

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

Friday 1 September 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) ([NDOCS-1974015928-495](#)) 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 (NDOCS-1974015928-495).

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

An apology has been received from Nelson City Councillor K Paki Paki

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 5 May 2023

7 - 10

Document number M20126

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 5 May 2023, as a true and correct record.***

6. Nelson Regional Sewerage Business Unit General Manager Update Report August 2023

11 - 21

Document number R27882

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report August 2023 (R27882).***

7. Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary **22 - 71**

Document number R27835

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary (R27835) and its attachments (1080325921-573 and 1080325921-577); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Annual Report 2022/23 (1080325921-573) and Financial Statements (1080325921-577) for presentation to Nelson City Council and Tasman District Council.***

Recommendation to Council

That the Nelson City Council and Tasman District Council

- 1. Receives the Nelson Regional Sewerage Business Unit Annual Report 2022/23 (1080325921-573) and Financial Statements (1080325921-577).***

8. Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover **72 - 80**

Document number R27834

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover (R27834); and***
- 2. Approves the carryover of capital (\$1.139M) and renewals budgets (\$2.563M) from 2022/23 financial year to the 2023/24 financial year, to ensure continuation of urgent and planned works.***

9. Nelson Regional Sewerage Business Unit Master Plan 2024-2075 **81 - 99**

Document number R27884

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Master Plan 2024-2075 (R27884) and its attachment/s (108325921-551); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Master Plan 2024-2075 (108325921-551)***

10. Nelson Regional Sewerage Business Unit Draft Activity Management Plan 2024 - 2034 **100 - 214**

Document number R27885

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Draft Activity Management Plan 2024 - 2034 (R27885) and its attachment (1080325921-575); and***
- 2. Approves the Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024-2034 (1080325921-575) for presentation to the Nelson City Council and Tasman District Council with delegation of all minor amendments to the Nelson Regional Sewerage Business Unit Chairperson and General Manager***

Recommendation to Council

That the Nelson City Council and Tasman District Council

- 1. Receive the Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024-2034 (1080325921-575) for review, and provide feedback to the Nelson Regional Sewerage Business Unit if required.***

11. Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25

215 - 235

Document number R27876

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25 (R27876) and its attachment (1080325921-570); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25 (1080325921-570) for submission to Nelson City Council and Tasman District Council for their consideration and feedback, with delegation of all minor amendments to the Nelson Regional Sewerage Business Unit Chairperson and General Manager.***

Recommendation to Council

That the Council

- 1. Receive the Nelson Regional Sewerage Business Unit Draft Business Plan 2024-25 (1080325921-570) for review, and provide feedback to the Nelson Regional Sewerage Business Unit, if required.***



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 5 May 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, Industry Representative (non-voting) P Wilson and Māori Representative B Hemi

In Attendance: Nelson City Council Group Manager Infrastructure (A Louverdis), General Manager Regional Sewerage and Landfill N Clarke, Manager Waters and Wastes (M Schruer), Team Leader Governance (R Byrne) and Senior Governance Adviser (H Wagener)

Apologies : Nil

1. Apologies

No Apologies

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 10 March 2023

Document number M20037, agenda pages 6 - 8 refer.

Resolved RSBU/2023/012

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.***

Dowler/Paki Paki

Carried

5.2 26 April 2023 - Extraordinary Meeting

Document number M20110, agenda pages 9 - 12 refer.

Resolved RSBU/2023/013

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.***

Paki Paki/Dowler

Carried

6. Nelson Regional Sewerage Business Unit General Manager Update Report

Document number R27636, agenda pages 13 - 31 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 odour issues and two instances of unplanned discharges, advising what measures had been put in place to avoid a recurrence.

Mr Clarke answered questions on the pipeline project.

Resolved RSBU/2023/014

That the Nelson Regional Sewerage Business Unit

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

Skinner/Dowler

Carried

7. Exclusion of the Public

Resolved RSBU/2023/015

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:***

Skinner/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>Extraordinary Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 26 April 2023</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> <p>(i) A right of appeal lies to any Court or tribunal against the final</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)
			decision of the local authority in those proceedings; or (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 c) Any proceedings of a local authority in relation to any application or objection under the Marine Farming Act 1971.

The meeting went into confidential session 10.07a.m. and resumed in public session at 10.10a.m.

The only business transacted in confidential session was to confirm the minutes. In accordance with the Local Government Official Information and Meetings Act, no reason for withholding this information from the public exists, therefore this business has been recorded in the open minutes.

Resolved RSBU/2023/016

That the Nelson Regional Sewerage Business Unit

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

Skinner/Dowler Carried

There being no further business the meeting ended at 10.13a.m.

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

Resolved

Item 6: Nelson Regional Sewerage Business Unit General Manager Update
Report August 2023



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit General Manager Update Report August 2023

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

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27882

1. Purpose of Report

1.1 This report is an update by the General Manager (GM) on activities undertaken to the end of June 2023 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Summary

- 2.1 The Operations and Maintenance contract is running smoothly. The contract governance team has met to discuss progress and is continuing to enhance the collaborative aspects of the contract.
- 2.2 The preliminary Target Outturn Cost for the 2023/2024 year has been agreed and aligns with the Nelson Regional Sewerage Business Unit 2023/2024 business plan budget.
- 2.3 Capital and renewals work implementation increased during 2022/23 with NRSBU completing \$8.16 million of the \$11.86 million budgeted capital work.
- 2.4 A carry over report has been prepared as a separate agenda item for the NRSBU board meeting.
- 2.5 There were four odour notifications for the period. Of these notifications three related to odour from biosolids that were of short duration during wind direction changes, and one was due to a cover over the biosolids tank being damaged during strong winds.

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- 2.6 The supplier for the Bell Island solar array is continuing development works. NRSBU officers have been asked whether a larger land area might be available on Bell Island to increase the size of the facility. This is under consideration.
- 2.7 The regional pipeline rehabilitation project is proceeding well.
- 2.8 The overall regional pipeline rehabilitation project programme remains on target for completion in the first half of the 2024 calendar year.
- 2.9 Financial performance to 30 June 2023 finished ahead of budget. Income was ahead of budget for both variable and fixed revenue, with total revenue ahead of budget by \$1.53 million.
- 2.10 Expenses were also higher than budget, with total expenses over budget by \$1,013,000.
- 2.11 Overall NRSBU ended the financial year with a surplus ahead of budget by \$518,590.
- 2.12 Consultancy costs remained high with external Activity Management support, valuation updates, support for the Bell Island site designation application, and consent applications for the reuse of wastewater at Greenacres contributing to the high consultancy costs.
- 2.13 The new contract costs remain above budget but within the agreed Target Outturn Cost.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Update Report August 2023 (R27882).***

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 Table 1 below shows a list of H&S notifications for May 2023 to 30 June 2023

Types of incident	Date	Description of incident	Remedial action	Status
Environmental	4/05/2023	Dropped box of vials	Cleaned, and disposed as required.	Closed
Near Miss	4/06/2023	Strained back lifting pipe.	Working on Proposal for changes to seeding system.	In progress
Property Damage	5/03/2023	Pipe strike cracked pipe.	repaired at contractors Cost	Closed
Property Damage	5/15/23	Bolt in pump damaged pump cable when lifting.	Cable repaired and reinstalled.	Closed
Injury	5/16/23	Cut from oyster shell.	Cleaned cut, and Covered with bandaid.	Closed
Hazard ID	5/17/23	Emergency procedures update review identification.	Discussed procdures at tailgate meeting	In progress
Near Miss	5/19/23	Ground subsidence agains existing asset.	Corrected alignment and backfilled and supported riser while backfilling.	Closed
Property Damage	6/06/2023	last glasses into sludge tanke	Discussed at Toolbox, and discussed lanyard use.	Closed
Injury	6/20/23	Vechile collision (- staff member run into from behind)	Significant Impact, medical advice sought, time off work	Closed
Property Damage	6/13/23	damage to trailer jockey wheel due to incorrect stowing.	repaired wheel and toolbox discussion on trailer use.	Closed
Near Miss	6/13/23	Sprayed with wastewater while cleaning.	fitted elbow to sampling point to direct floe to ground.	Closed

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.

- Generator switch over at Songer St Pumpstation.
- Generation installation and commission at Bell Island Inlet
- Overflow screening at Songer St Pumpstation.
- ATAD Odour control system.
- Trial septage facility system installed and commissioned.
- NRSBU Draft Masterplan completed.

5.3 Projects underway at present include:

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Report August 2023

- Moturoa Rabbit Island Biosolids discharge consent.
- Emergency generators installation.
- Consideration of sites for overflow storage at Saxton Rd, including negotiations for land acquisition for Saxton Road PS.
- 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
- Facilities Upgrade on Bell Island.
- Regional Wastewater Philosophy Development with Te Taihū Iwi.
- Designation of Bell Island
- Pumps Replacement at Beach Rd, Whakatu and Airport pumpstations.
- Water reuse plan development
- Emission management plan development
- Biosolids application facility tank cover design and construction.

5.4 Site improvement works at Bell Island include:

- Handrails repairs and maintenance to ATAD system.
- Pond desludging and sea defence bund.
- Solar power supply development discussions.

5.5 Other Bell Island Projects

- Repair of the inlet works corroded concrete is scheduled to occur during summer 2023/24.
- Installation of isolation valves to rising mains at the treatment plant inlet structure.
- Renewals and maintenance on buildings and equipment.

5.6 Greenacres Golf Course (Greenacres) water reuse consent has been granted, and a new application for consent for the pipeline across the causeway between Bells Island and Best Island has been submitted. This consent includes additional pipework for the Best Island irrigation system

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and ducting to future proof this pipe route to avoid needing to excavate this route in the future.

6. Update on Significant projects.

6.1 **Rabbit Island Biosolids Application Consent** –The Resource Consent was granted in April 2023. The NRSBU appealed the decision. The appeal is still underway, with the parties progressing informal mediation discussions.

6.2 **NRSS pipeline** – A significant amount of work is being undertaken on this project with multiple activities along the length of the pipeline.

- Construction is underway for Sections 6 – 7 (from Kotua Place to Saxton Road).
- Section 5– Discussion is continuing with Barnicoat Developments Ltd to secure the easement through the Heslops site.
- Sections 1- 4 tender was awarded to Hunter Civil Ltd. Construction is due to commence in November 2023
- Construction is due to commence on the Martin point interconnection section, to join the new Section 11 Pipe to the existing rising main. Hunter Civil Ltd is the successful contractor for this project.
- Overall, the progress has been good on the pipeline project.
- Inflationary costs have resulted in the project budget increasing by \$1.73 million over the duration of the project.

6.3 **Bell Island Site Designation** – NRSBU has begun preparing an application for the Designation of the NRSBU sites under the Tasman Regional Management Plan.

7. Finance

7.1 The result for the year ending 30 June 2023 has been finalised with a surplus ahead of budget of \$519,000 for the year to 30 June 2023. Total surplus for the year was \$2,407,590.

7.2 Income

- Fixed recoveries under budget by \$467,000.
- The final variable income was \$783,000 above budget due to significant rainfall inflows received during the year.
- Other recoveries including septage charges and sand sale royalties were \$260,000 over budget for the year.

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- Forestry assets increased in value by \$19,600 for the year.

7.3 Expenditure

- Management costs under budget by \$150,000 due to budgeted staffing roles not being filled. This reduced expenditure was more than offset by increased consultancy costs for Activity Management support related to the required work.
- Interest was \$367,000 over budget due to higher interest rates.
- Contract maintenance costs ended the year over budget by \$288,000.
- Consultancy costs were over budget by \$366,000. These costs relate to staff secondment, asset register & valuation works, works on NRSBU site designations, the aberrational overflow discharge consent, and Greenacres Golf Course consent and soil disturbance consent applications.

7.4 Officers would like to bring to the Boards attention the inflationary pressures across the construction industry at present. Significant increases to raw materials, fuel, plant, and labour costs will put pressure on budgets for maintenance and renewal/capital works activities over the next year.

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Table 2 below shows the NRSBU Financial Report to 30 June 2023.

Nelson Regional Sewerage Business Unit Financial Report								
Income Account for the period to 30th June 2023								
	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2022/23 YTD	Budget Annual	YTD Variation
Income								
Contributions Fixed	551,745	512,750	6,620,939	108	108	6,153,000	6,153,000	467,939
Contributions Variable	770,093	370,083	5,224,274	118	118	4,441,000	4,441,000	783,274
Other Recoveries	95,765	27,500	590,652	179	179	330,000	330,000	260,652
Interest	9	-	100			-	-	100
Forestry Income	19,600	-	19,600			-	-	19,600
Total Income	1,437,212	910,333	12,455,565	114	114	10,924,000	10,924,000	1,531,565
Less Expenses								
Management	43,300	41,667	350,156	70	70	500,000	500,000	149,844
Electricity	109,749	76,999	1,074,232	116	116	924,000	924,000	(150,232)
Contract Maintenance	124,869	76,182	1,381,884	151	151	914,200	914,200	(467,684)
Reactive and Proactive Maintenance	109,797	83,542	809,403	82	82	988,800	988,800	179,397
Monitoring	14,648	23,084	245,134	88	88	277,000	277,000	31,866
Consultancy	12,223	6,250	441,730	589	589	75,000	75,000	(366,730)
Insurance	30,077	8,167	112,409	115	115	98,000	98,000	(14,409)
Sundry	6,772	8,500	135,943	133	133	102,000	102,000	(33,943)
Biosolids Disposal	93,539	80,000	1,157,275	121	121	960,000	960,000	(197,275)
Operating & Maintenance Expenses	544,975	404,391	5,708,164	118	118	4,839,000	4,839,000	(869,164)
Financial	132,216	97,250	1,534,192	131	131	1,167,000	1,167,000	(367,192)
Depreciation	251,963	253,250	2,805,619	92	92	3,039,000	3,039,000	233,381
Total Expenses	929,154	754,891	10,047,975	111	111	9,045,000	9,045,000	(1,002,975)
Net Income	508,058	155,442	2,407,590	128	128	1,879,000	1,879,000	528,590
Capital Expenditure								
Renewals	(65,830)		1,082,918				3,646,403	
New Capital Expenditure	963,164		7,074,621				8,213,342	
Total Capital Expenditure	897,334		8,157,539				11,859,745	

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7.5 Table 3 below shows the NRSBU Financial Position as of 30 June 2023.

Nelson Regional Sewerage Business Unit			
	Balance Sheet as at	30th June 2023	
	Current	Last Month	June 2022
Equity			
Opening Equity (July)	64,555,224	64,555,224	55,695,341
Plus Net Income YTD	(0)	1,899,532	0
Plus Revaluation	6,031,416	0	8,859,883
Closing Equity	70,586,640	66,454,756	64,555,224
Contingency Reserve	100,000	100,000	100,000
	70,686,640	66,554,756	64,655,224
Which was Invested as follows -			
Current Assets			
Bank	7,052	3,478	8,559
Debtors	360,074	176,562	476,487
NCC Current account	0	0	0
Total Current Assets	367,126	180,040	485,046
Fixed Assets			
	104,342,883	97,645,865	92,939,947
Current Liabilities			
Creditors	(5,743)	(1,219,676)	0
NCC Loan	(370,000)	(1,050,000)	(1,570,000)
TDC Current Account	(1,209,996)	(558,266)	(186,437)
NCC Current account	(4,437,630)	(443,207)	(3,013,331)
Total Current Liabilities	(6,023,369)	(3,271,148)	(4,769,768)
Term Liabilities			
	(28,000,000)	(28,000,000)	(24,000,000)
Derivative Financial Instruments	0	0	0
	70,686,640	66,554,756	64,655,224

8. Carryover

- 8.1 NRSBU performance in delivery of the capital works programme has improved over the 2022/23 financial year, albeit that the capital renewals work on Bell Island have not been progressed as much as desired. The works on the regional rising main project have been successfully implemented.
- 8.2 Overall, the year have shown mixed performance, with specific projects with focussed management performing well, but those reliant on NRSBU officers languishing due to insufficient capacity.
- 8.3 The NRSBU capital delivery performance improved compared to the previous year with total capital expenditure of \$8.16 million from a capital budget of \$11.86 million including 2021/2022 carryovers.

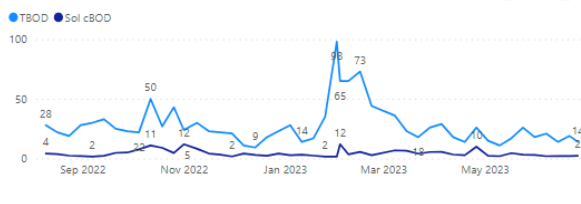
Item 6: Nelson Regional Sewerage Business Unit General Manager Update Report August 2023

8.4 A carry over report has been prepared to outline capital works undertaken, and the carry overs required to continue the capital and renewals programme in the 2023/2024 financial year.

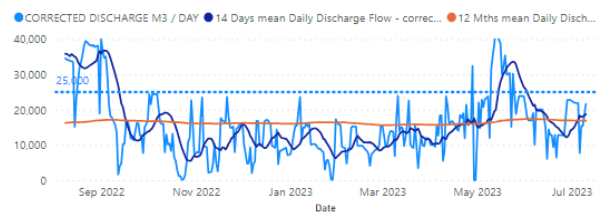
9. Discharge performance

The wastewater discharge performance from Bell Island WWTP has met all the consent discharge quality criteria for the period to 30 June 2023, however in addition to the extended discharge duration required during August and September 2022 a further extended discharge occurred during May 2023 to allow discharge of the extended high inflow rates received by NRSBU.

cBOD - Spot Value



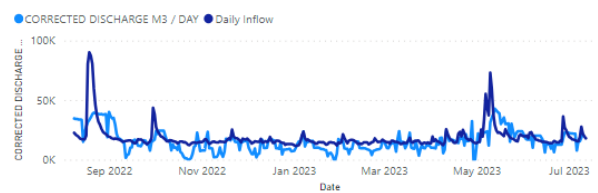
Corrected daily discharge volumes m3



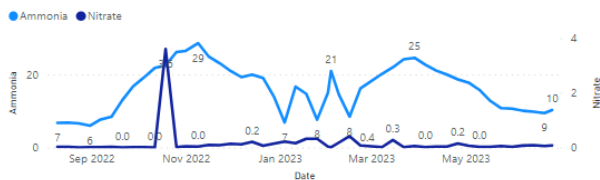
TSS - Spot value



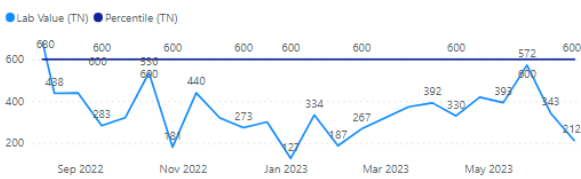
Inflow vs Outflow



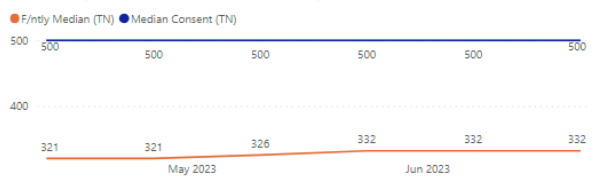
Ammonia and Nitrate by Date



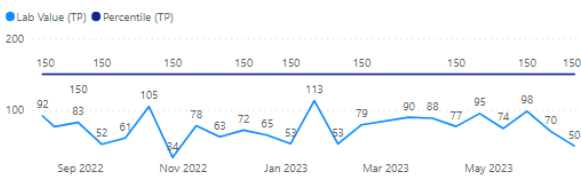
Total Nitrogen - Spot Value Kg/ day



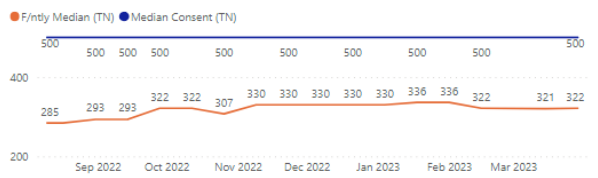
Total Nitrogen - Median (1 April - 31 July) Kg/ day



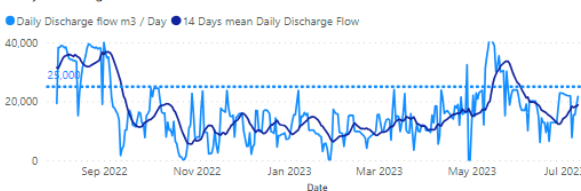
Total Phosphorus - Spot Value Kg/ day



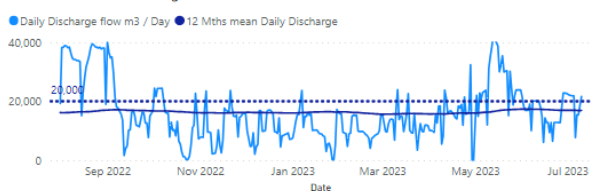
Total Nitrogen - Median (1 Aug - 31 March) Kg/ day



Daily discharge volumes m3



12 Month Mean discharge volumes m3



10. NRSBU Resourcing

- 10.1 The NRSBU resourcing constraints are leading to some capital and operational works being delayed or being implemented at a slower than desired rate.
- 10.2 The delay in delivery in these projects has resulted in the cost of some projects increasing due to the inflationary occurring between the time on budget and the time of commencement of the works.
- 10.3 NRSBU has recently had the request for an additional staff member approved by NCC and TDC CEOs. This role (Contract and sustainability engineer) will assist with the delivery of the overall programme of work for NRSBU. It is hoped that the role will be filled this calendar year.

<p>Important considerations for decision making</p>
<p>Fit with Purpose of Local Government</p> <p>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.</p>
<p>Consistency with Community Outcomes and Council Policy</p> <p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>
<p>Risk</p> <p>The risk of not approving the GM report is low. The report forms an update of the operations of the business unit over the last quarter.</p>
<p>Financial impact</p> <p>The financial impact of the General Manager report is low. The report forms an update of the operations of the business unit over the last quarter.</p>
<p>Degree of significance and level of engagement</p> <p>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. The financial impact of the General Manager report is low. The report forms an update of the operations of the business unit over the last quarter.</p>

Climate Impact

A key feature of the capital programme is the ability to implement systems to reduce greenhouse gas emissions and environmental and cultural issues. Carryover of funds allows these programmes to continue.

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 contracts 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 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

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23
Summary



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary

Report Author: Brad Nixon - Operations Manager Regional Services

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27835

1. Purpose of Report

1.1 To present the Nelson Regional Sewerage Business Unit (NRSBU) Annual Report for the 2022/23 financial year.

2. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary (R27835) and its attachments (1080325921-573 and 1080325921-577); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Annual Report 2022/23 (1080325921-573) and Financial Statements (1080325921-577) for presentation to Nelson City Council and Tasman District Council.***

Recommendation to the Nelson City Council and Tasman District Council

That the Nelson City Council and Tasman District Council

- 1. Receive Nelson Regional Sewerage Business Unit Annual Report 2022/23 (1080325921-573) and Financial Statements (1080325921-577).***

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23
Summary

3. Background

- 3.1 The Annual Report outlines what has been achieved by the NTRLBU in the 2022/23 financial year and its level of performance against Key Performance Indicators.
- 3.2 The full annual report is attached to this summary report. A brief discussion is included in this report for information.

4. Discussion

- 4.1 The Nelson Regional Sewerage Business Unit had a successful year, with treatment quality from the treatment plant meeting all required quality standards.
- 4.2 The NRSBU Net Income was above budget for the year.
- 4.3 There were 4 overflows from the conveyance system during the year resulting from 2 significant rainfall events. In each instance the flows being received by NRSBU were significantly in excess of the loads NRSBU contracted to accept from the customer.
- 4.4 There were two periods during the year where inflows exceeded the discharge capacity from the Bell Island Treatment plant and an extension to the discharge duration was requested until wastewater level was reduced to a manageable level.
- 4.5 The Regional Rising Main duplication project progress included the completion of two new sections of rising main (section 8 along Saxton Rd and section 10 across state highway 6), and tendering the remaining sections of the rising main, and the connection work package at Martin point. In addition section 5 – 7 along Kotua Place and Elm street began construction.
- 4.6 Health and Safety.
 - 4.6.1 The operation and maintenance contractor maintained a high level of health and safety vigilance.
 - 4.6.2 A number of safety system improvements occurred during the year following hazard identification notifications and near miss incidents.
 - 4.6.3 There was one lost time injury this year, resulting from a vehicle accident. The incident involved one of the operations and maintenance contractors' vehicles being struck from behind on a public road. No remedial actions were identified following review of the incident.

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary

4.7 Capital Projects

4.7.1 Capital expenditure for the year totalled \$8,156,907 and included the installation of:

- The ATAD odour system upgrade including ammonia scrubber, and second biofilter
- A standby Generator at the Bell Island inlet,
- A generator upgrade at Songer Street pump station, and connection improvements at Airport and Saxton Road pump stations.
- Pond de-sludging for Pond F1,
- Construction of the base level of the sea defence bund on Bell Island
- Pump station overflow screens and flooding resilience at Songer Street pump station
- The installation of an 3 additional sections of the regional rising main upgrade, and the tendering of the remainder of the pipework installation, excepting the final pump station connections.

4.7.2 Inflation has been high over the last two years, and this has affected the Budgets for projects spread over more than one year.

4.8 Environmental Performance

4.8.1 The effluent discharge quality has met the consent conditions for the year.

4.8.2 There were two periods during the year where NRSBU requested permission to extend the discharge from the facility when inflows exceeded the discharge capacity for a prolonged period.

4.8.3 The sludge treated at Bell Island consistently met the requirements for A Grade biosolids, and a consent renewal for the Rabbit Island Biosolids Application facility was granted, and NRSBU appealed some conditions of the new consent. The appeal has not yet been resolved.

4.8.4 Odour generation from the WWTP has generally been minor, with no notifications received that were deemed to exceed consent parameters.

4.8.5 There were several odour reports received relating to biosolids application. An independent odour auditor is engaged to monitor odour from the facility, and his services were engaged to verify these reports. As a result of three confirmed odour reports biosolids application was relocated to mitigate odour generation.

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23 Summary

- 4.8.6 Odour patrols carried out by an independent contractor have demonstrated that the residual odours at the treatment plant have been significantly reduced, but that occasional odours are still occurring.

5. Performance Measured Against Business Objectives and Performance Measures

- 5.1 The annual report includes a review of performance against the objectives described in the 2022/23 NRSBU Business Plan.
- 5.2 Performance measure targets and dates are set annually in the Business Plan, along with performance measures for projects identified in the Activity Management Plan.
- 5.3 Performance is reported to the Joint Committee and to the shareholding councils annually.

6. Key Successes

- 6.1 NRSBU supported Nelson City Council (NCC) and Nelson Airport in the aftermath of the August 2022 flooding event and managed a project to repair the access road and complete rock armouring to a section of waterway at the confluence of Poormans Valley Stream and Jenkins Creek to prevent further storm damage. The cost of the work was shared by the three parties and came in well under budget.
- 6.2 NRSBU supported NCC by accepting 30,000m³ of slip material from the Nelson region resulting from the August 2022 storm event. This avoided Nelson City needing the dump the material. NRSBU has utilised approximately half of the material in the construction of a sea defence bund on the south side of Bell Island and most of the remaining material will be used to finish the bund once the NRSBU pond desludging project has been completed.
- 6.3 The regional rising main construction continues to be proceeding well, but inflation is now affecting the overall project budgets.
- 6.4 Negotiations were completed for the development of a solar array on the Bell Island which when completed will allow the reduction in the NRSBU electrical costs and will reduce carbon emissions associated with the facility.

7. Financial Performance

- 7.1 The NRSBU achieved a surplus of \$2,341,896 compared to a budget surplus of \$1,879,000.
- 7.2 The principal driver for the variation was the significant increase in income to \$12,455,565, and the increases in costs to \$10,113,670.

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23
Summary

- 7.3 Total Revenue was \$1,531,565 over budget principally due to higher revenue from the major customers due to higher interest rate used in the recovery model and higher than budgeted operational costs recovered. In addition, there was increased income from septage operators, lease rentals and other recoveries.
- 7.4 The number of major customers reduced from five to four with ENZA leaving the scheme.
- 7.5 Total Expenses were \$1,078,670 over budget with Interest being \$432,873 over budget due to higher interest rates paid. In addition, the following items were over budget operations and maintenance costs (\$228,000), Biosolid disposal (\$197,000) Consultancy (\$178,000) and Electricity (\$150,000). These costs were partially offset by lower depreciation of \$288,000.

8. Conclusion

- 8.1 The NRSBU has had a successful year with a number of successful outcomes.

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 The risk of not approving the annual plan is that the Councils will have no annual report from the NRSBU actions for the 2022/23 financial year
Financial impact This report has covers funding approved by the Councils and comments on costs as outlined in the annual business plan and long-term plans.
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.

Item 7: Nelson Regional Sewerage Business Unit Annual Report 2022/23
Summary

Consultation is undertaken by both Councils in the preparation and adoption of these plans
Climate Impact A key feature of the capital programme is the ability to implement systems to reduce greenhouse gas emissions and environmental and cultural issues. The annual report outlines the achievement of these actions
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 contracts necessary for the operations and management of the Business Unit in accordance with approved Budgets and the intent of the Business Plan.</i> <i>Authorise all payments necessary for the operations and management of the business unit within the approve budgets and the intent of the Business Plan</i> <i>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.</i> <i>Powers to Recommend to Councils:</i> <i>Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding</i> <i>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</i>

Attachments

- Attachment 1: 1080325921-573 - Nelson Regional Sewerage Business Unit Annual Report 2023/24 [↓](#)
- Attachment 2: 1080325921-577 - Nelson Regional Sewerage Business Unit Annual Financial Statements 2022-23 [↓](#)

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

Report Author: Brad Nixon - Operations Manager Regional Services

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27834

1. Purpose of Report

- 1.1 To consider and approve the 2022/23 capital carryover requirements to 2023/24

2. Summary

- 2.1 A significant amount of renewal and capital upgrading work has commenced but has not been completed during the 2022/23 financial year. This work is necessary, and it is therefore important to carry over unspent capital from 2022/23 to 2023/24 to allow this work to be undertaken.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover (R27834); and***
- 2. Approves the carryover of capital (\$1.139M) and renewals budgets (\$2.563M) from 2022/23 financial year to the 2023/24 financial year, to ensure continuation of urgent and planned works.***

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

4. Background and Discussion

- 4.1 NRSBU has continued a challenging renewals and capital programme during the 2022/23 financial year. Good progress has been made on key capital projects, and capital delivery has improved compared to the 2021/22 financial year.
- 4.2 Business unit resource levels are lower than needed to meet the workloads and assistance has been provided by consultants, however delivery timeframes continue to be challenged. At the very end of the 2022/23 financial year the business unit engaged the services of a small project management firm to assist with project scoping and initiation.
- 4.3 Ongoing inflationary pressures continue to put pressure on budgets, whilst high contractor workload reduced availability during the first part of the year.
- 4.4 Decreasing demand for subdivisions over the second half of the financial year has relaxed the civil contractor market. This has resulted in some improved pricing and contractor availability for general civil works.
- 4.5 The following table details overall renewals and capital expenditure to the end of June 2023, along with the proposed carryover.

	Full Budget 2022/23	Total Spend 2022/23	Carryover
<u>Renewals</u>			
Total Renewals	\$ 3,645,815	\$ 1,082,918	\$ 2,562,987
<u>Capital</u>			
Regional Pipeline	\$ 7,159,509	\$ 3,489,763	\$ 3,669,744
Other	\$ 1,053,834	\$ 3,584,226	-\$ 2,530,392
Total Capital	\$ 11,859,157	\$ 8,156,907	\$ 3,881,930

- 4.6 Additional funding streams for consent required capital projects (including ATAD odour upgrade, pond desludging, the aberrational discharge consent and Rabbit Island consent) is included in the 2023/24 Business Plan. Work continued on these projects in 2022/23 utilising available funds from the rising main duplication project. These funding streams total \$2.6M.

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

4.7 The table below details renewals and capital works with carryover values above \$50,000.

	Full Budget 2022/23	Total Spend 2022/23	Carryover
Renewals			
Renewals: Buildings	\$367,565	\$90,023	\$277,542
Renewal: Sludge Storage	\$262,862	\$69,113	\$193,749
Renewal: Pump Stations & Rising Mains	\$753,027	\$294,628	\$458,399
Carryover - Aerators	\$1,625,513	\$0	\$1,625,513
Capital			
Regional Pipeline Duplication	\$7,083,313	\$2,921,307	\$4,238,200
ATAD Odour Upgrade	\$246,245	\$1,417,451	-\$1,171,206
Sludge Management in Ponds at Bell	-\$308,463	\$734,753	-\$1,043,216
Sludge Storage Tanks	\$742,621	\$1,877	\$740,744
Rabbit Island Tank Covers/Odour	\$384,617	\$0	\$384,617
Biosolids Application Consent	-\$197,829	\$178,196	-\$376,025
Aberrational Discharge Consent (EMP)	-\$106,974	\$21,093	-\$128,067

4.8 Specifics of proposed renewal carryovers are as follows:

4.8.1 Buildings: Work on the operator facility/workshop building has stalled this financial year. Design work completed during 2021 identified that the building site is subject to the Coastal Environment Area requirements, and therefore a resource consent is required to proceed with construction. A consent was applied for in early 2022 and was received in September 2022. Following the consent being granted review of the scope identified that the concept design required revision to expand the scope to ensure that the new facilities met legislative requirements, particularly around Workplace Health and Safety. Along with the altered scope, repricing of the project has been necessary due to the significant cost escalation that has occurred since the initial budgets were prepared. This has resulted in further delays.

4.8.2 Sludge Storage: Following going to market for the design and construction of a dual sludge/biosolids storage tank system pricing received significantly exceeded the available funding.

As a result, officers have reviewed the design and moved to a single new tank replacement for the existing storage tank, and either refurbishment or replacement of the biosolids tank. This reduction in scope should bring the budget back to within the available funding. The redesigned system makes use of other existing infrastructure to allow the proposed sludge storage tank to be taken out of service for maintenance.

The redesigned package is scheduled to go to market through the operations and maintenance contractor, to engage specialist

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

subcontractors to complete the work, during August and September, with works expected to commence prior to the end of this calendar year.

4.8.3 Pump Stations and Rising Mains:

- Work has commenced on parts of the pump station and rising main renewal programme, with a major control system and infrastructure upgrade well progressed.
- Concept design for the Airport pump station storm pump replacement has been completed, with work commencing on the detailed design. This requires some investigation work to be completed to confirm the condition of existing discharge pipework. Once investigations are completed a replacement pump will be procured and a contractor engaged.
- Discharge pipework upgrades at Wakatu pump station have been deferred slightly to allow works to incorporate replacement of the existing control shed, upgrade of the control board, and replacement of pumps. Concept design has been completed and detailed design is underway.
- The Beach Rd storm pump replacement has been delayed slightly to align with pump procurement for Airport and Wakatu, to ascertain if volume discounts can be obtained through a bulk order.
- The works to replace the pump pedestal and pump riser pipes in Songer pump station were deferred in 2022/23 to allow the overflow screen installation to be completed.

4.8.4 Biosolids Application Facility Tank Covers: The initial concept design for tank covers on Rabbit Island was unable to be implemented, due to the level of structural support required causing estimated prices to exceed the budget. Alternate solutions have been investigated, and a contractor procured through the operations and maintenance contract. Work is scheduled to start on the tank covers in August.

4.8.5 Aerators: There is a significant renewals project for the aeration basin with options review work commencing during 2021/22. Funding was held back again this year to allow staff to assess the suitability of Membrane Aerated Biofilm Reactors (MABR) for integration into the system. As well as reducing the aeration demand and/or increasing the treatment capacity of the aeration basin MABR also has potential to remove nutrients from effluent. Once this assessment is completed officers will be able to confirm the direction of a major overhaul – resulting in greater flexibility, and significantly improved power efficiency for the aeration basin.

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

4.9 Specifics of proposed capital carryovers are as follows:

4.9.1 Regional pipeline duplication: Work is ongoing to the pipeline duplication project.

- Construction of Section 8 (Saxton Road) was completed during 22/23.
- Construction of Sections 5-7 commenced in June 2023, with Ching Contracting awarded the project. Work is programmed for completion in early - mid 2024.
- The project to connect the recently lined estuary crossing (section 11) into the existing pipework from Martins Pt to Bell Island was awarded to Hunter Civil. Work is due to commence in late August and is programmed for completion this calendar year.
- Procurement of a Contractor for section 1-4 is complete, with Officers completing negotiations in early August. Work is currently programmed for completion in mid-2024.
- Designs for the final connection works to the Beach Rd and Saxton pump stations are progressing, with Saxton completed.

4.9.2 Autothermal Thermophilic Aerobic Digester (ATAD) Odour Upgrade: Physical works on the odour system upgrade for the ATADS and biosolid tanks is now completed, with commissioning underway. The project suffered some delays due to unavailability of pressure/vacuum relief valves.

4.9.3 Sludge Management:

- Pond desludging has been completed in pond F2 and substantially completed in pond F1. The sludge bags are now all installed, with the remaining capacity able to complete desludging of F1.
- A significant volume of spoil was generated during the August 2022 flood event. As an alternative to landfilling NRSBU accepted this spoil for use covering the sludge bund. To provide the bottom layer of bags with lateral support the bottom half of the bund earth fill has been installed. The remaining material to cover the bund is stockpiled on Best Island awaiting placement once bag filling has been completed.
- Officers are ensuring that the work being completed represents value for money and have engaged the dredging contractor on a cost reimbursable basis through the Operations & Maintenance contract. This has allowed

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

the local contractor to work around tides and weather effectively and combined with the focus on efficiency has seen work completed to date done at around 50% of the normal tendered market dredging rate.

- Due to increased sludge volumes, along with higher than expected sludge density the sludge bags in the bund reached capacity earlier than expected, with targeted desludging of F3 yet to be completed. Additional funding will be needed to proceed with this work, which is required under the consent for Bell Island. Officers are working to identify options for sludge disposal.

- 4.9.4 Sludge Storage Tanks: See 4.8.2. This funding also includes refurbishment of the existing biosolids tank, and construction of a new mixing and transfer system. The sludge and biosolids tank project also include replacing the existing submersible mixer systems with an externally pumped, nozzle mixing system which should improve in tank mixing, and reduce solids settleability.
- 4.9.5 Rabbit Island Tank Covers and Odour: The initial concept design for tank covers on Rabbit Island was unable to be implemented, due to the level of structural support required causing estimated prices to exceed the budget. Alternate solutions have been investigated, and a contractor procured through the operations and maintenance contract. Work is scheduled to start on the tank covers in August.
- 4.9.6 Biosolids Application Consent: The application for a new resource consent to continue application of biosolids to Moturoa/Rabbit Island went to a hearing. A number of the conditions required minor amendments, and one condition added by the commissioners required NRSBU to lodge an appeal to the Environment Court. Mediation on this condition is ongoing, and further costs will be incurred to obtain this consent.
- 4.9.7 Aberrational Discharge Consent: The final stage of baseline monitoring for the Environmental Management Plan for the consent has been completed. Work was needed during the year to alter the condition requiring Cultural Health Indexing (CHI) as a condition. NRSBU is now still required to obtain a CHI report, however this is not time bound as the provision of this is outside of NRSBUs control.

5. Options

- 5.1 Two options have been considered for the carryover – Approving the carryover and not approving the carryover. These are outlined in the table below.
- 5.2 Officers support Option 2 – approving the carryover.

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

Option 1: Do not approve the carryover	
Advantages	<ul style="list-style-type: none"> • Less money will be spent, resulting in lower financing costs to contributors. • Less stress on Regional Service staff due to fewer capital and renewal projects
Risks and Disadvantages	<ul style="list-style-type: none"> • The capital upgrade works will not be undertaken resulting in environmental and performance issues. • Non-compliance with resource consent conditions • More stress on Regional Service staff because of increased maintenance requirements, along with managing environmental and performance issues
Option 2: Approve the carryover	
Advantages	<ul style="list-style-type: none"> • The capital projects will be able to continue. • Upgrades will be possible to reduce environmental and performance issues • Compliance with resource consents
Risks and Disadvantages	<ul style="list-style-type: none"> • Regional services staff will be stressed delivering the capital projects (although assistance is now available from Contractors new Treatment Projects Manager) • More capital money will be spent, which will increase the financing costs to contributors.

6. Conclusion

- 6.1 It is recommended that \$2.563M of renewal and \$1.139M of capital funds be carried forward into 2023/24. Of these figures \$3.75M has already been committed either via standalone projects or the operations and maintenance contract.
- 6.2 Expenditure of carryover funds is programmed for completion in 2023/24.

Attachments

Nil

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

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 The risk of not approving the carry-overs is that contracts awarded and equipment ordered will not be able to be completed, and that urgent and planned works will not be able to be undertaken.
Financial impact This report has considered funding approved by the Councils and transfers capital funding to allow the delivery of the required capital upgrades as outlined in the annual and long term plans.
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 A key feature of the capital programme is the ability to implement systems to reduce greenhouse gas emissions and environmental and cultural issues. Carryover of funds allows these programmes to continue.
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</i>

Item 8: Nelson Regional Sewerage Business Unit 2022/23 Capital and Renewal Update and Carryover

the Board, and in particular the Board shall without the need to seek any further authority from the Councils:

Enter into all contracts 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



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit Master Plan 2024-2075

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

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27884

1. Purpose of Report

1.1 To approve the overarching Master Plan (MP) developed for the Nelson Regional Sewerage Business Unit (NRSBU) assets for a 50 year period.

2. Summary

2.1 This MP has been documented to provide long term direction for the business unit and its assets, and to allow the development of shorter term Plans - Infrastructure Strategies (30-year focus), Activity Management plan (10 year focus) and Annual Plan (1 year focus) – that follow the overarching direction outlined in the Master Plan.

2.2 The MP has been developed based on the directions discussed with the NRSBU Joint Committee; feedback received from Iwi via the Regional Wastewater Philosophy, annual hui and consent applications; considerations with respect to environmental issues including climate change; consideration of growth within the region; consideration of technology and the potential changes in technology over time; and in regard to the capital and operational costs for wastewater facilities.

2.3 Sitting alongside the NRSBU MP is the work underway between the NRSBU, the two Councils and eight Te Tau Ihu iwi on a Regional Wastewater Philosophy (RWWP). Whilst the RWWP is not yet complete it is intended these two pieces of work will complement each other going forward.

Item 9: Nelson Regional Sewerage Business Unit Master Plan 2024-2075

- 2.4 This MP is intended as guiding document for the actions set out in NRSBU's Activity Management Plan and annual plans which are being prepared at present.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

1. ***Receives the report Nelson Regional Sewerage Business Unit Master Plan 2024-2075 (R27884) and its attachment/s (108325921-551); and***
2. ***Approves the Nelson Regional Sewerage Business Unit Master Plan 2024-2075 (108325921-551)***

4. Background and Discussion

- 4.1 In order to make effective and efficient decisions on short and medium term projects, it is important to understand how the projects fit into the longer term goals and aspirations for the activity being undertaken.
- 4.2 With wastewater infrastructure many of the decisions made are intended to cover a very long period (up to 100 years), and therefore it is important to outline the intended long term outcomes and risks for the activities, so that the short and medium term decisions drive the activity toward the long term vision in an efficient way.
- 4.3 For the NRSBU a lot of investment is likely to be required in the future. This investment will result from the expected changes to the climate and environment, the changing populations within the region, and with regard to technological innovation and evolving requirements for wastewater treatment quality.
- 4.4 It is expected that these changes will be required irrespective of the governance arrangements for the wastewater entity, however the solutions adopted may change depending on the actual influences experienced over time.
- 4.5 It is therefore appropriate to prepare a plan for the long term future of the NRSBU wastewater treatment assets, including the overarching methodology for adapting the plan to account for future changes.
- 4.6 It is not expected that the MP will have answers to all of the short term planning or technical challenges, but having a long term plan can assist staff to decide on what solutions to consider when issues arise.
- 4.7 The documentation of the MP allows for consideration of the initial long term aspirations and allows a broader discussion on the long term aspirations to occur within the community.
- 4.8 It is anticipated that the MP will be a living document, that will be considered on a three yearly basis and that it will have iterative

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improvements over time as knowledge, technology, and understanding of cultural and community aspirations improve.

5. Specific Master Plan considerations

5.1 NRSBU is intending to use an adaptive planning approach to remain flexible in the face of new information, while still signalling clear intentions, and allowing staff to make current decisions in the context of future selected pathways.

5.2 A number of factors are included in the MP with options for managing these factors in the future. These factors include, but are not limited to:

- Public health and environmental outcomes
- Risk management
- Community and cultural values
- Climate change
- Inflow and Infiltration
- Growth in Demand
- Emission management
- Affordability
- Legislation
- Resource recovery, including reuse of wastewater

5.3 This approach has identified a “most likely scenario” for wastewater within the region as it applies to the NRSBU assets based on the above considerations. It outlines a range of responses that might be required to implement the “most likely scenario”.

6. Options

The MP forms a long term vision that can form the basis against which shorter term plans can be considered. Options for consideration regarding the MP approval are outlined below:

Option 1: Do not approve the Master Plan	
Advantages	<ul style="list-style-type: none">• Less work for staff and the Council to consider.• Less cost for consultation
Risks and Disadvantages	<ul style="list-style-type: none">• Potential for Activity Management Plans and other shorter term plans to include projects that do not efficiently move the wastewater services toward the future goals.

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	<ul style="list-style-type: none"> • Less clarity on the future financial considerations for wastewater treatment and disposal within the region. • Less ability to influence the outcomes for the community in a staged and affordable way. • Less ability to understand and adopt technical or planning changes, that might improve efficiency in the delivery of the services or reduce risks with the services over time.
Option 2: Approve the Master Plan – Recommended Option	
Advantages	<ul style="list-style-type: none"> • Allows the long-term direction to be considered and changed if it doesn't reflect the actual aspirations of the region, without resulting in inefficient planning and development. • Allows proactive development of the long-term goals over time and includes a mechanism to include evolving aspirations of the community in regard to the wastewater service. • Allows clear understanding of the cultural considerations associated with the service delivery and how these might influence future requirements. • Allows clear understanding of the climate, risk and cost considerations influencing the service delivery and how these might influence future requirements. • Allows planning for expenditure over a significantly longer timeframe, so that earlier staging of the infrastructure changes is possible, and changes are more affordable.
Risks and Disadvantages	<ul style="list-style-type: none"> • Will require engagement with the community. • May not be adopted due to the changes being proposed through the Affordable Waters legislation. • Outlines significant long-term expenditure that might not be currently anticipated in the shorter-term plans. • May take the focus away from some shorter-term issues and could possibly influence the implementation of existing shorter term projects.

7. Conclusion and Next Steps

- 7.1 The MP is a document that can be used to support long term planning, and also supports the staff and councils in identifying efficient solutions that move the community toward the long term goals.

<p>Important considerations for decision making</p>
<p>Fit with Purpose of Local Government</p> <p>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.</p>
<p>Consistency with Community Outcomes and Council Policy</p> <p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>
<p>Risk</p> <p>The risk of not approving the plan is that current actions may not result in the benefits expect over the long term, and the value in infrastructure investments may not be fully realised.</p>
<p>Financial impact</p> <p>This report considers long term planning with a vision to improving efficiency of service delivery. It will also allow improved planning for future funding.</p>
<p>Degree of significance and level of engagement</p> <p>This matter is of low significance to NCC and TDC because it only applies to a small fraction of their infrastructure, and is also intended to support improved understanding of future needs. Future consideration of the MP, and feedback from the Councils, and the community would be anticipated in future.</p>
<p>Climate Impact</p> <p>The MP includes consideration of the implication on wastewater services resulting from climate change. This includes the effects of increased extreme weather and rainfall, and sea level rise.</p>
<p>Inclusion of Māori in the decision making process</p> <p>No engagement with Māori has been undertaken in preparing this report, but Iwi are represented on the NRSBU joint committee.</p>
<p>Delegations</p> <p><i>The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be with</i></p>

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the Board, and in particular the Board shall without the need to seek any further authority from the Councils:

Enter into all contracts 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 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

Attachment 1: 108325921-551 - Nelson Regional Sewerage Business Unit Master Plan Draft V1 [↓](#)



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit Draft Activity Management Plan 2024 - 2034

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

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27885

1. Purpose of Report

1.1 To approve the Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024 – 2034 (AMP) for circulation to the Tasman District Council (TDC) and Nelson City Council (NCC) for their consideration and feedback.

2. Summary

2.1 The AMP is tabled for discussion and approval at this meeting.

2.2 The AMP focusses on reducing operating risks, resolving capacity constraints, and improving systems to allow improved performance.

2.3 It reflects the priorities and timing while spreading out the expenditure. At present the programme of works is ambitious, however has been written to ensure ongoing compliance with resource consent as well as to continue to work towards achieving the strategic goals set out by the NRSBU Board.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

1. Receives the report Nelson Regional Sewerage Business Unit Draft Activity Management Plan 2024 - 2034 (R27885) and its attachment (1080325921-575); and

2. ***Approves the Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024-2034 (1080325921-575) for presentation to the Nelson City Council and Tasman District Council with delegation of all minor amendments to the Nelson Regional Sewerage Business Unit Chairperson and General Manager.***

Recommendation to Nelson City Council and Tasman District Council

That the Nelson City Council and Tasman District Council

1. ***Receive the Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024-2034 (1080325921-575) for review, and provide feedback to the Nelson Regional Sewerage Business Unit if required.***

4. Background

- 4.1 The NRSBU Memorandum of Understanding (MOU) outlines a number of activities required by the NRSBU along with specified timing for these activities.
- 4.2 The MOU requires that the AMP is updated every three years.
- 4.3 The NRSBU Board has previously adopted a set of strategic objectives as part of the 2021 – 2031 AMP, and subsequent Business Plans. This AMP continues the work programme to meet the strategic objectives.

5. Discussion

- 5.1 The AMP includes a significant amount of capital expenditure throughout the 10-year period, and the direction included in the Master Plan shows that further spending will be required in the decades following this 10 year plan.
- 5.2 This capital expenditure is required to implement a number of improvements to the capacity of the regional pumping and pipework network. The plan includes additional features to allow improved maintenance, and resilience to avoid overflows from the network.
- 5.3 Catchment specific information is required to ensure that the NRSBU AMP accurately programmes expenditure in the right place, at the right time. Without this information NRSBU have made assumptions around these triggers. Some of the catchment flow predictions are still based on NRSBU's estimations of growth rather than confirmed modelling outputs from contributors.

6. Capital Expenditure

- 6.1 The AMP sets out an expenditure profile that smooths the capital works expenditure over the first half of the decade, with expenditure ramping up towards the end of the decade.
- 6.2 The first 3 years of the programme are generally centred around capital works that are required to continue to convey the flows that contributors send, or to treat those flows once conveyed to the treatment plant.
- 6.3 There are some activities included in years 1-3 that relate to expansion of the alternative disposal capacity (eg land irrigation to pasture, forest or recreational facilities and re-use via industry)
- 6.4 Capital expenditure is required to:
- Implement land application systems,
 - Acquire land to allow adaption and managed retreat resulting from sea level rise, plus complete infrastructure construction as a result,
 - Implement treatment plant changes to increase capacity,
 - Expand the conveyancing network to better meet the future growth needs of contributors,
 - Reduce adverse effects on the community and,
 - Improve the resilience of our systems and facilities.
- 6.5 This expenditure will increase the debt held by NRSBU and will result in an increased debt funding cost.
- 6.6 NRSBU strategic objectives detail a N+1 redundancy policy. This means that we will have sufficient capacity to allow our facilities and systems to operate while one unit is maintained or replaced. The AMP includes an allowance for the changes to levels of service related to redundancy and resilience.
- 6.7 In the longer term increasing peak wet weather flow will transition some pump stations to duty/assist configuration for storm pumps, in which case a 4hr standby pump will be required to maintain levels of service. The AMP reflects the costs of these upgrades.
- 6.8 At present several of our assets have no redundant capacity which prevents effective maintenance, and also means that when they fail NRSBU has an immediate loss of service.

7. Operational Costs

- 7.1 The costs to run the NRSBU will increase significantly over the next 10 year. These cost increases are largely related to:
- Increased financial costs (this is the primary driver of operational cost increases):

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- Higher debt servicing costs, due to both increased debt levels and elevated interest rates.
- Higher depreciation due to increases to the asset base.
- Consequential operational costs (eg electricity, chemicals, operations and maintenance) as a result of improved conveyance and increased flow and load management, along with improvements to effluent quality as required by re-use activities.
- Diverting waste discharges away from the estuarine environment and applying it to land or reusing it for beneficial purposes.
- Increased capacity associated with growth.
- Increase monitoring and operational costs associated with new resource consents.

7.2 The rate of cost increase will depend on the speed at which we implement the programme of capital expenditure activities.

8. Risk and Uncertainty

8.1 The three waters sector in New Zealand is undergoing a significant period of uncertainty with the Affordable Waters reforms.

8.2 There are some significant changes likely to occur during the term of the AMP, including the likelihood that the Affordable Water reforms will result in significant change to the way the NRSBU operates. At this time no allowance for this has been made, and it has been assumed that NRSBU will continue its business as usual.

9. Conclusion and Next Steps

9.1 The AMP has been prepared to the best of the ability of the NRSBU staff based on the NRSBU strategic objectives as previously adopted by the Board through the 2021-31 AMP and incorporating the foreseeable changes to the inputs to the NRSBU business.

9.2 There continues to be significant uncertainty in several areas which may affect the accuracy of the AMP, particularly in areas related to central government water reforms.

9.3 NRSBU may need to obtain additional resources to deliver the programme of works required by the AMP.

9.4 The Draft NRSBU Activity Management plan 2024-2034 to be circulated to Nelson City Council and Tasman District Council for their review and feedback.

9.5 Following receipt of any comments NRSBU will update the document as required for approval at the March 2024 NRSBU Board meeting.

<p>Important considerations for decision making</p>
<p>Fit with Purpose of Local Government</p> <p>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.</p>
<p>Consistency with Community Outcomes and Council Policy</p> <p>The NRSBU Activity Management Plan feeds into the NCC and TDC Activity Management Plans</p>
<p>Risk</p> <p>This report allows the Councils and community to comment on the 10 year proposed management of the Nelson Regional Sewerage Scheme. Should the AMP not be approved for distribution to NCC & TDC there is a risk that this may delay the preparation & adaptation of the Councils AMPs.</p>
<p>Financial impact</p> <p>The AMP reflects implementation of critical upgrades, as well as projects that mitigate environmental and cultural impacts. Some of these upgrades a crucial to conveying and treating the wastewater volume already discharged by contributors.</p> <p>The programme of capital works proposed by the NRSBU will result in increased costs, through both increased operational requirements and debt funding. These costs are set out in the AMP.</p>
<p>Degree of significance and level of engagement</p> <p>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.</p>
<p>Climate Impact</p> <p>A key feature of the NRSBU AMP is the ability to implement systems to reduce greenhouse gas emissions and mitigate environmental and cultural issues. Furthermore the impacts of climate change are considered significantly in the NRSBU AMP.</p>
<p>Inclusion of Māori in the decision making process</p> <p>No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board. NRSBU have been</p>

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extensively involved in discussions with iwi regarding the long term future of wastewater management in the Te Tau Ihu rohe, and learnings from this process are reflected in the AMP where applicable.

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 contracts 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

Attachment 1: 1080325921-575 - Nelson Regional Sewerage Business Unit draft Activity Management Plan 2024-2034 [↓](#)



Nelson Regional Sewerage Business Unit

1 September 2023

Report Title: Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25

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

Report Authoriser: Alec Louverdis - Group Manager Infrastructure

Report Number: R27876

1. Purpose of Report

1.1 To provide the Nelson Regional Sewerage Business Unit (NRSBU) draft Business Plan 2024/25 to the Committee and to seek approval for circulation to Nelson City Council (NCC) and Tasman District Council (TDC) for review and feedback.

2. Summary

2.1 The draft Business Plan (BP) (1080325921-570) is attached for approval at this meeting. The draft BP has been developed based on the draft NRSBU Activity Management Plan (AMP) 2024-34 (1080325921-575) to be presented to the Nelson City and Tasman District Councils for feedback in 2023/34.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25 (R27876) and its attachment (1080325921-570); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Draft Business Plan 2024/25 (1080325921-570) for submission to Nelson City Council and Tasman District Council for their consideration and feedback, with delegation of all minor amendments to the Nelson***

Regional Sewerage Business Unit Chairperson and General Manager.

Recommendation to Nelson Cit Council and Tasman District Council

That the Council

- 1. Receive the Nelson Regional Sewerage Business Unit Draft Business Plan 2024-25 (1080325921-570) for review, and provide feedback to the Nelson Regional Sewerage Business Unit, if required.***

4. Background and Discussion

- 4.1 The NRSBU Memorandum of Understanding (MOU) outlines several activities required by the NRSBU along with specified timing for these activities.
- 4.2 The MOU also requires that the NRSBU prepare a draft Business Plan and that this be presented to the councils by 31 December each year.
- 4.3 A draft Business Plan has been prepared to reflect the activities proposed in the first year of the draft NRSBU Activity Management Plan 2024 – 2034 (AMP).

5. Operational Costs

- 5.1 The costs to run the NRSBU during 2024/25 increase compared to 2023/24 reflecting the increased focus on asset management, preparation for the three waters transition, and improvements to reuse and discharge systems. In addition, power and financing costs also increase.
- 5.2 The draft BP is based on assumptions and data associated with costs incurred during the 2022/23 financial year and projected costs for the 2023/24 financial year.
- 5.3 Ongoing resource constraints are being experienced within Regional Services, and the BP has been prepared on the basis that the Regional Services Contract and Sustainability Officer role will be filled during the 2023/24 financial year.

6. Capital Works Programme

- 6.1 The Business Plan outlines the expected expenditure over the 2024/25 financial period based on the AMP, and for the following two years. It also outlines the revised projected 10 year capital expenditure plan, which aligns with the AMP.
- 6.2 This capital expenditure is required to implement several improvements to the capacity of the regional pumping and pipework network. The AMP includes additional features to allow improved maintenance, and

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resilience to avoid overflows from the network that could contaminate the Waimea Estuary.

- 6.3 The BP includes improvements to capacity at the Bell Island treatment facility to accommodate the increased flows that will be received once the regional rising main is completed.
- 6.4 An opportunity has arising for NRSBU to obtain land adjacent to the Saxton pump station. This has arisen as a result of the subdivision of the old Turners and Growers site.
- 6.5 Key aspects of this draft BP include:
- 6.5.1 Improvement to the hydraulic capacity at the Bell Island WWTP
 - 6.5.2 Investment in additional secondary treatment capacity to increase peak flow treatment ability and to allow treatment of additional volume for reuse.
 - 6.5.3 Expansion of land disposal capacity on Bell Island
 - 6.5.4 Continuation of desludging of ponds at the WWTP to meet consent requirements.
 - 6.5.5 Commencement of duplication of the discharge pump and upgrades to the discharge metering system.
 - 6.5.6 Data collection and visualisation improvements
 - 6.5.7 Land purchase at Saxton pump station for future storage and/or expansion.
 - 6.5.8 Budget balancing on the rising main duplication works to offset cost inflation impact on budgets.

7. Options for NRSBU draft Business Plan

- 7.1 The following table outlines three options for the NRSBU draft Business Plan 2024/25. Officers support option 3.

Option 1: Do not adopt the Draft Business Plan	
Advantages	<ul style="list-style-type: none">• There are no advantages
Disadvantages	<ul style="list-style-type: none">• NRSBU will not be meeting the requirements of the Terms of Reference adopted by Nelson City and Tasman District councils.• NRSBU will not have approval to continue its works programme.• NRSBU will not meet its legal requirements, capital works programme, health and safety obligations or performance targets.

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	<ul style="list-style-type: none"> • System improvements to meet consent requirements and levels of service would not be carried out – this could result in consent condition breaches and subsequent infringements.
<p>Option 2: Request amendments to the draft Business Plan prior to submission to NCC and TDC for feedback.</p>	
Advantages	<ul style="list-style-type: none"> • Allows the NRSBU board to consider and modify the scope of proposed capital works or the timing of the proposed capital works.
Risks and Disadvantages	<ul style="list-style-type: none"> • If significant changes are made, the revised Business Plan will not be available in time to meet the 31 October due date required by both Councils in the NRSBU Terms of Reference. • May require rework of the plan and approval of the revised plan if significant changes are made to the scope or timing of the capital works. • Regional services staff capacity will be exceeded.
<p>Option 3: Adopt the Draft Business Plan and submit to NCC and TDC for feedback – recommended option.</p>	
Advantages	<ul style="list-style-type: none"> • Allows continuation of existing capital programmes. • Allows ongoing renewal and upgrade of the scheme. • Allows NCC and TDC to include this in their consultation process. • Allows NCC and TDC to provide feedback in a timely manner for NRSBU consideration
Risks and Disadvantages	<ul style="list-style-type: none"> • Requires additional capital expenditure.

8. Conclusion and Next Steps

- 8.1 The draft BP matches the timing & expenditure outlined in the draft NRSBU AMP 2024-34.
- 8.2 The draft BP will be circulated to Nelson City Council and Tasman District Council for their feedback.
- 8.3 Following receipt of any feedback NRSBU will update the document as required for approval at the March 2024 NRSBU Board meeting.

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

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<p>contributes to the four Local Government well-beings of social, economic, environmental, and cultural.</p>
<p>Consistency with Community Outcomes and Council Policy</p> <p>The NRSBU Business Plan feeds into the NCC and TDC Annual Plans and the Business Plan has been prepared based on the NRSBU 2024 - 2034 Activity Management Plan.</p>
<p>Risk</p> <p>This report includes allowance or mitigation of environmental and business continuity risks. The business plan will be submitted to TDC and NCC for feedback, this feedback will be considered by the Board. The risk of not approving the business plan is that this could delay the NRSBU implementing the works outlined and could result in significant adverse effect environmentally, financially and to the sustainability of wastewater in the Nelson Tasman Region.</p>
<p>Financial impact</p> <p>The NRSBU draft Business Plan 2024/25 incorporates the capital and operational costs set out in the NRSBU draft Activity Management Plan 2024-34.</p>
<p>Degree of significance and level of engagement</p> <p>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.</p>
<p>Climate Impact</p> <p>A key feature of the capital programme is the ability to implement systems to reduce greenhouse gas emissions and environmental and cultural issues. Furthermore the impacts of climate change are considered significantly in the NRSBU AMP, upon which this Business Plan is based.</p>
<p>Inclusion of Māori in the decision making process</p> <p>No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.</p>
<p>Delegations</p> <p><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></p>

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Enter into all contracts 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 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

Attachment 1: 1080325921-570 - Nelson Regional Sewerage Business Unit Business Plan 2024-25 Draft V0 (Sept 2023) [↓](#)

