

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

**Friday 13 May 2022
Commencing at 9.30a.m.
Council Chamber
Floor 2A, Civic House
110 Trafalgar Street, Nelson**

Membership:

Chairperson

Deputy Chairperson

Members

Tasman District Councillor Kit Maling

Cr Tim Skinner

Nelson City Councillor Brian McGurk

Tasman District Councillor Trevor Tuffnell

Independent Member Tallat Mehmood

Industry Representative (non-voting) Philip Wilson

Quorum: 3

Nelson Regional Sewerage Business Unit

The Nelson Regional Sewerage Business Unit (NRSBU) is a joint committee of Nelson City and Tasman District Councils. Operation of the NRSBU is governed by a Board, as established by a Memorandum of Understanding (A1983271).

Areas of Responsibility:

- To manage and operate the wastewater treatment facilities at Bells Island and the associated reticulation network efficiently and in accordance with resource consent conditions to meet the needs of its customers.

Powers to Decide:

- The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be with the Board, and in particular the Board shall without the need to seek any further authority from the Councils:
 - Operate a bank account for the Business Unit;
 - Comply with the Procurement Policy of the Administering Council;
 - Enter into all contracts necessary for the operation and management of the Business Unit in accordance with the approved budgets and intent of the Business Plan;
 - Authorise all payments necessary for the operation and management of the Business Unit within the approved budgets and intent of the Business Plan;
 - Do all other things, other than those things explicitly prohibited by this Memorandum of Understanding or relevant statutes, that are necessary to achieve the objectives as stated in the Strategic Plan, Asset Management Plan or Business Plan approved by the Councils;
 - Comply with the Health and Safety Policy and requirements of the administering Council
- Contribute to the sanitary services assessment process of the Councils
- Contribute to and comply with the waste management plans of the Councils
- Contribute to the development of the Councils' Development and Financial Contribution policies
- Contribute to the Councils' Regional Policy Statement and Regional Plan Reviews
- Develop and keep under review an appropriate contract for the delivery of waste collection and disposal services with each of its customers
- Follow generally accepted accounting practices
- Follow good employment practices

Powers to Recommend to Councils:

- Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding.
- All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.

Quorum:

- The Memorandum of Understanding governing the NRSBU allows for either six or seven members to be appointed. The quorum at a meeting is either three (if six members are appointed), or four (if seven members are appointed), including at least one from each local authority.

Procedure:

- The Standing Orders of the Council providing administration to the committee will be applied at each meeting.
- The Chairperson will not have a casting vote.
- Copies of minutes of meetings of the Joint Committee will be retained by each Council for record keeping purposes

1. Apologies

Nil

2. Confirmation of Order of Business

3. Interests

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

There is no public forum

5. Confirmation of Minutes

5.1 11 March 2022

7 - 11

Document number M19303

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 11 March 2022, as a true and correct record.***

6. Nelson Regional Sewerage Business Unit General Managers Quarterly Report

12 - 26

Document number R26871

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Managers Quarterly Report (R26871); and***

2. ***Notes that a report to approve projected carryovers from 2021/22 to 2022/23 will be presented to the first Nelson Regional Sewerage Business Unit Board Meeting in 2022/23***

CONFIDENTIAL BUSINESS

7. Exclusion of the Public

Recommendation

That the Nelson Regional Sewerage Business Unit

1. ***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that name and name remain after the public has been excluded, for Item# of the Confidential agenda (item title), as he/she/they has/have knowledge relating to (description) that will assist the meeting.***

Recommendation

That the Nelson Regional Sewerage Business Unit

1. ***Excludes the public from the following parts of the proceedings of this meeting.***
2. ***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 11 March 2022	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which	The withholding of the information is necessary:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		good reason exists under section 7.	



Minutes of a meeting of the

Nelson Regional Sewerage Business Unit

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

Held in the via Zoom on Friday 11 March 2022, commencing at 9.30a.m.

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

In Attendance: Group Manager Infrastructure (A Louverdis), Accountant (A Bishop), Operations Manager Regional Services (B Nixon), TDC Group Manager Community Infrastructure (R Kirby), General Manager Regional Services (N Clarke), Governance Adviser (C Anderson), Governance Support Officer (A Bryce-Neumann).

Apologies : Nil

1. Apologies

2. Confirmation of Order of Business

There was no change 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. Nil

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 26 November 2021

Document number M19115, agenda pages 6 - 10 refer.

Resolved RSBU/2022/001

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 26 November 2021, as a true and correct record.***

Skinner/Tuffnell

Carried

6. Chairperson's Report

Document number R26716

There was no Chairperson's Report.

7. Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Document number R26676, agenda pages 10 - 24 refer.

General Manager Regional Service, Nathan Clarke, presented the report and noted that overall, operations were running well in the Red Traffic Light system. He answered questions in relation to the biosolids consent, capacity to deliver capital works, Green Acres Golf course and health and safety particularly around near misses.

Resolved RSBU/2022/002

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Managers Quarterly Report (R26676).***

Skinner/Tuffnell

Carried

8. Nelson Regional Sewerage Business Unit Business Plan Feedback report.

Document number R26681, agenda pages 25 - 42 refer.

Resolved RSBU/2022/003

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Business Plan Feedback report. (R26681) and its attachment (A2728794); and***
- 2. Approves the Nelson Regional Sewerage Business Unit 2022/2023 Business plan (A2728794) subject to minor changes approved by the Chairperson; and***
- 3. Recommends the Nelson Regional Sewerage Business Unit Business Plan 2022/23 (A2728794) be presented to the Tasman District Council and Nelson City Council.***

McGurk/Skinner

Carried

9. Exclusion of the Public

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 26 November 2021	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			<p>supplied or who is the subject of the information</p> <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
2	Nelson Regional Sewerage Business Unit Solar Power Update Power Purchase Agreement report	<p>Section 48(1)(a)</p> <p>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 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities

The meeting went into confidential session at 10.09a.m. and resumed in public session at 10.53a.m.

10. Restatements

It was resolved while the public was excluded:

2 Nelson Regional Sewerage Business Unit Solar Power Update Power Purchase Agreement report

4. *Agrees report (R26680), attachments (A2847427, A2847426, A2847425, A2847428 and A2487429) and decision remain in confidential at this time.*

There being no further business the meeting ended at 10.54a.m.

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

Resolved

Item 6: Nelson Regional Sewerage Business Unit General Managers Quarterly Report



Nelson Regional Sewerage Business Unit

13 May 2022

Report Title: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

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

Report Number: R26871

1. Purpose of Report

- 1.1 This report is a three-monthly update by the General Manager (GM) on activities undertaken to the end of March 2022 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Summary

- 2.1 Operations are generally running well. The site is working under COVID-19 Orange Light rules. This includes reducing unnecessary visits to Bell Island.
- 2.2 The Operations and Maintenance contract is running smoothly. The transition to the new contract has been smooth and the contractor has engaged the additional staff required by the tender. The contract governance team has met to discuss progress and is keen to continue to enhance the collaborative aspects of the contract, however the collaboration agreement is proceeding slower than desired due to workload pressures.
- 2.3 Capital and renewals work implementation has remained slow due to contractor availability. Works have begun to speed up and a new project manager has been recruited by the contractor to support the capital works programme. The delivery of the capital/ renewals works remains behind schedule.
- 2.4 A review of Regional Services staffing is being prepared and has not progressed significantly since the last update.

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- 2.5 There were 10 odour notifications for the period. These were related to a range of issues. All were investigated. Odour frequency is higher than desired. Work is ongoing on odour control for the ATAD system which should reduce odours from the ATAD. A few the recent odours have been associated with the Bell Island ponds.
- 2.6 One (small) overflow occurred from the network during this period. This overflow resulted from a valve being closed when it was thought that it was being opened. The markings on the way the valve opened and closed were incorrect.
- 2.7 Refinement of the offer to supply NRSBU base load solar power to Bell Island responses has been undertaken and NRSBU are waiting for the supplier to respond to the draft agreements
- 2.8 The regional pipeline rehabilitation project is proceeding well. The relining of Section 11 has commenced and is expected to be complete in the next two weeks.
- 2.9 Contractors have been booked for the new section of the regional pipeline project along Saxton's Rd, and this is now scheduled to start in September 2022.
- 2.10 The overall regional pipeline rehabilitation project programme looks to be on target for completion in the latter half of the 2023 calendar year.
- 2.11 A licence to occupy agreement for a small area of Bell Island has been developed to allow Alimentary Systems Ltd (ASL) to research Anaerobic digestion of food and industrial wastes along with sewerage sludge.
- 2.12 Greenacres Golf Course has applied for a resource consent for the reuse of ultrafiltered water for irrigation on their golf course. NRSBU has submitted a consent application to Tasman District Council for a pipeline across the causeway to allow NRSBU to supply the water to Greenacres.
- 2.13 The new emergency generator slabs are constructed with the Beach Rd pumpstation slab being the last in construction. The generators have had their protective coatings applied. The Bell Island generators have been installed onsite, and electrical connection works are still underway.
- 2.14 Financial performance to 31 March 2022 is behind budget. Income remains below budget for fixed income (-\$350,000). Consultancy costs remain high with external Activity Management support, support for Bell Island site designation application, and consent applications for the reuse of wastewater at Greenacres contributing to the high consultancy costs. The new contract costs remain above budget due to start up transfer costs. The trend is that costs remain high with income not covering the increased costs. Projections to the end of 2021/22 financial year suggest a loss for the year in the order of \$400,000.
- 2.15 A trend continuing from the previous quarter is the continued above budget expenditure on consultancy costs. This ongoing cost also relates

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to the engagement of a consultant to support NRSBU as the acting Activity Engineer

- 2.16 The increase in variable contributions is no longer compensating for the increased consultancy costs for outsourcing the activity management and the increase in O&M costs.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Managers Quarterly Report (R26871); and***
- 2. Notes that a report to approve projected carryovers from 2021/22 to 2022/23 will be presented to the first Nelson Regional Sewerage Business Unit Board Meeting in 2022/23***

4. Background and Discussion

- 4.1 This report is the GM update to 31 March 2022. It outlines the activities, issues and opportunities that have occurred during this period.

5. Health Safety and Environment (HS&E)

- 5.1 H&S for the operations contract is being managed well, and no significant safety issues are currently outstanding.
- 5.2 The programme of safety improvements is currently ongoing. Progress on these activities is being updated by the contractor in each monthly report.
- 5.3 Table 1 below shows a list of H&S notifications for the period 31 January 2022 to 31 March 2022

Classification	Date	Details	Follow up actions
Hazard Identification	21/02	We had to remove the Saxton wet well safety lids so we could get enough room to remove the 6 ton pump 2. By doing so left an unsafe hole we had to work around	Informed everyone on site kept site clean – Upgrade to lids in progress.

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Injury/Illness (Accident)	23/02	I had to remove old cables, water meter, wind direction indicator from the side of the bells island control room. Upon doing so I tipped the water gauge towards me so I could remove it and a wasp launched itself out of the gauge and stung me up my left nostril	Removed myself from the area and applied ice to the sting area
Injury/Illness (Accident)	24/02	Was lifting lids at Songer Street Pump Station which are newly installed so could clean sampling tube for the 4 day sampling. Felt lower back sore but has got sorer over last few days, rested over weekend but still not 100%. May seek medical attention in next 48 hours if no improvement	Panadol, deep heat applied to area and try not to lift heavy. Will seek physio treatment if needed if does not improve
Property Damage (Incident)	2/03	Driving the truck 624 to get a COF at bullen street and a truck coming towards me flicked up a stone and chipped the windscreen in the middle at the bottom	NA –did not affect COF Will get repaired if it gets worse
Environmental (Incident)	23/03	Can't work in the engineering workshop this morning as of the smell of ammonia, hydrogen sulphide from the bark filter next to the workshop blowing into it, giving me a headache.	Removed myself from the area until the odour cleared. Further monitoring of the area is required to assess extent of gasses and ensure safety of workers in the area

6. NRSBU Activities

- 6.1 NRSBU staff continue to be very busy during the period with numerous activities and projects in progress.
- 6.2 A review of the structure for Regional Services has been undertaken to review staff capacity and to allow clarity for the three waters reform. This review is not yet at a point that it can be approved by NCC and TDC. This has been further delayed and is now high priority.

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- 6.3 NRSBU has secured the services of the acting Activity Engineer on secondment for a portion of her work week. Her new employer has provided additional staff to support her, and NRSBU has been working with TDC on Planning Activities for the 50-year plan. Activity management focusses are on Asset Data verification and updates, and on the 50-year plans development. We are working with TDC on the 50-year plan, TDC officers are seeking approval from their Council to undertake community consultation on the wastewater philosophy desired by the community.
- 6.4 The O&M contractor has supplied additional project management and asset management support internally and this will be used to reduce external consultancy costs, but it is not expected that these cost reductions will be realised until June.
- 6.5 The collaborative contract framework NRSBU has entered with the O&M contractor is beginning to provide benefits to the overarching programme and now that additional resources have been engaged, we expect to see an improvement in capital project timeliness and in the collection and validation of asset data.
- 6.6 Projects underway at present include:
- Moturoa Rabbit Island Biosolids discharge consent.
 - Rising main pipework upgrades.
 - Emergency generators installation.
 - Overflow screening at Songer St PS is in progress, with the Wakatu overflow screen still to be installed.
 - Consideration of sites for overflow storage at Saxton Rd.
 - Consideration regarding future options to adapt to sea level raise for both pumpstations and the Bell Island facility.
 - Saxton Island structure repairs
 - Conditions assessment of the concrete rising main between Monaco & Bell Island
- 6.6.1 Site improvement works at Bell Island including:
- Generator procurement and installation.
 - Covers to chambers
 - Pond desludging and sea defence bund.
 - Vehicle underbody wash to reduce corrosion from salt water.

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- Solar power supply draft agreement development.

6.6.2 Other Bell Island Projects

- Sludge tanks replacement design, this has been delayed due to NRSBU staff capacity, and requirement for a resource consent.
- Facilities upgrade design, design is complete, NTRLBU is awaiting the resource consent for the works.
- Odour upgrades at inlet works and rebuilding of the inlet works corroded concrete. The Grit chamber has been completed but the inlet works is still to be undertaken.
- Odour upgrade work at ATAD system, this work has commenced construction.

6.6.3 Renewals and maintenance on buildings and equipment.

6.6.4 Best Island Foreshore Rehabilitation

6.6.5 Greenacres Golf Course water reuse discussion and planning.

7. Update on Significant projects

- 7.1 **Rabbit Island Biosolids Application Consent** – The Rabbit Island Biosolids Application consent was publicly notified with submissions closing on 19 May 2021. NRSBU held a Hui in September over Zoom to discuss the submissions and to see whether there was a possibility to reach an agreement with the submitters. A separate hui was held in November 2021 where the Biosolids consent was discussed briefly. In February 2022 a site visit was held with Te Ātiawa. At the site meeting Te Ātiawa representatives were principally concerned about the forestry planted on urupā areas. NRSBU invited TDC forestry staff and managers to the meeting to facilitate the discussion between Iwi and TDC. NRSBU staff are now in the process of writing evidence for the Consent hearing. The Resource Consent Hearing is scheduled for 26 May 2022 with the 27th being scheduled as a reserve day.
- 7.2 **Rabbit Island O&M contract** - The Biosolids Application Operations and Maintenance Contract is running smoothly, however NRSBU has been advised that staffing changes have occurred within the Contractors business, and it is not clear how this will affect performance of the O&M contract. NRSBU has scheduled a meeting with the contractor to understand the situation.
- 7.3 **NRSS pipeline** – A significant amount of work is being undertaken on this project with multiple activities along the length of the pipeline.
- Relining between SH6 and Monaco. This has commenced. Piggings of the pipeline occurred on Saturday 30 April with the

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lining pulled through the pipe on Tuesday 5 May. This lining project is expected to be completed by this meeting.

- Section 8 from Bunnings to Saxton Pumpstation has been designed. The work is scheduled to start in September 2022. Physical installation will be undertaken by Ching Contracting Ltd and will take around 6 months to complete.
- Detailed design is underway for Sections 6 – 7 (from Kotua Place to Saxton Road). Geotech investigation have been undertaken, and resource consent applications being drafted at present for the Orphanage stream crossing.
- Section 5– Discussion has started with Heslops to secure the easement through their property. The construction work will coincide with or be after the completion of Saxton Creek Stage 4 project being undertaken by NCC.
- Investigations for the section 1-4 (Beach Rd to Heslops) have been progressing. It has now been confirmed that the existing pipes beneath Whakatu Drive is intact and can be relined, and it has been confirmed that the existing pipe beneath the estuary is intact and can be rehabilitated. A small section of pipe is still to be investigated.
- Overall, the progress has been good on the pipeline project. The engineers estimate for the works has been revised recently and is estimated to be \$13.3 million including engineering fees and contingency. Budget Allowance for the works over the 4-year period is \$13 Million.
- There is an additional \$2.6 million allowance for the Saxton Rd and Beach Rd Pumpstation pipework and pump upgrade which is not yet fully designed.
- Completion for the project is estimated to be the second quarter of the 2023/2024 financial year. This may mean that the \$2.25 million allowance for work in the 2024/2025 financial year may need to be bought forward into 2023/2024 financial year.

- 7.4 **Generator installation** – The generators have arrived and have been placed onsite at Bell Island along with Saxton & Whakatu pump stations and electrical installation is underway at Saxton Road & Bell Island. Electrical installation and commissioning will happen over the next three months. The Airport and Beach Rd generators will be placed in mid-May.
- 7.5 **Desludging of the Bell Island ponds** is still in progress. At present 20 dewatering bags have been filled.

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- 7.6 **Asset inspections** – The initial phase of condition of the 600 mm diameter concrete pipe between Monaco and Bell Island has been undertaken. This initial phase has identified that core sampling works will be required on the high points in the pipeline, and that the cathodic protection of the mechanical fittings is likely to have ceased being effective. NRSBU is now developing the next stage of this work with the specialist contractor based on the findings of the initial stage. The next stage of works will include the core sampling of the pipe and inspection of the fittings and cathodic protection systems.
- 7.7 **Greenacre Golf Course Ultrafiltered Water Irrigation** – Discussions have been held between Greenacres golf course and NRSBU. These have resulted in the Greenacres golf course applying for a resource consent for the reuse of ultrafiltered water from Bell Island. The golf course is intending to modify their sprinkler system to allow irrigation of ultrafiltered water. NRSBU has agreed to provide water to the golf course for this activity and will install a small pipe to Best Island to allow this to occur. NRSBU has submitted the resource consent application to TDC for the Water reuse pipeline to transport reuse water to Greenacres.
- 7.8 **Bell Island Site Designation** – NRSBU has begun preparing an application for the Designation of the NRSBU sites under the Tasman District Plan. The fact that the site(s) are not designated means that NRSBU is having to apply for additional consents and approvals than would be required if the sites were designated.

8. Finance

- 8.1 The NRSBU behind budget for the year to 31 March 2022. The decreasing surplus was exacerbated over the last two months leading to a loss compared to budget for the period to 31 March 2022, of \$319,000.

8.2 Income

- Fixed recoveries under budget by \$356,000 due to a lower interest rate in the WACC in the recovery calculation compared with budget.
- Variable recoveries \$259,000 over budget (for the year) but under budget for the period.
- The recent period has had low flows resulting in a significant reduction of variable income over the period.
- Other recoveries were \$143,000 over budget.

8.3 Expenditure

- Management costs under by \$70,000 which was more than offset by increased consultancy costs for Activity Management.

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- Additional consultancy costs have been incurred associated with the work being undertaken to designate the Bell Island and NRSBU sites in Tasman District Plan.
- Additional consultancy costs were incurred for the preparation and submission of the consent application for the reuse of water at Greenacres Golf Course, along with a site wide soil disturbance consent under the NESCS (National Environmental Standard – Contaminated Soils).
- Electricity consumption costs remain over budget due to high usage in July and August.
- Contract maintenance costs sit over budget by \$253,000. Review of these costs is being undertaken by the NRSBU Operations Manager. It has been identified that monitoring costs have been allocated to this budget, along with stock transfer costs at the commencement of the contract, and these costs need to be reallocated to the correct general ledger codes.
- Consultancy costs are over budget by \$282,000. These costs have been incurred due to staff secondment, O&M procurement, Asset Register & Valuation works, works on NRSBU site designations, and Greenacres Golf Course Consent and Soil Disturbance Consent applications. Some of these costs have been incorrectly coded as operational costs when they should be in capital expenditure budgets. Once this correction has been completed the operational consultancy costs will be reduced by around \$80,000.
- Biosolids under budget by \$25,000.
- Interest and depreciation surplus and deficit results in a loss of \$52,000 for the year.

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8.4 Table 3 below shows the NRSBU Financial Report to 30 June 2021.

Nelson Regional Sewerage Business Unit								
Financial Report								
Income Account for the period to			31st March 2022					
	Actual	Budget	Actual	%	%	2021/22 Budget		
	Month	Month	YTD	YTD	Year	YTD	Annual	YTD Variation
Income								
Contributions Fixed	359,426	399,000	3,234,838	90	68	3,591,000	4,788,000	(356,162)
Contributions Variable	369,586	394,500	3,809,887	107	80	3,550,500	4,734,000	259,387
Other Recoveries	39,694	13,166	262,224	221	166	118,500	158,000	143,724
Interest	0	-	1			-	-	1
Forestry Income	-	-	-			-	-	0
Total Income	768,706	806,666	7,306,950	101	75	7,260,000	9,680,000	46,950
Less Expenses								
Management	50,486	41,667	304,698	81	61	375,000	500,000	70,302
Electricity	78,338	75,025	703,927	104	78	675,225	900,300	(28,702)
Contract Maintenance	128,118	76,182	939,384	137	103	685,650	914,200	(253,734)
Reactive and Proactive Maintenance	79,141	80,708	637,011	88	66	726,375	968,500	89,364
Monitoring	41,886	29,833	194,893	73	54	268,500	358,000	73,607
Consultancy	29,157	6,250	338,537	602	451	56,250	75,000	(282,287)
Insurance	8,142	8,167	71,412	97	73	73,500	98,000	2,088
Sundry	4,751	8,500	85,395	112	84	76,500	102,000	(8,895)
Biosolids Disposal	86,863	80,000	695,046	97	72	720,000	960,000	24,954
Operating & Maintenance Expenses	506,882	406,332	3,970,302	109	81	3,657,000	4,876,000	(313,302)
Financial	67,468	60,833	427,794	78	59	547,500	730,000	119,706
Depreciation	231,905	212,750	2,087,141	109	82	1,914,750	2,553,000	(172,391)
Total Expenses	806,254	679,915	6,485,237	106	79	6,119,250	8,159,000	(365,987)
Net Income	(37,548)	126,751	821,713	72	54	1,140,750	1,521,000	(319,037)

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8.5 The NRSBU financial Position as of 30 September 2021 is shown in Table 4 Below

	Balance Sheet as at		31st March 2022	
	Current		Last Month	June 2021
Equity				
Opening Equity (July)	55,695,341		55,695,341	52,165,551
Plus Net Income YTD	821,713		859,261	0
Plus Revaluation	0		0	3,529,790
Closing Equity	56,517,054		56,554,602	55,695,341
Contingency Reserve	100,000		100,000	100,000
	56,617,054		56,654,602	55,795,341
Which was Invested as follows -				
Current Assets				
Bank	2,152		2,156	3,778
Debtors	98,231		110,778	280,691
NCC Current account	0		0	0
Total Current Assets	100,383		112,934	284,469
Fixed Assets	81,964,075		81,627,268	78,594,522
Current Liabilities				
Creditors	(380,178)		(858,028)	0
NCC Loan	(1,310,000)		(1,310,000)	(740,000)
TDC Current Account	0		(568,534)	(243,443)
NCC Current account	(3,757,226)		(2,349,038)	(2,100,207)
Total Current Liabilities	(5,447,404)		(5,085,600)	(3,083,650)
Term Liabilities	(20,000,000)		(20,000,000)	(20,000,000)
Derivative Financial Instruments	0		0	0
	56,617,054		56,654,602	55,795,341

8.6 Carryover

- 8.6.1 NRSBU has continued a challenging renewals and expenditure programme during the 2021/22 financial year.
- 8.6.2 Business unit resource levels are lower desired to meet the workloads, and whilst assistance has been provided from NCC Capital Projects and external support has been engaged from consultants, delivery timeframes have had to be extended.
- 8.6.3 COVID continues to have an impact on project deliveries, with lockdowns, material shortages and high contractor workload all affecting progress.
- 8.6.4 The following table details overall renewals and capital expenditure predicted to the end of June, along with subsequent carryover.

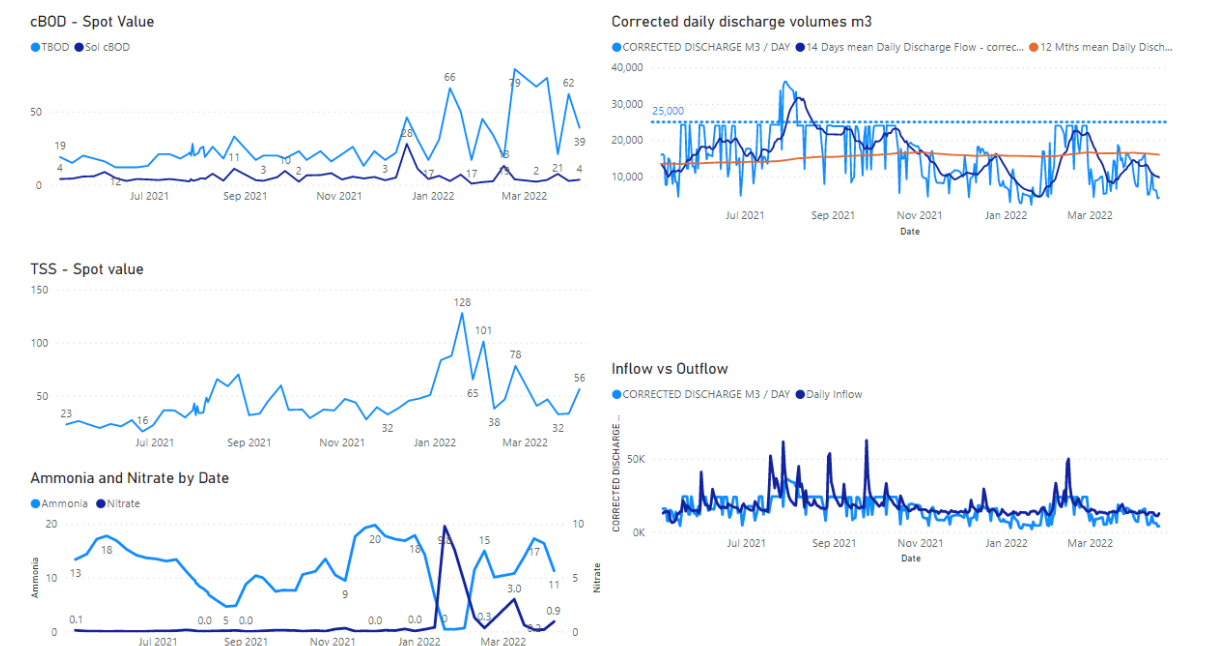
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	Full Budget 2021/22	Forecast Spend 2021/22	Forecast Carryover
Renewals			
Total Renewals	\$ 3,242,604	\$ 1,006,403	\$ 2,004,541
Capital			
Total Capital	\$ 10,803,255	\$ 8,215,260	\$ 2,587,995

8.6.5 A full expenditure and carryover report will be presented to the board in the first meeting of the 2022/23 financial year

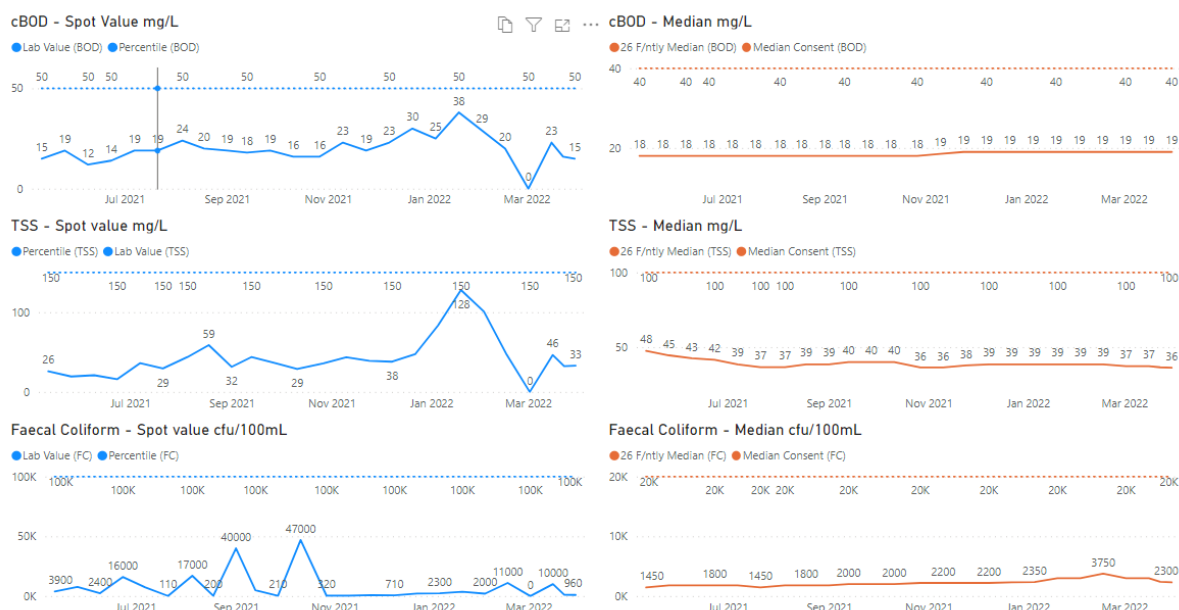
9. Discharge performance

The wastewater discharge performance from Bell Island WWTP has meet all the consent criteria for the period to 31 March 2022.



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RM 171238 Consent Graphs



10. NRSBU Resourcing

- 10.1 The resourcing constraints are leading to some capital and operational works being delayed, and further delays are expected because of reduced staffing levels in the regional services team, however support has been sought from consultants and the O&M contractor and additional resource has been supplied for Activity Management and Capital Project works.

The additional support from the contractor is expected to result in improve timeliness of capital projects over the remained of the 2021/22 Financial year and will help to ensure a good start to the 2022/23 financial year. A review of Regional Services staffing capacity is being undertaken that includes consideration of the staffing structure in anticipation of the wastewater staff transferring to the new water entity.

Attachments

Nil

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Important considerations for decision making
Fit with Purpose of Local Government <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>
Consistency with Community Outcomes and Council Policy <p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>
Risk <p>This report allows the NRSBU board to monitor and review the ongoing operations of the NRSBU. The report considers risks from health and safety and compliance, and with resource consents.</p>
Financial impact <p>This report has no financial impacts. It summarises financial performance against budgets.</p>
Degree of significance and level of engagement <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>
Climate Impact <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>
Inclusion of Māori in the decision making process <p>No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.</p>
Delegations <p><i>The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be</i></p>

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

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

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

Do all other things, other than those things explicitly prohibited by this MOU or relevant statutes, that are necessary to achieve the objectives as stated in the strategic Plan, Asset Management Plan or Business Plan approved by the councils.

Powers to Recommend to Councils:

Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding

All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.

Attachments

Nil