work is being undertaken on this project with multiple activities along the length of the pipeline, including:

- Section 8 is now complete.
- Detailed design is complete for sections 5 – 7 (from Kotua Place to Saxton Road). Geotech investigation have been undertaken, and resource consent has been granted for the Orphanage Creek stream crossing and work through the HAIL site. The tender documents have been released to selected tenderers and tenders close on 3 March 2023. This package does not include the pipe bridge and pipework across Saxtons Creek which will be tendered separately.
- Investigations for the sections 1-4 (Beach Rd to Saxton Creek) have been completed. Work packages have been prepared with tender documentation development currently underway, and this will be released to the market for tender in April 2023.
- The Martin Point pipe connection works have also been tendered and tenders have been received. Tender evaluation is currently being undertaken. 2 tenders were received for the works and both tenders received were below the engineers estimates.
- Overall, the progress has been good on the pipeline project. The engineers estimate for the remaining works is now \$10.5 million including engineering fees and contingency.
- Completion for the project is estimated now to be the 2nd quarter of the 2023/24 financial year due to concerns about the commencement of section 5 and the Saxtons Creek pipe bridge.

6.4 **Generator installation** – The generators have arrived and have been installed at all sites. The planned relocation of the old generator from Saxton Road Pumpstation to the Bell Island inlet is being undertaken. There is expected to be a cost increase for the overall project, but we are waiting the outcome of the redesign and costing before we can provide an update.

6.5 **Desludging of the Bell Island ponds** is still in progress with Pond F2 being completed and work now starting on Pond F1. The lower row of dewatering bags is complete, and the lower bund is being constructed using soil excavated from the August 2022 flooding event slips. One complication has arisen. It has been identified that 6,000m³ of material from the slips is contaminated with a pest plant species "boneseed", so the sea defence berm needs to be constructed with this "boneseed" material in the centre of the berm with uncontaminated material over the top to prevent germination of the weed.

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- 6.6 **Flood waste material** – NRSBU has received around 20,000 m³ of slip material from the August floods. This material is currently stockpiled and will be used for the sea defence bund construction.
- 6.7 **Asset inspections** –NRSBU is continuing the next stage of the old concrete rising main pipe investigations from Monaco to Bell Island. The next stage of works will include the core sampling of the pipe and inspection of the fittings and cathodic protection systems.
- 6.8 **Greenacre Golf Course Ultrafiltered Water Irrigation** – NRSBU has received the resource consent for the water reuse pipeline to transport reuse water to Greenacres, however NRSBU has chosen to apply to vary the consent received following review of the installation methodology. The changed methodology allows the costs to be reduced and allows additional conduits to be installed concurrently. Provision of these conduits will provide options for future application to land or water reuse activity pipework to be pulled through under the estuary. This will prevent additional excavation in the estuary in future. This has slowed down the implementation of this project.

7. Financial performance Year to Date.

- 7.1 The NRSBU year to date results have now been completed to 31 December 2022.
- 7.1.1 The performance for the year to date shows NRSBU has earned more than budgeted but has had some additional costs above budget. The financial position on 31 December 2022 was in surplus by \$430,000.
- 7.1.2 The surplus has been generated principally by significantly higher than expected flows during July, and August and by a number of higher loading events.
- 7.1.3 Looking forward to the rest of the 22/23 financial year it is estimated that the surplus will reduce due to a dryer period over summer, but this reduction is expected to be partially offset by the reduced power consumption from the aeration basin and clarifier being offline for inspection and repairs during January and February.
- 7.2 Income
- Fixed recoveries were over budget by \$233,000 due to a different interest rate for the Weighted Average Cost of Capital (WACC) in the recovery calculation compared with budget.
 - Other recoveries including septage charges and sand sale royalties are \$158,000 ahead of budget for the year to date.

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7.3 Expenditure

- Management costs under budget by \$98,000 year to date, however these were more than offset by increased consultancy costs.
- Additional consultancy costs have been incurred associated with activity management works, work being undertaken to designate the Bell Island and NRSBU sites in Tasman District Plan.
- Additional consultancy cost has also been incurred for liaison with Te Tau Ihu Iwi for the NRSBU Master Plan discussions (50+ years) in collaboration with Tasman District Council. Some costs are currently held by NRSBU and will be invoiced to TDC.
- Costs associated with securing the solar licence agreements and PPA
- Support for information gathering for three waters entities.
- Resource consent variations for the issues outside NRSBU control associated with complying with Cultural Health Indexing requirements at the NRSBU pump stations

7.4 In aggregate the Bell Island O&M contract maintenance costs are on budget and the contractor is performing to a high standard.

7.5 The monthly O&M costs for the Biosolids disposal contract are higher than budget due to new contract rates and this trend will continue for the remainder of the year.

7.6 Officers would like to reiterate that inflationary pressures are being experienced across the construction industry at present. Significant increases to raw materials, fuel, plant, and labour costs will continue to put pressure on budgets for maintenance and renewal/capital works activities during the year. Officers will present further information on the likely impacts of these pressures as this comes available.

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Table 3 below shows the NRSBU Financial Report to 31 December 2022.

Nelson Regional Sewerage Business Unit							
Financial Report							
Income Account for the period to		31st December 2022					
	Budget Month	Actual YTD	% YTD	% Year	2022/23 YTD	Budget Annual	YTD Variation
Income							
Contributions Fixed	512,750	3,310,470	108	54	3,076,500	6,153,000	233,970
Contributions Variable	370,083	2,714,146	122	61	2,220,500	4,441,000	493,646
Other Recoveries	27,500	323,557	196	98	165,000	330,000	158,557
Interest	-	55			-	-	55
Forestry Income	-	-			-	-	0
Total Income	910,333	6,348,228	116	58	5,462,000	10,924,000	886,228
Less Expenses							
Management	41,667	151,718	61	30	250,000	500,000	98,282
Electricity	76,999	577,466	125	62	462,000	924,000	(115,466)
Contract Maintenance	76,182	708,696	155	78	457,100	914,200	(251,596)
Reactive and Proactive Maintenance	83,542	328,495	66	33	494,400	988,800	165,905
Monitoring	23,084	72,431	52	26	138,500	277,000	66,069
Consultancy	6,250	344,916	920	460	37,500	75,000	(307,416)
Insurance	8,167	44,908	92	46	49,000	98,000	4,092
Sundry	8,500	68,105	134	67	51,000	102,000	(17,105)
Biosolids Disposal	80,000	573,688	120	60	480,000	960,000	(93,688)
Operating & Maintenance Expenses	404,391	2,870,423	119	59	2,419,500	4,839,000	(450,923)
Financial	97,250	711,638	122	61	583,500	1,167,000	(128,138)
Depreciation	253,250	1,392,904	92	46	1,519,500	3,039,000	126,596
Total Expenses	754,891	4,974,965	110	55	4,522,500	9,045,000	(452,465)
Net Income	155,442	1,373,263	146	73	939,500	1,879,000	433,763

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7.7 The NRSBU financial Position as of 31 Dec 2022 is shown in Table 4 Below

Nelson Regional Sewerage Business Unit			
	Balance Sheet as at		
	31st December 2022		
	Current	Last Month	June 2022
Equity			
Opening Equity (July)	64,555,224	64,555,224	55,695,341
Plus Net Income YTD	1,373,263	1,373,251	0
Plus Revaluation	0	0	8,859,883
Closing Equity	65,928,487	65,928,475	64,555,224
Contingency Reserve	100,000	100,000	100,000
	66,028,487	66,028,475	64,655,224
Which was Invested as follows -			
Current Assets			
Bank	9,178	8,601	8,559
Debtors	117,913	117,913	476,487
NCC Current account	2,576,000	1,287,435	0
Total Current Assets	2,703,091	1,413,949	485,046
Fixed Assets	95,756,788	95,756,788	92,939,947
Current Liabilities			
Creditors	(1,013,996)	(1,013,996)	0
NCC Loan	(2,858,000)	(1,570,000)	(1,570,000)
TDC Current Account	(558,266)	(558,266)	(186,437)
NCC Current account	0	0	(3,013,331)
Total Current Liabilities	(4,430,262)	(3,142,262)	(4,769,768)
Term Liabilities	(28,000,000)	(28,000,000)	(24,000,000)
Derivative Financial Instruments	0	0	0
	66,029,617	66,028,475	64,655,224

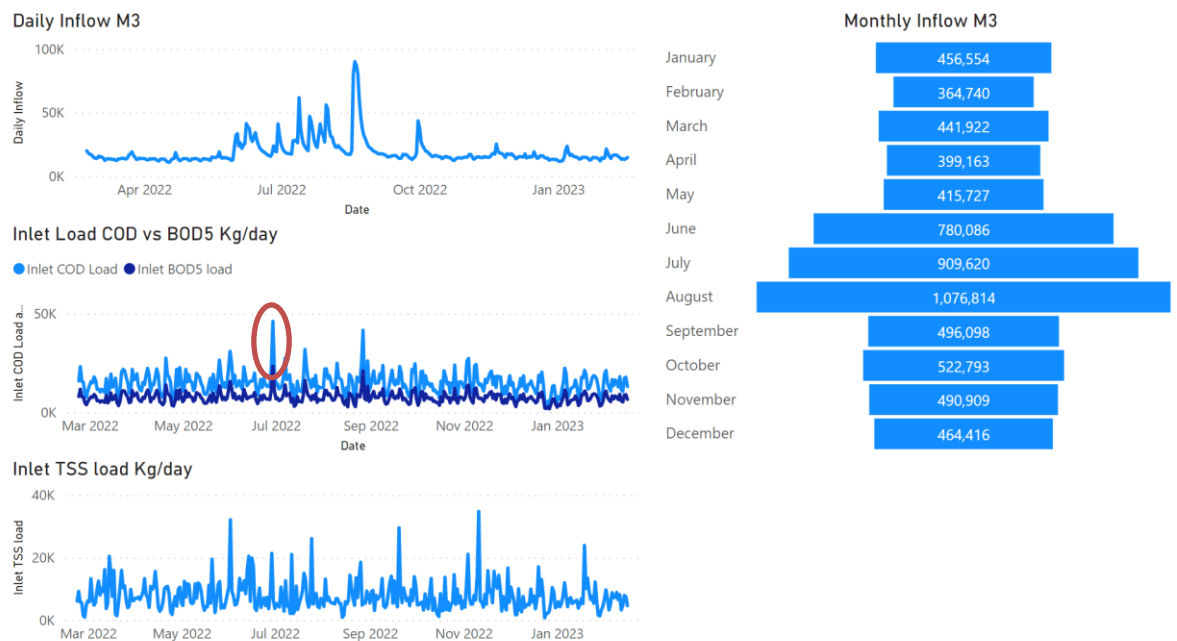
8. Inflow data

The NRSBU has received a number of significant events this year, including high flows and high loads. Despite the high flows and loads during the year no significant issues have occurred with treatment performance. The most significant issue facing NRSBU was the discharge volume required from the Bell Island wastewater facility exceeding the consented discharge volume.

8.1 During the July and August 2022 period NRSBU discharged in excess of the allowable consent volume due to high wastewater inflows.

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- 8.2 NRSBU needs to consider whether climate change will result in more periods with these higher flows, and if so, whether NRSBU should apply for a variation to the consented discharge volume. Officers note the consent currently has a discrepancy where longer discharge durations are permitted outside of normal operating conditions, but larger discharges are not.
- 8.3 There have also been several high load events from within NCC catchments. These events have resulted in higher costs to NCC than might otherwise be expected. NRSBU have no way of identifying the cause of these high load events.



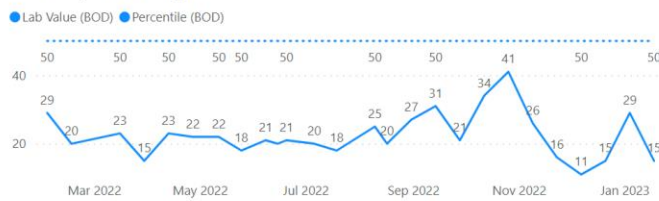
9. Discharge performance

The wastewater discharge performance from Bell Island WWTP has met all the consent discharge quality criteria for the period to 31 Dec 2022, however a request to extend the discharge duration was required to allow discharge of the extended high inflow rates during July 2022 and this continued into August 2022

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RM 171238 Consent Graphs

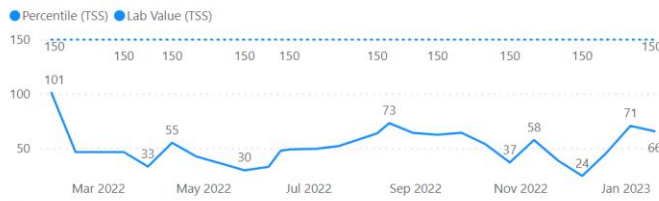
cBOD - Spot Value mg/L



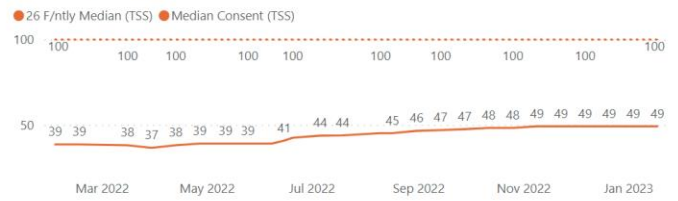
cBOD - Median mg/L



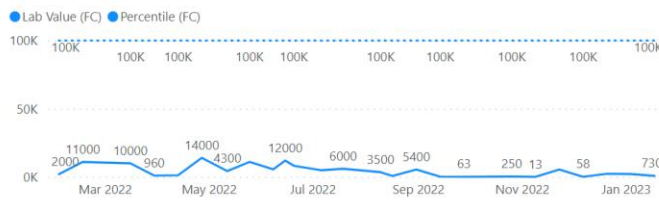
TSS - Spot value mg/L



TSS - Median mg/L



Faecal Coliform - Spot value cfu/100mL



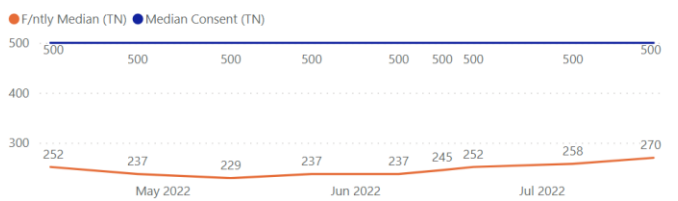
Faecal Coliform - Median cfu/100mL



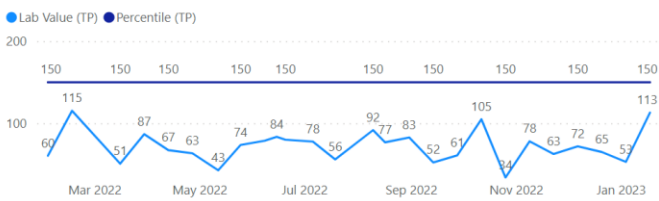
Total Nitrogen - Spot Value Kg/ day



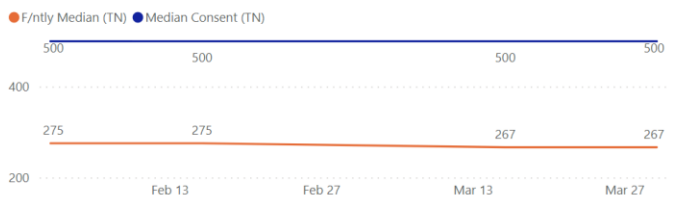
Total Nitrogen - Median (1 April - 31 July) Kg/ day



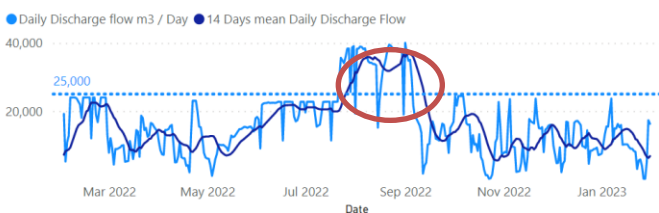
Total Phosphorus - Spot Value Kg/ day



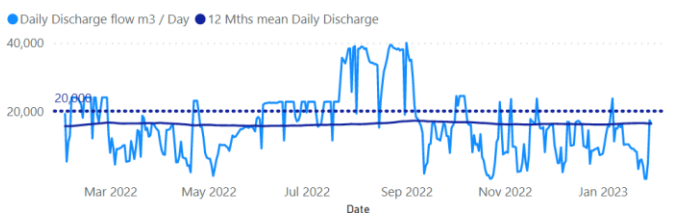
Total Nitrogen - Median (1 Aug - 31 March) Kg/ day



Daily discharge volumes m3



12 Month Mean discharge volumes m3



The discharge flow data circled in red for Bell Island treatment plant illustrates the high inflows received during July and August 2022. Peak daily inflow of ~95,000m³ was received in August which was the highest flow ever received at the Bell Island facility.

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10. NRSBU Resourcing

- 10.1 NRSBU has made some progress on resourcing. Brad Nixon is now principally focussed on NRSBU, with Mark Sutton being engaged as the Operations Manager for the Nelson Tasman Regional Landfill Business Unit.
- 10.2 Work is still underway on additional resourcing and support has been sought from consultants and the O&M contractor in the interim.

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Important considerations for decision making
Fit with Purpose of Local Government The NRSBU is a joint committee constituted pursuant to the provisions of Schedule 7 to the Local Government Act 2002 and contributes to the four Local Government well-beings of social, economic, environmental, and cultural.
Consistency with Community Outcomes and Council Policy Our infrastructure is efficient, cost effective and meets current and future needs.
Risk This report allows the NRSBU board to monitor and review the ongoing operations of the NRSBU. The report considers risks from health and safety and compliance, and with resource consents.
Financial impact This report has no financial impacts. It summarises financial performance against budgets.
Degree of significance and level of engagement The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans
Climate Impact The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans. Climate mitigation and adaptation actions are included in the capital works programme in the NRSBU Business Plan
Inclusion of Māori in the decision making process No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.

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Delegations

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:

Enter into all contract necessary for the operations and management of the Business Unit in accordance with approved Budgets and the intent of the Business Plan.

Authorise all payments necessary for the operations and management of the business unit within the approve budgets and the intent of the Business Plan

Do all other things, other than those things explicitly prohibited by this MOU 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.

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.

Attachments

Nil