

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

Friday 5 May 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 10 March 2023

6 - 8

Document number M20037

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 10 March 2023, as a true and correct record.***

5.2 Extraordinary Meeting - 26 April 2023

9 - 12

Document number M20110

Recommendation

That the Nelson Regional Sewerage Business Unit

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

6. Nelson Regional Sewerage Business Unit General Manager Update Report

13 - 31

Document number R27636

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report (R27636).***

CONFIDENTIAL BUSINESS

7. 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:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Extraordinary Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 26 April 2023	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			<p>proceedings to which this paragraph applies.</p> <p>Section 48(2)</p> <p>Paragraph (d) of subsection (1) applies to -</p> <p>(a) Any proceedings before a local authority where -</p> <p>(i) A right of appeal lies to any Court or tribunal against the final decision of the local authority in those proceedings; or</p> <p>(ii) The local authority is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and</p> <p>c) Any proceedings of a local authority in relation to any application or objection under the Marine Farming Act 1971.</p>



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 Friday 10 March 2023, commencing at 9.31a.m.

Present: Tasman District Councillor K Maling (Chairperson), Nelson City Councillor T Skinner (Deputy Chairperson), Nelson City Councillor K Paki Paki, Tasman District Councillor B Dowler, Independent Member T Mehmood and Industry Representative (non-voting) P Wilson

In Attendance: Group Manager Infrastructure (A Louverdis), General Manager Regional Services (N Clarke), Team Leader Governance (R Byrne) and Governance Adviser (K Libeau)

Apologies : Nil

1. Apologies

Nil

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

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

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 26 January 2023

Document number M19965, agenda pages 5 - 7 refer.

Resolved RSBU/2023/004

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.***

Dowler/Paki Paki

Carried

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

Document number R27524, agenda pages 8 - 30 refer.

Operations Manager Regional Services, Brad Nixon, presented his report and it was taken as read.

During discussion it was noted the August 2022 storm event had impacted the delivery of the capital works programme. Accountant, Andrew Bishop, answered questions on where charges lie and impacts of future interest rate movements.

Resolved RSBU/2023/005

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.***

Skinner/Dowler

Carried

Recommendation to Councils RSBU/2023/006

That the Nelson City Council and Tasman District Council

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

Skinner/Dowler

Carried

7. Nelson Regional Sewerage Business Unit General Manager Update Report

Document number R27525, agenda pages 31 - 45 refer.

General Manager Regional Services, Nathan Clarke, presented his report and it was taken as read.

Operations Manager Regional Services, Brad Nixon, answered questions on pond health and provided clarification on pre-emptive measures taken to keep ponds functioning.

Mr Clarke answered questions on technological solutions available for emission reduction and advised officers were reviewing one option which may reduce emissions by up to 30%, and were also looking at changes in the aeration process. A business case would be provided if viable.

Resolved RSBU/2023/007

That the Nelson Regional Sewerage Business Unit

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

Mehmood/Skinner

Carried

There being no further business the meeting ended at 10.27a.m.

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

Resolved



Minutes of an extraordinary meeting of the

Nelson Regional Sewerage Business Unit

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

Held in the via Zoom on Wednesday 26 April 2023, commencing at 1.01p.m.

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

In Attendance: NCC Group Manager Infrastructure (A Louverdis), Team Leader Governance (R Byrne) and Governance Adviser (K Libeau)

Apology: An apology has been received from Industry Representative (non-voting) P Wilson

1 Apologies

Resolved RSBU/2023/008

That the Nelson Regional Sewerage Business Unit

1. Receives and accepts the apology from P Wilson.

Skinner/Dowler

Carried

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

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

4. Public Forum

There was no public forum.

5. Exclusion of the Public

Resolved RSBU/2023/009

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:***

Paki Paki/Dowler

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Nelson Regional Sewerage Business Unit Rabbit Island Land Disposal System Consent Application Report</p>	<p>Section 48(1)(a) 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"> • Section 48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies. <p>Section 48(2)</p> <p>Paragraph (d) of subsection (1) applies to -</p> <p>(a) Any proceedings before a local authority where -</p>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			<p>(i) A right of appeal lies to any Court or tribunal against the final decision of the local authority in those proceedings; or</p> <p>(ii) The local authority is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and</p> <p>c) Any proceedings of a local authority in relation to any application or objection under the Marine Farming Act 1971.</p>

The meeting went into confidential session 1.04 p.m. and resumed in public session at 1.32 p.m.

6. Restatements

It was resolved while the public was excluded:

1 CONFIDENTIAL: Nelson Regional Sewerage Business Unit Rabbit Island Land Disposal System Consent Application Report

3. *Agrees that Report (R27651), attachments (1995708647-27) and (1995708647-29) and the decision be made publicly available following the successful resolution of the consent conditions, or the lodgement of an appeal.*

There being no further business the meeting ended at 1.33p.m.

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

Resolved

Item 6: Nelson Regional Sewerage Business Unit General Manager Update Report



Nelson Regional Sewerage Business Unit

5 May 2023

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

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

Report Number: R27636

1. Purpose of Report

1.1 This report is an update by the General Manager (GM) on activities undertaken to 31 March 2023 and finances to 28 February 2023 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Summary

2.1 Operations are generally running well.

2.2 There were six odour notifications for the period 01 February 2023 to 31 March 2023. Two notifications were from the tail end of odour generation from pond F3 earlier in the year, one was confirmed as related to Biosolids application and was resolved by moving application areas and one was suspected as being released from the Biosolids tank after the temporary cover was damaged by storm winds. The remaining two notifications were intermittent, and unable to be confirmed however may have generated from the Biosolids operation.

2.3 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 media release has been drafted and is due for release.

2.4 The regional pipeline rehabilitation project is proceeding well. Ching Contracting has been selected for Sections 5, 6 and 7. The work will commence in June 2023 and is programmed for completion in the early part of the 2024 calendar year.

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- 2.5 Work has been completed for Section 10 (Estuary side of Whakatu Drive).
- 2.6 The Martin Point connection contract has been awarded to Hunter Civil Ltd.
- 2.7 The tender documentation has been released to the market for sections 1, 2, 3 and 4.
- 2.8 The overall regional pipeline rehabilitation project programme has slipped back and is now on track for completion in the first half of 2024. The timeframe has slipped due to contractor availability.
- 2.9 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. There are a number of variations to the budgets which are discussed, with the budget overall remaining slightly in surplus year to date.
- 2.10 Financial performance to 31 March 2022 is above budget with a surplus year to date of \$282,000.
- 2.11 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.
- 2.12 The facilities management upgrade is recommencing now that the resource consent has been received. Earthworks for the foundation are now underway.
- 2.13 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 (R27636).

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.

4.2 A new and more encompassing Lock Out Tag Out (LOTO) process has been drafted and is still awaiting approval by Nelmac management. The new process is in use onsite while awaiting sign off.

4.3 Health and Safety Data for the period 1 February to 31 March 2023

Type	Total
Close Call (Near Miss)	3
Injury/Illness (Accident)	3
Subcontractor	1
Incident (Property damage)	2
Hazard Identification (Improvement)	3
Non Compliance	1

4.4 Detailed for the H&S incidents.

Classification	Date	Details	Follow up actions	Status
Injury/Illness (Accident)	1/02/2023	I was loosening the bolts on the aeration basin aerator A118 when the socket slipped and caught my little finger between the spanner and a bracket on the aerator. I was wearing leather gloves to minimise any incidents, but the spanner still slipped. I'm left	Nil – Appropriate PPE gloves were being worn.	Complete

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		with a blackened nail on my little finger on my left hand		
Incident (Property damage)	20/02/2023	Oyster catcher bird hit driver side mirror while driving, knocked glass out of mirror breaking the glass on the road.	Repair Wing mirror	Complete
Close Call (Near Miss)	21/02/2023	Summary: Rag in Sludge delivery was almost fed into the Primary Clarifier and would have blocked the pumps. 6m3 Sludge @ 8.2 % TSS	Need to develop procedure for determining where any dumps occur on-site. identify source and possible contaminants. Discuss at tailgate meeting	Complete
Non Compliance	23/02/2023	Loaned isolation padlock to another contractor. Job was safely carried out and finished. Contractor could not find key to remove padlock at end of job to restore to production. After searching for key, checked with supervisor to do isolation padlock removal procedure. No one able to cross causeway to directly supervise removal of padlock, so removal carried out over telephone.	Need to review the process for lock removal to ensure this gets followed correctly	Complete
Close Call (Near Miss)	28/02/2023	Recycle water tank containing acidic water located beside the HP pump shed was foaming and overflowing onto the ground.	Needs to be investigated as to how this occurred and ways to prevent this occurring - improved signage	Complete

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Hazard Identification (Improvement)	17/02/2023	Saxton pump station is having generator work performed where it is required to have overhead wires. Saxton pump station requiring low hanging signs and swing risk board	Temporary measures in place, contractor will install a permanent fixture	In Progress
Hazard Identification (Improvement)	24/02/2023	Temporary hose on top of the ATAD area is split and leaks strong gases and smells.	Across the walkways appears to be the weaker areas, create walk under with elbows to assist with releasing the tension.	Complete
Hazard Identification (Improvement)	27/02/2023	It has been noted on several occasions recently that better systems are required for sub-contractor management while they are working on site at Bell Island	Work in progress - this is noted and being worked on with induction system and permit// lockout etc	In Progress
Subcontractor near miss	7/03/2023	A contractor was using a knuckle boom style EWP on site to access the ATAD tank lids and walkway while installing some pipe work. When using the EWP the operator had repositioned the base by 90degrees to where they had started using it. As the operator came back down by lowering the working platform, they almost struck the sludge heat exchanger with the far end of the boom as it was now in a different position to when they went up. I managed to yell out to them to stop before they hit it or caused any damage. Because of the way these EWPs operate the operator needs to be watching several parts of the machine at the same time when working in and	Ensure that spotters are aware of EWP movements and surrounding hazards	Complete

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around structures. Although a spotter was there working with the operator, they were watching the working platform at the time and didn't notice the other end of the boom section getting close to the heat exchanger.

Injury/Illness (Accident)

9/03/2023

While accessing Saxton Island air valves the Bells boat outboard motor repeatedly keep cutting out and I strained my right shoulder while trying to restart the motor. We finally made it back to the boat ramp and the boat was taken to the mechanic for a service. 1 1/2 hours later when we returned to Saxton Island the boat ran fine for a short while and then started cutting out again which required multiple restarts and again put strain on my shoulder.

Boat has been serviced to resolve motor issues, keep close eye on shoulder strain and seek physio if required

Complete

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Close Call (Near Miss)	24/03/2023	High tide on 22/03/23 was at 11.42am and 4.3 meters. A lone sub-contractor from Nelson Electrical reported to me (AS) that he was carrying out work at the pump station around mid-day when he noticed several cyclists riding through the pump station and over the rock bund wall. When this happened again, he asked the cyclist why they were riding through the pump station and over the large loose rock wall. He was answered rudely that it was due to it being safer than riding through the seawater covering the cycleway. On inspecting the cycle way, he discovered that there was approx. 100mm - 150mm covering the asphalt surface	This is to be raised and taken further with NCC and will need to be raised with Waka Kotahi.	Complete from Nelmac perspective. NRSBU to address with Waka Kotahi
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- 4.5 The only issues that have no clear resolution are the issues associated with the Songer Street pumpstation. The NRSBU has installed a small storm surge defence bund at the pumpstation to reduce the risk of inundation in a storm surge event and to defend against sea level rise. When this bund was being planned NRSBU designed a solution that would raise the cycleway and would result in improved cycleway level of service.
- 4.6 To eliminate safety issues associated with cyclists and pedestrians from crossing the pumpstation when the cycleway is inundated at high tide, NRSBU propose to install a fence to prevent unauthorised access over the pumpstation. This will resolve this safety issue for NRSBU. This is particularly important when NRSBU staff and its contractors are working around open wet wells.

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4.7 Table 1 below shows a list of odour notifications for the period 1 February 2023 to 31 March 2023

Date	Details	Corrective Action
02/02/23	Odours likely from F3/ ponds	Seeding and dosing of Sodium Nitrate
02/02/23	Odours likely from F3/ ponds	Seeding and dosing of Sodium Nitrate
03/03	Likely Rabbit Island	Notified NMW
07/03	Rabbit Island	Late notification from TDC
20/03	Light ATAD odour – biosolids cover was destroyed in high winds	Arrange repairs ASAP to cover
26/03	Rabbit Island	Notified NMW

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:

5.2.1 Overflow screen construction at Songer St Pumpstation is complete and commissioning has been undertaken.

5.2.2 The solar power supply Licence and Options agreement has been completed and signed. The public release of this information has been prepared and is approved for release.

5.2.3 Inspection of pipework within Bell Island inlet area and at the interface with NCC pipework at Airport Pumpstation.

5.2.4 Repair of the chamber C18 and Bell Island grit removal system corroded concrete is now complete.

5.3 Projects underway at present include:

5.3.1 Moturoa Rabbit Island Biosolids discharge consent.

5.3.2 Rising main duplication works including negotiation with Barnicoat Developments Ltd for an easement across their site.

5.3.3 Emergency generators installation.

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- 5.3.4 Consideration of sites for overflow storage at Saxton Rd.
 - 5.3.5 Consideration regarding future options to adapt to sea level raise for pumpstations and the Bell Island facility.
 - 5.3.6 Condition assessment of the concrete rising main between Monaco and Bell Island.
 - 5.3.7 Sludge and Biosolids tank renewals.
 - 5.3.8 Bell Island facilities upgrade.
 - 5.3.9 Best Island foreshore rehabilitation planting has commenced.
 - 5.3.10 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.
 - 5.3.11 Designation of Bell Island.
 - 5.3.12 Pumps replacement at Beach Rd, Wakatu and Airport pumpstations.
 - 5.3.13 Commencement of Activity Management Plan preparation.
 - 5.3.14 Procurement and installation of isolation valves at the Bell Island inlet works. Valves have been procured, with installation starting in early June 2023 once the first valve arrives.
- 5.4 Site improvement works at Bell Island including:
- 5.4.1 Generator procurement and installation.
 - 5.4.2 Covers to chambers.
 - 5.4.3 Pond desludging and sea defence bund.
- 5.5 Other Bell Island Projects
- 5.5.1 Odour upgrade work on the ATAD system is nearly complete with commissioning waiting on the delivery of pressure/vacuum relief valves.
 - 5.5.2 Upgrade to the "reuse" water system is complete.
 - 5.5.3 Investigations into water treatment and piping requirements for industrial water users has commenced.
 - 5.5.4 Installation of isolation valves to rising mains at the treatment plant inlet structure has commenced, with valves ordered.

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- 5.6 Renewals and maintenance on buildings and equipment.
- 5.7 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.
- 6.2 The resource consent decision was received on Friday 14th April 2023 in the evening. The consent has several ambiguities, and the matters were discussed at an extraordinary meeting on 26 April 2023.
- 6.3 **Rabbit Island O&M contract** - The Biosolids application operations and maintenance contract is running smoothly.
- 6.4 **NRSS pipeline** – A significant amount of work is being undertaken on this project with multiple activities along the length of the pipeline, including:
 - 6.4.1 Section 8 (Saxton Rd) is now complete.
 - 6.4.2 Sections 5 – 7 (from Kotua Place to Saxton Road) have been tendered, and Ching Contracting has been awarded the work package and will commence work in June 2023. This package does not include the pipe bridge and pipework across Saxtons Creek which will be tendered separately.
 - 6.4.3 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 has been released to the market for tender.
 - 6.4.4 The Martin Point pipe connection works have also been tendered and tenders have been received. 2 tenders were received for the works and both tenders received were below the engineers estimates. Hunter Civil have been awarded the tender package, with work scheduled to start in August 2023.
 - 6.4.5 Overall, the progress has been good on the pipeline project.
- 6.5 **Desludging of the Bell Island ponds** is still in progress with Pond F2 being completed and work now underway 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. The slip material is currently being placed around the dewatering bags. Additional contaminated material is still being received due to slip remediation work continuing following Insurance approvals. This is complicating the construction.

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- 6.6 **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.
- 6.7 **Greenacre Golf Course Ultrafiltered Water Irrigation** – NRSBU is still working through the revised resource consent application for the pipe across the estuary from Bell Island to Best Island. This has slowed down the implementation of this project.
- 6.8 **Best Island Wastewater land treatment and disposal systems design** – NRSBU has engaged Lowe Environmental Impact Ltd (LEI) to undertake the concept design for the land irrigation system on the Best Island Farm. This review will include an outline of the development pathway for the irrigation systems, and an estimate of the volume of wastewater that will be able to be irrigated to the island.

7. Financial performance year to date.

- 7.1 The NRSBU year to date results have now been completed to 28 February 2023
- 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 28 February 2023 was in surplus by \$282,000.
- 7.1.2 The surplus has been generated principally by significantly higher than expected flows during July, and August and by several 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
- 7.2.1 Fixed recoveries were over budget by \$311,000 due to a different interest rate for the Weighted Average Cost of Capital (WACC) in the recovery calculation compared with budget.
- 7.2.2 Other recoveries including septage charges and sand sale royalties are \$168,000 ahead of budget for the year to date.
- 7.3 Expenditure
- 7.3.1 Management costs under budget by \$124,000 year to date, however these were more than offset by increased consultancy costs.

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- 7.3.2 Additional consultancy costs have been incurred associated with activity management works, work being undertaken to designate the Bell Island and NRSBU sites under Tasman District Plan.
 - 7.3.3 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 (TDC). Some costs are currently held by NRSBU and will be invoiced to TDC at year end.
 - 7.3.4 Costs associated with securing the solar licence agreements and PPA
 - 7.3.5 Support for information gathering for three waters entities.
 - 7.3.6 Resource consent variations for the issues outside NRSBU control associated with complying with Cultural Health Indexing requirements at the NRSBU pump stations
 - 7.3.7 Additional expenses will be incurred engaging consultants for support during the period May and June 2023 (and into the new financial year) to cover the NRSBU Activity Management Plan preparation now that the Three Waters Reforms have been delayed.
- 7.4 The monthly O&M costs for the Biosolids disposal contract remain higher than budget due to new contract rates and this trend will continue for the remainder of the year.
- 7.5 Officers would like to reiterate that inflationary pressures continue to be 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 continue to present further information on the likely impacts of these pressures as this comes available.

Item 6: Nelson Regional Sewerage Business Unit General Manager Update Report

Table 3 below shows the NRSBU Financial Report to 28 February 2023.

Nelson Regional Sewerage Business Unit								
Financial Report								
Income Account for the period to				28th February 2023				
		Budget Month	Actual YTD	% YTD	% Year	2022/23 Budget		
						YTD	Annual	YTD Variation
Income								
Contributions Fixed	551,745	512,750	4,413,959	108	72	4,102,000	6,153,000	311,959
Contributions Variable	301,803	370,083	3,414,843	115	77	2,960,667	4,441,000	454,176
Other Recoveries	27,990	27,500	388,430	177	118	220,000	330,000	168,430
Interest	11	-	66			-	-	66
Forestry Income	-	-	-			-	-	0
Total Income	881,549	910,333	8,217,298	113	75	7,282,667	10,924,000	934,631
Less Expenses								
Management	29,350	41,667	208,397	63	42	333,333	500,000	124,936
Electricity	24,169	76,999	692,456	112	75	616,000	924,000	(76,456)
Contract Maintenance	137,099	76,182	953,571	156	104	609,467	914,200	(344,104)
Reactive and Proactive Maintenance	157,485	83,542	549,293	83	56	659,200	988,800	109,907
Monitoring	7,366	23,084	152,652	83	55	184,667	277,000	32,015
Consultancy	4,352	6,250	377,419	755	503	50,000	75,000	(327,419)
Insurance	7,485	8,167	59,878	92	61	65,333	98,000	5,455
Sundry	6,276	8,500	79,972	118	78	68,000	102,000	(11,972)
Biosolids Disposal	93,493	80,000	760,657	119	79	640,000	960,000	(120,657)
Operating & Maintenance Expenses	467,075	404,391	3,834,294	119	79	3,226,000	4,839,000	(608,294)
Financial	135,259	97,250	991,110	127	85	778,000	1,167,000	(213,110)
Depreciation	232,150	253,250	1,857,204	92	61	2,026,000	3,039,000	168,796
Total Expenses	834,485	754,891	6,682,608	111	74	6,030,000	9,045,000	(652,608)
Net Income	47,064	155,442	1,534,690	123	82	1,252,667	1,879,000	282,022

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7.6 The NRSBU financial Position as of 28 February 2023 is shown in Table 4 below

Nelson Regional Sewerage Business Unit			
	Balance Sheet as at		28th February 2023
	Current	Last Month	June 2022
Equity			
Opening Equity (July)	64,555,224	64,555,224	55,695,341
Plus Net Income YTD	1,534,690	1,487,625	0
Plus Revaluation	0	0	8,859,883
Closing Equity	66,089,914	66,042,849	64,555,224
Contingency Reserve	100,000	100,000	100,000
	66,189,914	66,142,849	64,655,224
Which was Invested as follows -			
Current Assets			
Bank	9,189	9,178	8,559
Debtors	182,203	198,604	476,487
NCC Current account	1,800,917	1,761,180	0
Total Current Assets	1,992,309	1,968,961	485,046
Fixed Assets	96,865,858	96,274,643	92,939,947
Current Liabilities			
Creditors	(1,251,988)	(684,490)	0
NCC Loan	(2,858,000)	(2,858,000)	(1,570,000)
TDC Current Account	(558,266)	(558,266)	(186,437)
NCC Current account	0	0	(3,013,331)
Total Current Liabilities	(4,668,254)	(4,100,755)	(4,769,768)
Term Liabilities	(28,000,000)	(28,000,000)	(24,000,000)
Derivative Financial Instruments	0	0	0
	66,189,914	66,142,849	64,655,224

8. Inflow data

- 8.1 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.
- 8.2 Overall NRSBU has seen several peaking events for load and flow, with monthly peak events being above the design loading rate for the Bell Island facility. Despite this the Bell Island facility is performing well and is achieving the discharge consent requirements (except flow during prolonged high flow periods).
- 8.3 Monthly data for the Bell Island Wastewater treatment plant inflow.

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Inlet Trends

Year	Month	Monthly Inflow m ³	Average Daily Inflow m ³	Max Daily Inflow m ³	Year	Month	Inlet BOD5 Load kg/d	Max BOD5 load kg/day	Average Inlet TBOD5 mg/L
2022	April	140,747	14,075	18,536	2022	April	7,715	11,580	550
2022	May	415,727	13,858	19,132	2022	May	7,662	13,524	515
2022	June	780,086	26,003	41,356	2022	June	8,848	23,470	244
2022	July	909,620	29,343	61,745	2022	July	7,765	16,258	186
2022	August	1,076,814	34,736	90,136	2022	August	8,373	21,187	280
2022	September	496,098	17,107	43,550	2022	September	8,144	12,572	495
2022	October	522,793	16,864	38,113	2022	October	7,174	12,225	448
2022	November	490,909	16,364	25,243	2022	November	8,155	13,927	428
2022	December	464,416	14,981	19,171	2022	December	6,264	10,432	390
2023	January	456,554	14,728	23,539	2023	January	6,763	11,421	400
2023	February	430,181	15,364	21,340	2023	February	7,917	12,253	410
2023	March	458,739	14,798	18,532	2023	March	8,683	12,468	495
2023	April	66,009	16,502	19,465	2023	April	8,196	9,335	
Total		6,708,693	19,333	90,136					

Year	Month	Inlet TSS load Kg/day	Max Inlet TSS load Kg/day	Average Inlet TSS mg/L	Year	Month	Inlet COD Avg Kg/d	Inlet COD Max Kg/d	Inlet COD Conc mg/L
2022	April	7,279.52	10,843.56	508.00	2022	April	15,179	22,784	1,072
2022	May	7,822.11	19,514.64	558.50	2022	May	15,075	26,608	1,090
2022	June	10,136.83	32,097.60	382.83	2022	June	17,409	46,179	691
2022	July	7,464.82	26,091.20	287.74	2022	July	15,278	31,989	594
2022	August	7,366.44	18,576.18	248.97	2022	August	16,475	41,686	605
2022	September	8,618.81	29,518.58	514.93	2022	September	16,025	24,736	955
2022	October	6,131.65	14,603.34	379.68	2022	October	14,115	24,053	884
2022	November	9,693.90	34,751.00	592.67	2022	November	16,045	27,401	985
2022	December	6,284.35	17,073.99	415.97	2022	December	12,324	20,526	812
2023	January	6,996.39	23,920.05	476.13	2023	January	13,306	22,471	900
2023	February	7,297.36	15,155.42	471.79	2023	February	15,577	24,108	1,015
2023	March	7,519.20	19,325.48	507.74	2023	March	17,084	24,532	1,153
2023	April	4,778.06	8,272.63	278.33	2023	April	16,125	18,366	997

9. Discharge performance

9.1 The wastewater discharge performance from Bell Island WWTP has met all the consent discharge quality criteria for the period to 31 March 2023 with the exception of issues caused by the August 2022 Storm event, and an excess discharge on the 22 March 2023.

9.1.1 The excess discharge was caused by a mechanical failure to the discharge gate, allowing the gravity discharge to continue for longer than the consent duration. Staff have been unable to determine why the gate failed, as the fault has not been able to be replicated.

9.1.2 Of more concern is the SCADA system failing to generate an automated alarm to operators to advise that the gate had failed to close. Whilst this alarm was written into the site programming it appears to not have been carried through into the SCADA programming. Staff are working with NCC's SCADA contractors to determine the cause of this omission.

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9.1.3 To provide additional layers of protection the alarm suite is being upgrade to include additional alarms that notify operators if the discharge has run over time, or over volume.

9.1.4 A rationalisation process for NRSBU alarms has also commenced, and once completed will include a full alarm suite verification process. The verification process will be repeated annually, to ensure alarms continue to work as expected.

Discharge Consent

RM 171238 Consent Graphs

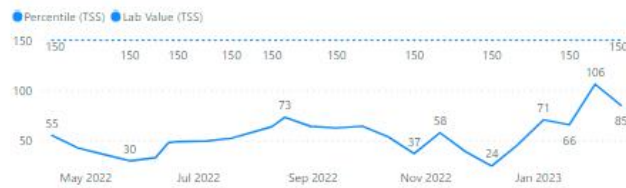
cBOD - Spot Value mg/L



cBOD - Median mg/L



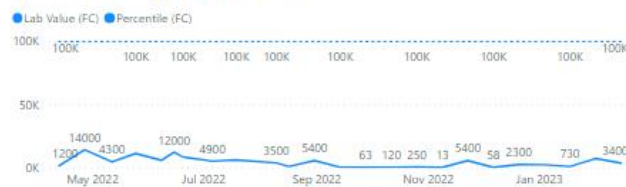
TSS - Spot value mg/L



TSS - Median mg/L



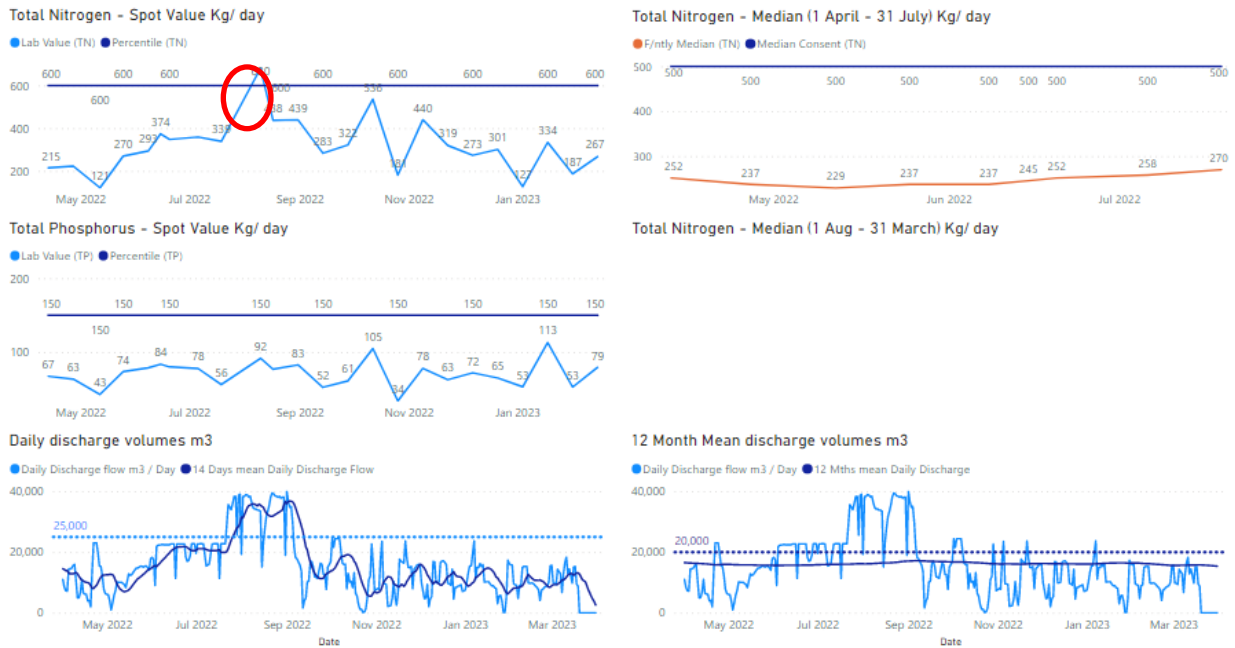
Faecal Coliform - Spot value cfu/100mL



Faecal Coliform - Median cfu/100mL



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9.2 The discharge nitrogen data circled in red for Bell Island treatment plant illustrates the effect of the high inflows received during July and August 2022. The nitrogen data was high due to the peak flow discharging a spike of nitrogen during high flow period.

10. NRSBU Resourcing

10.1 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.
Delegations <i>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:</i> <i>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.</i>

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Authorise all payments necessary for the operations and management of the business unit within the approved 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