

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

Friday 17 November 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

Nil

2. Confirmation of Order of Business

3. Interests

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

5. Confirmation of Minutes

5.1 1 September 2023

4 - 10

Document number M20268

Recommendation

That the Nelson Regional Sewerage Business Unit

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

6. Nelson Regional Sewerage Business Unit General Manager Report November 2023

11 - 18

Document number R28113

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Report November 2023 (R28113).***



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 1 September 2023, commencing at 9.31a.m.

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

In Attendance: Deputy Chief Executive/Group Manager Infrastructure (A Louverdis), Governance Adviser (K Libeau)

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

1. Apologies

Resolved RSBU/2023/017

That the Nelson Regional Sewerage Business Unit

- 1. Receives and accepts an apology from Nelson City Councillor K Paki Paki.***

Dowler/Maling

Carried

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

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

4. **Public Forum**

There was no public forum.

5. **Confirmation of Minutes**

5.1 5 May 2023

Document number M20126, agenda pages 7 - 10 refer.

Resolved RSBU/2023/018

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.***

Dowler/Mehmood

Carried

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

Document number R27882, agenda pages 11 - 21 refer.

General Manager Regional Services, Nathan Clarke, took the report as read and answered questions on the Bell Island solar array and the potential ramifications and options pertaining to the officer's requested increase in land size including a virtual power connection agreement. He also answered questions on the regional pipeline renewal programme, the capacity of the system in dealing with the increase in extreme weather events and the Health and Safety schedule contained within the report.

Operations Manager Regional Services, Brad Nixon, answered questions on odour issues.

Resolved RSBU/2023/019

That the Nelson Regional Sewerage Business Unit

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

Mehmood/Skinner

Carried

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

Document number R27835, agenda pages 22 - 71 refer.

Operations Manager Regional Services, Brad Nixon took the report as read and answered questions on the incidents where the inflows exceeded the capacity of the Bell Island treatment plant and the current procedures in place to manage the overflows. Officers from Nelson and Tasman (Mr Louverdis and Mr Schruer) advised the Committee as to their respective inflow and infiltration work programmes.

Accountant, Andrew Bishop, spoke to the financial position including the main drivers of the increase in surplus and the additional costs in operational expenditure.

General Manager Regional Services, Nathan Clarke, spoke about the capacity to complete other projects such as biosolids disposal and future-proofing, noting that whilst some projects had not been completed, none of them were considered critical. Mr Clarke answered questions on the renewal of the pipeline across Saxton Creek (in relation to the upgrade works Nelson are undertaking as part of the upgrade of Saxton Creek) and the timeframe for this work to be completed.

Resolved RSBU/2023/020

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.***

Dowler/Skinner

Carried

Recommendation to Council RSBU/2023/021

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).***

Dowler/Skinner

Carried

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

Document number R27834, agenda pages 72 - 80 refer.

Operations Manager Regional Services, Brad Nixon took the report as read and answered questions on inflation effects on pricing, budgeting within the Activity Management Plans and allocation of the carryover funds within the coming financial year and their ability to deliver these works.

Resolved RSBU/2023/022

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.***

Skinner/Dowler

Carried

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

Document number R27884, agenda pages 81 - 99 refer.

General Manager Regional Services, Nathan Clarke took the report as read.

In response to questions on the status of the Master Plan, Nelson and Tasman officers noted that it held the same status as Infrastructure Strategies that were required to be prepared by each Council (to form part of each Council's LTP and consultation) and that the same rigour was needed to apply to the Master Plan. As officers had not had adequate time to review the Master Plan, and iwi had not had input into its preparation it was suggested that the Master Plan should be sent to each Council for consideration as part of a bigger discussion.

On that basis it was agreed the Master Plan be approved for submission to both Councils and iwi and the officer's recommendation was amended accordingly.

The meeting adjourned from 10:36a.m. until 10:50a.m.

Resolved RSBU/2023/023

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. Agrees the need for a Regional Wastewater Master Plan; and***
- 3. Approves the Nelson Regional Sewerage Business Unit Master Plan (108325921-551) in principle and that it be submitted to Nelson City Council and Tasman District Council for comment before any formal adoption to take into account a regional and iwi perspective.***

Dowler/Mehmood

Carried

Recommendation to Council RSBU/2023/024

That the Nelson City Council and Tasman District Council

- 1. Receive the Nelson Regional Sewerage Business Unit Wastewater Master Plan (1080325921-551) for review, and provide feedback to the Nelson Regional Sewerage Business Unit if required.***

Dowler/Mehmood

Carried

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

Document number R27885, agenda pages 100 - 214 refer.

General Manager Regional Services, Nathan Clarke took the report as read and answered questions regarding the priorities for the Nelson Regional Sewerage Business Unit, pending capital expenditure and the necessity of a coastal hazard study to help inform future decisions.

Resolved RSBU/2023/025

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.***

Dowler/Maling

Carried

Recommendation to Council RSBU/2023/026

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.***

Dowler/Maling

Carried

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

Document number R27876, agenda pages 215 - 235 refer.

General Manager Regional Services, Nathan Clarke took the report as read and answered questions on the potential to obtain land adjacent to the Saxton pump station in order to future-proof the network and manage overflows and the ability for both councils to improve resilience and also increase capacity through this potential land purchase.

Resolved RSBU/2023/027

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.***

Skinner/Dowler

Carried

Recommendation to Council Resolved RSBU/2023/028

That the Nelson City Council and Tasman District 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.

Skinner/Dowler

Carried

There being no further business the meeting ended at 11:23a.m.

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

Resolved



Nelson Regional Sewerage Business Unit

17 November 2023

Report Title:	Nelson Regional Sewerage Business Unit General Manager Report November 2023
Report Author:	Nathan Clarke - General Manager Regional Sewerage and Landfill
Report Authoriser:	Alec Louverdis - Group Manager Infrastructure
Report Number:	R28113

1. Purpose of Report

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

2. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Manager Report November 2023 (R28113).***

3. Summary

- 3.1 The Operations and Maintenance contract is running smoothly.
- 3.2 There was one odour notifications for the period. The notification was potentially related to the biosolids disposal facility or discharge of biosolids on Moturoa Rabbit Island but was not able to be confirmed.
- 3.3 There was one "overflow" event during the last period. This was associated with a corroded fitting inside one of the air valve chambers in the regional rising main.
- 3.3.1 The overflow was quickly contained, and the required notifications were made.

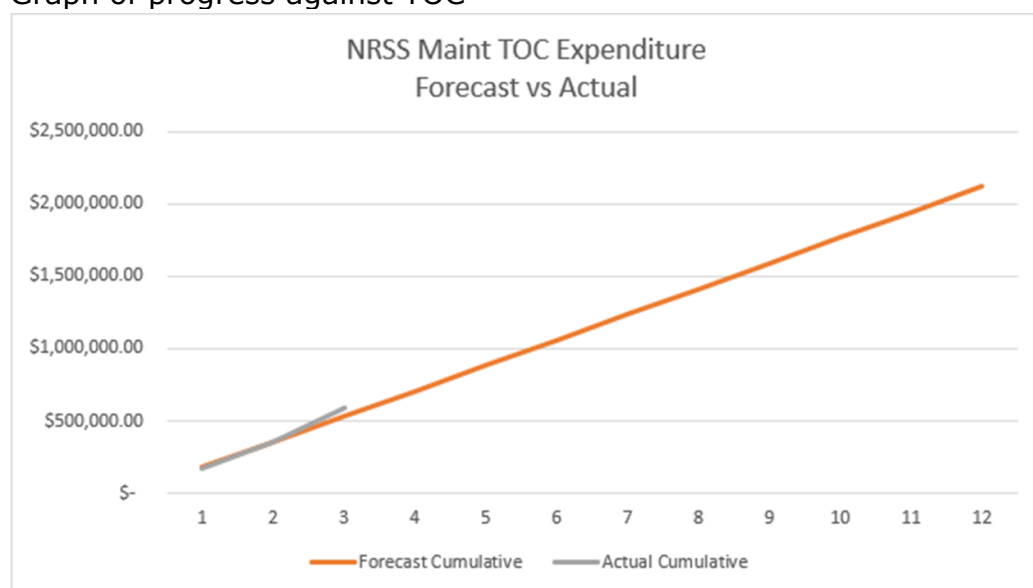
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3.3.2 The failure appears to be related to corrosion occurring inside the pipe fitting and it is hypothesised that it has been accelerated by dissimilar metals being in contact with each other.

3.3.3 The failure exposes the risk of similar issues with the condition of five similar fittings in similar installations. NRSBU has initiated a programme to check and where necessary replace these fittings.

3.4 The preliminary operating costs against the Target Outturn Cost (TOC) for the 2023/2024 year is slightly above the NRSBU 2023/2024 business plan forecast budget. The increase above budget year to date is expected to reduce over the second quarter. The increased costs were related to a higher maintenance programme at the start of financial year.

3.5 Graph of progress against TOC



3.6 Capital and renewals work for the 2023/24 has been running well. The new rising main is still progressing well, with minor slippage in the implementation programme.

3.7 Delays are continuing to be experienced with the implementation of the new facilities building and the replacement tanks at Bell Island. Tenders for the tank replacement have now been received and are being reviewed.

3.8 Inspections of the inlet screens rotating drums has found cracking in the drive end roller drum. Both screens have now been found to have this similar failure occurring. A replacement drum has been ordered.

3.9 Financial performance to 30 September 2023 finished behind budget by \$351,000.

3.10 Year to date the trend is for income to be below budget and financing costs to be higher than budget and it is expected that this trend will continue.

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- 3.11 The NRSBU Annual Hui with Te Tau Ihu Iwi was held at the NRSBU Best Island Office on the 8th of November.
- 3.12 Recruitment has commenced for the Contract and Sustainability Engineer with the role being advertised at present.

4. Health and Safety

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

Classification	Date	Details	Follow up actions	Status
Close Call (Near Mis	12/07/2023	Pothole left unfilled, no barriers or covers. Works in the area uncovered the pothole that had been forgotten. No incident/damage.	Immediately coned off and have arranged to be filled in	Complete
Close Call (Near Mis	10/07/2023	Open trench filled with sludge from ATAD tank A2 foam over. Event happened overnight so no one was working in the trench	Area cordoned off. No further work in the area until clean up by NMW	Complete
Incident (Property d	12/07/2023	After the septage skip had been emptied some time later the new bag got caught by the wind (Southerly 40kph) and unfurled entirely blowing across the road and getting stuck on Austin Transport's fence.	Staff member went to site and removed the Bag from the fence and took it away. Bag system no longer being used.	Complete
Close Call (Near Mis	7/08/2023	Loose uncompacted material left in trench at the bottom of the access stairs.	Filled gaps in loose material and stomped it down to make safe for access. Contacted Projects Team to fill and compact area	Complete
Injury	19/08/2023	Opening lid 2 at Songer Street pump station the lid slipped, and caught my ring finger and cut the top and a blood blister underneath	Administered first aid New lids of a better design are about to be manufactured and installed	Complete
Incident	25/08/2023	Having to drive through the airport construction site to gain access to our pump station which has been like this for the last few weeks. When I was driving through today I came up over a rise and went into a hole getting stuck. No damage to vehicle as was only going very slow through the site	Contacted airport management who has discussed with their contractor. Plant Supervisor has attended a site meeting with Airport management to discuss upcoming work and address concerns around access.	Complete
Opportunity for improvement	30/08/2023	Could not get access through the new gates installed for Airport SPS as gates were jammed	New Gate Company to adjust gate so it swings freely from the lock box.	Complete
Incident	7/09/2023	While disassembling an old redundant piece of pipework, the blanking cap was removed and the contents of the pipe that was thought to be empty came out and covered employee in old black decomposed sludge	Had to go and use site facilities to shower and change. In future need to ensure that any pipes are treated as being full.	Complete
Incident	19/09/2023	While placing in board to stop flow to M5 from M1 the railing/holder had rusted and broke off.	Action created for engineers to replace/inspect all handrails around the ponds.	Complete
Incident	29/09/2023	Called to overflow along Wakatu Drive - airvalve adjacent to SH6, opposite 490 Nayland Rd, leaking through a corroded fitting on the riser pipe which was not externally visible. Duty Ops called out and had to shut down all pump stations to stop the flow and close the isolation valve.	Air valve was replaced the following week, remaining riser pipes on network have been thoroughly inspected, a programme of replacing the highest risk ones is being put together.	In Progress

5. Discussion

5.1 Inlet screening issues

- 5.1.1 Cracking has been identified in both rotating screen drums. A new replacement drum for the screens has been ordered and is urgently required.

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- 5.1.2 The delivery time for the new drum is approximately 14 weeks, and therefore it is possible that NRSBU will experience periods where screening capacity is limited while additional repairs are undertaken on the existing screen drums.
- 5.1.3 The NRSBU Activity Management Plan 2024-2034 (AMP) has identified that one the lack of redundant capacity at the wastewater treatment plant inlet and an issue in the AMP.
- 5.1.4 Funding was included for an additional screen in the AMP funding for year two of the AMP and this may need to be accelerated.

5.2 Wastewater overflow

- 5.2.1 One overflow occurred during this period. The overflow resulted from a corroded fitting in one of the rising main air valve chambers.
- 5.2.2 The overflow resulted in approximately 100m³ of wastewater being discharged to the environment. All necessary actions for notification and remedial actions were taken.
- 5.2.3 The event has identified an unknown risk within the network, and actions have been implemented to investigate and replace the fittings with similar issues within the rising main network.

5.3 Capital and Renewal Projects

- 5.3.1 Improvement works completed.
- Martin Point rising main connection.
- 5.3.2 Projects underway at present include:
- Update Business Continuity Plan.
 - Water reuse plan development.
 - Regional wastewater philosophy development.
 - 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 Rd pump station.
 - Consideration regarding future options to adapt to sea level raise for both pump stations and the Bell Island facility.

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- Condition assessment of the concrete rising main between Monaco and Bell Island.
- Sludge and biosolids tanks renewals.
- Facilities upgrade on Bell Island.
- Pumps replacement at Beach Rd, Whakatu and Airport pump stations.
- Pipe corridor installation from Bell Island to Best Island beside the causeway.
- Emission management plan development.
- Biosolids application facility tank cover design and construction.

5.3.3 Site improvement works at Bell Island include:

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

5.3.4 Other Bell Island projects

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

5.3.5 Greenacres Golf Course (Greenacres) water reuse consent has been granted, and the consent for the pipeline across the causeway between Bells Island and Best Island has been received. This consent includes additional pipework for the Best Island irrigation system and ducting to future proof this pipe route to avoid needing to excavate this route in the future.

5.4 Update on significant projects

5.4.1 **Rabbit Island biosolids application consent** – The Resource Consent was granted in April 2023. The NRSBU appealed the decision. The appeal did not proceed to a hearing, with the parties progressing informal mediation discussions to an agreed

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outcome. Further consideration of minor's corrections to the issued conditions by TDC is required.

5.4.2 **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). An 1870s rail bridge abutment was identified on the alignment through Orphanage stream and archaeological input was required. The pipe route has been adjusted around the abutments.
- Section 5– Discussion is continuing with Barnicoat Developments Ltd to secure the easement through the site.
- Sections 1- 4 (Beach Rd to Saxtons Creek) tender was awarded to Hunter Civil Ltd. Construction is due to commence in November 2023.
- The works to complete the connection between the relined estuary crossing pipe and the existing rising mains is now substantially completed, with the contractor now completing minor activities such as cathodic protection.
- 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.

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

5.5 Finance

5.5.1 The result for the year ending 30 September 2023 shows that NRSBU is behind budget by \$351,972 for the year to 30 September 2023.

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Nelson Regional Sewerage Business Unit								
Financial Report								
Income Account for the period to				30th September 2023				
	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2023/24 Budget		
						YTD	Annual	YTD Variation
Income								
Contributions Fixed	633,123	691,333	1,899,368	92	23	2,074,000	8,296,000	(174,632)
Contributions Variable	503,621	450,500	1,341,273	99	25	1,351,500	5,406,000	(10,227)
Other Recoveries	25,018	27,500	78,746	95	24	82,500	330,000	(3,755)
Interest	2	-	59			-	-	59
Forestry Income	-	-	-			-	-	0
Total Income	1,161,763	1,169,333	3,319,445	95	24	3,508,000	14,032,000	(188,555)
Less Expenses								
Management	39,570	41,667	124,663	100	25	125,000	500,000	337
Electricity	65,325	92,499	280,237	101	25	277,500	1,110,000	(2,737)
Contract Maintenance	150,013	84,425	400,923	158	40	253,275	1,013,100	(147,648)
Reactive and Proactive Maintenance	121,069	92,592	241,813	88	22	273,975	1,095,900	32,162
Monitoring	32,055	25,835	69,218	89	22	77,500	310,000	8,282
Consultancy	4,504	23,333	24,157	35	9	70,000	280,000	45,843
Insurance	10,472	9,167	31,417	114	29	27,500	110,000	(3,917)
Sundry	6,782	12,250	20,121	55	14	36,750	147,000	16,629
Biosolids Disposal	94,404	97,500	285,162	97	24	292,500	1,170,000	7,338
Operating & Maintenance Expenses	524,194	479,268	1,477,712	103	26	1,434,000	5,736,000	(43,712)
Financial	266,631	145,750	599,282	137	34	437,250	1,749,000	(162,032)
Depreciation	251,391	265,500	754,173	95	24	796,500	3,186,000	42,327
Total Expenses	1,042,216	890,518	2,831,168	106	27	2,667,750	10,671,000	(163,418)
Net Income	119,547	278,815	488,278	58	15	840,250	3,361,000	(351,972)

5.5.2 Income

- Fixed recoveries under budget by \$175,000.
- The final variable income was \$10,000 below budget.

5.5.3 Expenditure

- Maintenance costs are over budget by \$115,000.
- Interest was \$167,000 over budget due to higher interest rates.

5.5.4 The financial trend year to date is for income to be low against the fixed costs and financing costs are high compared to budget. Both these issues are not able to be changed by NRSBU management, and as such it is expected that this trend will continue. This under recovery results from changes to interest rates used in the charging model versus the budget and the timing of setting these interest rates. The process used means there is a significant time difference during which changes to interest rates can occur.

5.5.5 Maintenance costs are slightly above budget due a range of activities including higher maintenance activities and purchase of pond emergency response chemicals.

6. Conclusion

6.1 Overall, the NRSBU is running well.

6.2 There have been few health and safety issues and these issues have been closed out effectively.

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- 6.3 There was one failure on the rising main system that resulted in a "overflow". This was quickly fixed, and a programme of works has been started to inspect and replace other fittings with similar characteristics.
- 6.4 A failure was experienced unexpectedly on the second inlet screen drum, and this has escalated the urgency associated with the replacement screen drum.
- 6.5 Financial performance for the maintenance contract is close to budget and no significant issues have been identified. The NRSBU fixed recovery and interest calculation is under recovering against budget and this trend is expected for the financial year.
- 6.6 Significant progress is occurring on capital projects in general and with the regional rising main duplication.

Attachments

Nil