

Notice of the ordinary meeting of the

Regional Sewerage Business Unit
Tira ā-Rohe mō te Parakaingaki o Whakatū,
o Te Tai o Aorere

Date:	Friday 12 June 2020
Time:	1.30p.m.
Location:	Council Chamber Floor 2A, Civic House 110 Trafalgar Street, Nelson

Agenda

Rārangi take

Chair	Tasman District Cr Kit Maling
Deputy Chair	Nelson City Cr Tim Skinner
Members	Tasman District Cr Trevor Tuffnell Nelson City Cr Brian McGurk Brendon Silcock (Independent Member) Frank Hippolite (Iwi Representative) Philip Wilson (Industry Representative)

Quorum: 3

Pat Dougherty
Chief Executive

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision.

Nelson Regional Sewerage Business Unit – Delegations

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

1.1 An apology has been received from Councillor Maling

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 6 March 2020

5 - 9

Document number M7750

Recommendation

That the Nelson Regional Sewerage Business Unit

1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 6 March 2020, as a true and correct record.

6. NRSBU General Manager Update

10 - 20

Document number R18048

Recommendation

That the Nelson Regional Sewerage Business Unit

1. Receives the report NRSBU General Manager Update (R18048) and its attachment (A2395971).

7. Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan

21 - 45

Document number R18049

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan (R18049) and its attachment (A2396455); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Business Plan 2020-2021 (A2396455) subject to minor changes approved by the Chairperson; and***
- 3. Recommends the Nelson Regional Sewerage Business Unit Business Plan 2020/21 be presented to the Tasman District Council and Nelson City Council.***



Minutes of a meeting of the Nelson Regional Sewerage Business Unit

Held in Rūma Waimārama, Floor 2A, Civic House, 110 Trafalgar Street, Nelson

On Friday 6 March 2020, commencing at 1.00p.m.

Present: Nelson City Councillors T Skinner (Deputy Chairperson), B McGurk, Tasman District Councillor T Tuffnell and Mssrs B Silcock and P Wilson

In Attendance: Group Manager Infrastructure (A Louverdis), Acting General Manager NRSBU (D Clifford) and Governance Adviser (J Brandt)

Apologies : Tasman District Councillor K Maling

1 Apologies

Resolved NRSBU/2020/001

That the Nelson Regional Sewerage Business Unit

- 1. Receives and accepts the apology from Tasman District Councillor K Maling.***

Tuffnell/Mr Silcock

Carried

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.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 13 December 2019

Document number M6641, agenda pages 5 - 8 refer.

Resolved NRSBU/2020/002

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 13 December 2019, as a true and correct record.***

Skinner/Tuffnell

Carried

6. Nelson Regional Sewerage Business Unit Quarterly Report

Document number R15856, agenda pages 9 - 18 refer.

Acting General Manager Nelson Regional Sewerage Business Unit, Don Clifford, presented the report and tabled the Bell Island Resource Consent Decision (A2355075) and its attachment (A2355076).

Mr Clifford answered questions regarding Health and Safety improvements. The Board requested more detail for future reports indicating progress and timeframes.

Odour management complaints were discussed. It was noted that meetings with complainants had occurred and mitigation measures were being looked into, including the use of weather stations and the recruitment of a new odour monitor to replace the retired monitor. It was noted that the cause for odour complaints pre-Christmas had been identified as unrelated to the sewerage plant.

The Bell Island resource consents decision received on 21 February 2020 was discussed and it was noted that consent conditions were mostly as anticipated. Financial implications of additional conditions were discussed and that work was underway to gauge costs and revise the Business Plan 2020/21 accordingly. It was noted that an additional meeting may be required to approve the revised Business Plan in order to meet Nelson City and Tasman District Councils' timelines.

In discussing the financial reports, it was noted that maintenance costs were tracking over budget.

The Deputy Chairperson expressed thanks on behalf of the Board to Don Clifford for the dedication he had brought to the role of Acting General Manager NRSBU.

Resolved NRSBU/2020/003

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Quarterly Report (R15856) and its Attachments (A2350342, A2350343 and A2350344); and***

Tuffnell/Mr Silcock

Carried

- 2. Accepts the Bell Island Resource Consents Decision for RM171238, RM171255, RM171256, RM171257 and RM171258 (A2355075) and its attachment (A2355076).***

Tuffnell/McGurk

Carried

Attachments

- 1 A2355075 - Bell Island Resource Consents Decision
- 2 A2355076 - Bell Island Resource Consents Decision Attachment

7. Exclusion of the Public

Resolved NRSBU/2020/004

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:***

McGurk/Tuffnell

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	Nelson Regional Sewerage Business Unit Meeting – Confidential Minutes - 13 December 2019	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: <ul style="list-style-type: none"> • Section 7(2)(h) To enable the local authority to carry out, without prejudice or

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.	disadvantage, commercial activities <ul style="list-style-type: none"> • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into confidential session at 2.09p.m. and resumed in public session at 2.11p.m.

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

8. Confirmation of Minutes

8.1 13 December 2019

Document number M6643, agenda pages 3 - 4 refer.

Resolved NRSBU/2020/005

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of part of the meeting of the Nelson Regional Sewerage Business Unit, held with the public excluded on 13 December 2019, as a true and correct record.***

Tuffnell/Skinner

Carried

9. Re-admittance of the Public

Resolved NRSBU/2020/006

That the Council

- 1. Re-admits the public to the meeting.***

McGurk/Mr Silcock

Carried

There being no further business the meeting ended at 2.11p.m.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

NRSBU General Manager Update

1. Purpose of Report

- 1.1 This report provides the three-monthly update on activity for the Nelson Regional Sewerage Business Unit (NRSBU).

2. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report NRSBU General Manager Update (R18048) and its attachment (A2395971).***

3. Health and Safety

- 3.1 Health and safety at the site is being managed well, and ongoing programme of safety improvements is currently underway. Progress on these activities is being updated by the contractor in each monthly report.
- 3.2 There have been a number of occasions where local residents have pushed through the access gate and walked along the access road, and across the causeway to Bell Island. We have had to replace one of the gate actuators due to damage - likely related to people climbing on them when entering.
- 3.3 Access issues for the operations and maintenance staff will occur starting in July 2020 due to the replacement of the Mapua water pipe by TDC. This water pipe runs along the Bell Island access road. NRSBU have requested permission to cross the new Best Island Land (in case settlement has not occurred) to allow NRSBU operations and maintenance personnel to access Bell Island freely.

4. Contract 3458 - Operations Update

- 4.1 Operations are generally running well

Item 6: NRSBU General Manager Update

- 4.2 Odours issues were experienced with a number of complaints being received in mid-March due to a seasonal change in the pond biology. The issues settled down for a number of weeks however the ponds are again creating concerns at present.
- 4.3 These issues were identified and a number of actions were taken to mitigate the issues, however the ponds did not recover as quickly as it they have historically recovered, and it is thought that the mass of sludge that has accumulated in the ponds (particularly pond F2) may be creating issues with recovery of the ponds when they have issues.
- 4.4 NRSBU is currently constructing the containment beds for the pond desludging programme. Pond desludging is planned for late 2020, and early 2021.
- 4.5 The current contract expires 28 September 2020, but in consultation with TDC Engineering Services Manager and NCC Group Manager Infrastructure it has been decided that this contract be extend to 2021 so that we can limit the risk to operations during the COVID 19 Pandemic.
- 4.6 A consultant is preparing a new contract for tender, however this has been delayed due to competing commitments during COVID 19. The draft contract is due to be available in September 2020.
- 4.7 Operations were managed well during the lockdown, additional costs are being incurred for PPE and a portable shower block that has been hired to provide improved showering and hygiene facilities.
- 4.8 A number of renewals and capital works project have commenced, including;
- Containment area for proposed pond desludging
 - Reuse water and high pressure pumping system construction
 - Replacement of the ATAD A-train aeration manifolds,
 - Refurbishment of the toilet facility in the old inlet building.
 - Asphalt installation at inlet works
 - Odour control upgrades at the inlet area.
- 4.9 The Rabbit Island Biosolids Reuse Consent Assessment of Environmental Effects (AEE) has been prepared and is under review. Submission of the AEE was due on 5 May, however an extension was received from TDC. The revised submission date is now 5 August.
- 4.10 A number of experts have been engaged and have prepared reports relating to the existing system operation.

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- 4.11 Consultation is being undertaken, and a Hui over Zoom has been undertaken with the Te Tau Ihu Iwi.
- 4.12 Funding applications were submitted to the Provincial Growth Funding for a number of projects as part of COVID 19 economic stimulus. One project was accepted which relate to NRSBU. This project was an application for \$100,000 for construction of a cycleway on Moturoa/Rabbit Island to reduce disruptions NRSBU activities have on the cyclists and users. This project must be undertaken rapidly and NRSBU is receiving project management support from NCC for the project.
- 4.13 Good progress is being made with maintenance, renewals and new capital projects, however the budgets will not be fully spent this year due to delays in works associated with COVID 19. A carry over of capital works from 2019/2020 will be required.
- 4.14 The new NRSBU Operations Manager started on 8 June 2020, and the new Activity Engineer will commence on 29 June 2020.

5. Biosolids Operations

- 5.1 The biosolids operation on Moturoa/Rabbit Island continues to perform well (other than occasional odour issues).
- 5.2 The Biosolids application contract 3619 has been extended until 30 June 2021, and it is hoped that NRSBU will have a clearer picture of any future considerations associated with the biosolids reuse by that time.
- 5.3 There are some renewals of the storage tanks being undertaken at the biosolids facility, which will increase our storage volume.
- 5.4 Odour management considerations from the facility, and water conservation options are currently being reviewed.

6. Bell Island Land Irrigation

- 6.1 The lease to Raine Farms Ltd has been extended to mid-2020. Consideration is underway regarding other uses of the land. At this time there have been a number of issues that have been occurring which affect NRSBU consents, and it is therefore considered appropriate to review whether there are better uses of the land for NRSBU e.g. direct irrigation to land by NRSBU.

7. Regional Pipeline

- 7.1 Works are ongoing to comply with some of the conditions of the aberrational discharge consent at pump stations (e.g. installation of screens).
- 7.2 Initial studies have been undertaken to assess flow capacity for the concept design for extra pipe capacity downstream of the Beach Road

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pump station. This review has identified that we can achieve at least an increase of 300 litres per second capacity from the proposed upgrade.

- 7.3 Higher power output back-up generators are to be procured for the pump stations. The existing generators will be relocated to Bell Island; and installed at the WWTP to provide back-up to the Inlet screens, ATAD biofilter and aeration basin (as per the new Resource Consents). An initial review for this project has been undertaken, and a safety in design review has been completed. Further works developing a generator scope and specification for the project are ongoing.

8. Trade Waste Agreements

- 8.1 There is nothing new to report. Confirmation of future flows and loads for each of our customers has been requested.
- 8.2 At this time this information has not been supplied by a number of the customers.
- 8.3 In particular NRSBU is seeking confirmation of future flows and loads from ENZAfoods NZ Ltd (in relation to Cedenco publicly stating it will shut its operations on the site).

9. Trade Waste Management:

- 9.1 A new Process for the septage reception facility is being developed to improve auditing of the discharges to the system. Improvements to sampling in 2019 have resulted in around double the income from the facility that was previously received.

10. Treated Wastewater Re-use Trial

- 10.1 Construction and assembly of this facility was delayed by COVID 19 but is now underway. The plinth has been laid, and the pipework and civil works are being constructed at present. The mechanical package is expected to arrive in early July. Fulton Hogan's water treatment operators (who NRSBU recovered the membrane units from) have offered to assist with the commissioning of the system. NRSBU has indicated that we would welcome their assistance.
- 10.2 It is expected that the plant will be producing filtered water by the end of August 2020.
- 10.3 A request has been received from Port Nelson regarding access to reuse water during the summer for dust suppression. We will wait until water quality information is available prior to progressing with this.

11. Carbon Emissions

- 11.1 The development of the emissions dashboard has commenced and we are expecting this to be up and running by year end 2020. Enabling works has been undertaken to change all NRSBU electrical meters to

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smart meters so that the data can be automatically updated to the dashboard.

- 11.2 We are about to commence with connecting the wastewater discharge to the SCAN automated monitoring system, to enable this to automatically update the Emissions dashboard.

12. Best Island

- 12.1 A 64 hectare block of land at Best Island has been purchased by the NRSBU. Final Settlement has been delayed due to COVID 19. Vacant possession was not possible and NRSBU has agreed to extend the settlement date to 30 June 2020.
- 12.2 The radio yacht squadron have made contact with NRSBU to request access to one of the ponds on site. At this time there is no known reason why NRSBU would not allow access – subject to safety requirements being met.
- 12.3 Negotiations with Fulton Hogan have been undertaken in regard to the continuation of the sand extraction on the site. A draft agreement has been developed and is near completion. This will be completed prior to the settlement for the property, so that Fulton Hogan can continue to operate the sand extraction facility.
- 12.4 A high definition photogrammetry has been undertaken on the land to assist with works to develop the land.
- 12.5 The main access road to Bell Island will be closed for a period while Tasman District Council replace the water main to Mapua. During this time the access will be relocated to main access to the new land, reducing the disruption to both NRSBU and TDCs contractor.

13. Business Plan

- 13.1 The draft Business Plan 2020/2021 was approved by the Board at the September 2019 meeting; and has been submitted to both councils.
- 13.2 Both TDC and NCC have received the Business Plan 2020/2021. Feedback was received from NCC.
- 13.3 The feedback requested related to when the activities in the Business improvement plan would be undertaken. The first 5 of these activities have been started and are ongoing.
- 13.4 The Bell Island Resource Consents Decision and imposed conditions have been reviewed. Actions have been initiated for a number of the items in order to meet the required timeframes.
- 13.5 Beca has been engaged to assist with the generator upgrade.
- 13.6 Nelmac has been requested to assist with the refinement of the Bell Island Planting plan and consultation.

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- 13.7 The operational costs associated with the revised consent do not required adjustment of the operational budgets in the Draft Business Plan.
- 13.8 Capital and renewals costs are also appropriate for the activities being undertaken.
- 13.9 The Draft Business Plan for 2021/2022 is in preparation and will be submitted to the board in advance of the September 2020 NRSBU board meeting.

14. Strategic Plan

- 14.1 The Strategic Plan is being rewritten and a 50 Master Plan is being developed. A brief workshop to discuss the strategic plan and the future goals and aspirations of the NRSBU was held in March. The workshop discussion has helped to refine the focus for the Draft Activity Management plan.
- 14.2 The Strategic Plan and the 50 year Master Plan are key documents for guiding the Asset Management Plan.

15. Activity Management Plan

- 15.1 The Activity Management Plan (AMP) is being rewritten.
- 15.2 A consultant has been engaged to undertake a thorough review in conjunction with the General Manager, however progress has been slower than desired due to competing commitments. It is now likely the draft Activity Management Plan will not be available until mid-July.

16. NRSBU staff.

- 16.1 The new General Manager (GM) started on 9 March 2020.
- 16.2 The new Operations Manager started on 8 June 2020, and
- 16.3 The new Activity Engineer will commence work on 29 June 2020.
- 16.4 There will be a transition period during which the current Acting GM will provide support as requested by the new GM.
- 16.5 All three roles (GM/OM/AM) will be filled which will allow a significant improvement in capacity, responsiveness from NRSBU staff.

17. Finance

- 17.1 Attachment 1 includes three financial reports up to the end of April 2020:
- Income Account for the period to 30 April 2020.
 - Balance Sheet as at 30 April 2020.
 - Detailed Budget – Capital Expenditure.

Item 6: NRSBU General Manager Update

- 17.2 Total income was 97% of YTD budget.
- 17.3 Total O&M Expenses were 100% of YTD budget.
- 17.4 Total expenses were 96% of YTD budget.
- 17.5 Net income was 106% of YTD budget.
- 17.6 Renewals works have been undertaken with Renewals work being % of year to date. A number of renewals projects have been delayed by COVID 19 including the ATAD painting, and the asphalt and inlet are surfacing repairs, and the Rabbit Island Biosolids tank replacement.
- 17.7 Capital Expenditure was \$2.35m vs annual budget of \$8.57m (Note: that 2.8 million of expenditure relates to the settlement for the Best Island land that has not been completed yet).
- 17.8 Capital expenditure was delayed by COVID 19. Significant work has commenced following lockdown has commenced following level 2 lockdown, however it is expected that there will be a 2.0 million carry over to 2020/2021 financial year.
- 17.9 Management costs were high (119% of YTD) against budget for the acting General Manager and the acting Operations Manager.
- 17.10 Consultancy costs increased significantly due to the requirement to engage assistance for the Operations and Maintenance Contract preparation, and for assist with the development of the Activity Management Plan.
- 17.11 Overall Maintenance costs were over budget due to numerous items at Bell Island and within the pump stations requiring repairs or replacements.
- 17.12 Overall the income for the facility is down and expenditure is higher than projected.
- 17.13 It is likely that a contribution will be required from the users at year end and that this will be in the order of \$400,000.
- 17.14 Tasman District are requiring NRSBU to pay 85,000 for the use of Rabbit Island, which they believe reflects the additional costs that they incur annually for the Biosolids application. NRSBU is uncertain whether this is a fair reflection of the costs.
- 17.15 In order to proceed NRSBU requested the assistance of Duncan Cotterill to continue the work on NRSBU behalf. At present it is proposed to accept the costs without prejudice, and get an independent review of the cost and additional value that accrues. This information would then be used to negotiate with TDC.
- 17.16 This cost is currently not included in the NRSBU business plan for 2020/2021.

Item 6: NRSBU General Manager Update

Author: Nathan Clarke, General Manager Regional Sewerage and Landfill

Attachments

Attachment 1: A2395971 - Financial Reports to end of January 2020 (Income Account, Balance Sheet, and Detailed Budget - Capital Expenditure) [↓](#)

**Nelson Regional Sewerage Business Unit
Financial Report
Income Account for the period to 30th April 2020**

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2019/20 Budget		YTD Variation
						YTD	Annual	
Income								
Contributions Fixed	321,545	327,833	3,215,450	98	82	3,278,333	3,934,000	(62,883)
Contributions Variable	302,682	338,478	3,158,722	93	78	3,384,777	4,061,732	(226,055)
Other Recoveries	32,993	13,189	244,523	185	154	131,890	158,268	112,633
Interest	18	-	124			-	-	124
Total Income	657,238	679,500	6,618,820	97	81	6,795,000	8,154,000	(176,180)
Less Expenses								
Management	41,389	49,880	595,576	119	100	498,803	598,563	(96,773)
Electricity	56,769	75,027	632,784	84	70	750,268	900,322	117,484
Contract Maintenance	62,527	58,877	707,182	120	100	588,743	706,492	(118,439)
Reactive and Proactive Maintenance	43,816	61,469	598,722	97	81	614,667	737,600	15,945
Monitoring	36,916	19,602	123,299	62	51	200,417	240,500	77,118
Consultancy	9,474	6,250	81,103	130	108	62,500	75,000	(18,603)
Insurance	7,577	6,250	70,262	112	94	62,500	75,000	(7,762)
Sundry	4,829	18,998	67,380	35	30	189,978	227,974	122,598
Biosolids Disposal	54,262	54,881	652,751	119	99	548,809	658,571	(103,942)
Operating & Maintenance Expenses	317,559	351,234	3,529,059	100	84	3,516,685	4,220,022	(12,374)
Financial	20,652	39,083	292,806	75	62	390,833	469,000	98,027
Depreciation	169,763	185,333	1,697,623	92	76	1,853,333	2,224,000	155,710
Total Expenses	507,975	575,650	5,519,488	96	80	5,760,851	6,913,022	241,363
Net Income	149,263	103,850	1,099,332	106	89	1,034,149	1,240,978	65,183
Capital Expenditure								
Renewals	147,378		1,255,779				870,000	
New Capital Expenditure	130,422		1,069,630				7,700,000	
Total Capital Expenditure	277,800		2,325,409				8,570,000	
Customers refund (payment to NRSBU)	(13,544)		(357,006)			Exist trend (476,008)		Income drops (564,008)
Septage Income to Councils			244,523			326,031		
Owners surplus incl Septage	162,807		1,211,815			1,615,753		970,892

Nelson Regional Sewerage Business Unit

	Balance Sheet as at 30th April 2020		
	Current	Last Month	June 2019
Equity			
Opening Equity (July)	49,562,837	49,562,837	48,867,719
Plus Net Income YTD	1,099,332	950,069	0
Plus Revaluation	0	0	695,117
Closing Equity	<u>50,662,169</u>	<u>50,512,905</u>	<u>49,562,837</u>
Contingency Reserve	100,000	100,000	100,000
	<u>50,762,169</u>	<u>50,612,905</u>	<u>49,662,837</u>
Which was Invested as follows -			
Current Assets			
Bank	436,843	435,490	244,462
Debtors	49,088	55,784	552,781
NCC Current account	0	0	0
Total Current Assets	<u>485,932</u>	<u>491,274</u>	<u>797,243</u>
Fixed Assets	64,889,366	64,781,330	64,261,580
Current Liabilities			
Creditors	(333,847)	(560,572)	(60,919)
NCC Loan	0	0	0
TDC Current Account	0	0	(514,939)
NCC Current account	(279,282)	(99,127)	(820,128)
Total Current Liabilities	<u>(613,129)</u>	<u>(659,699)</u>	<u>(1,395,986)</u>
Term Liabilities	(14,000,000)	(14,000,000)	(14,000,000)
Derivative Financial Instruments	0	0	0
	<u>50,762,169</u>	<u>50,612,905</u>	<u>49,662,837</u>

**Nelson Regional Sewerage Business Unit
Detailed Budget - Capital Expenditure**

	Month Actual	Actual YTD	Full Budget	Budget
	30th April 2020	30th April 2020	2019/20	Unspent
Capital Expenditure				
Renewals				
80407120			95,000	95,000
80407305			-	330,578
80407320	14,515	330,578	-	52,345
80407355	3,039	119,345	67,000	-
804073300455	1,713	3,567	25,000	21,433
804073300465	164	112,569	-	112,569
804073300781	-	6,123	-	6,123
80407390	9,842	95,353	165,000	69,647
80407140	-	601	-	601
	7,521	102,903	256,000	153,097
			88,000	88,000
804073400800	78,021	370,171	-	370,171
804070750800	-	-	136,000	136,000
804073900666	51,597	77,680	38,000	39,680
804073900782	649	36,889	-	36,889
	147,378	1,255,779	870,000	385,779
80407710	-	312,600	3,100,000	2,787,400
80407615	775	75,353	840,000	764,647
80407920 3344	9,172	9,172	-	-
804073302476	44,050	113,633	1,491,000	1,377,367
80407930	-	-	110,000	110,000
80407630	-	-	70,000	70,000
804076050540	-	4,875	10,000	5,125
80407930 3342	142	142	-	-
804076300545	-	36,676	320,000	283,324
804073302477	16,478	106,023	750,000	643,977
80407340	-	5,991	-	5,991
80407950 0544	1,017	15,466	80,000	64,534
80407930 0800	58,788	158,473	230,000	71,527
			500,000	500,000
			80,000	80,000
			64,000	64,000
80407740	-	231,226	55,000	176,226
	130,422	1,069,630	7,700,000	6,639,684
	277,800	2,325,409	8,570,000	6,253,905

A2395971

Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan

1. Purpose of Report

- 1.1 To adopt the final NRSBU Business Plan 2020/2021.

2. Summary

- 2.1 The NRSBU Business Plan was prepared by the Board in 2019 and was approved with minor wording changes made in consultation with the chair.
- 2.2 Feedback was sought from Nelson City Council and Tasman District Council.
- 2.3 Minor changes were made to reflect the feedback.

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan (R18049) and its attachment (A2396455); and***
- 2. Approves the Nelson Regional Sewerage Business Unit Business Plan 2020-2021 (A2396455) subject to minor changes approved by the Chairperson; and***
- 3. Recommends the Nelson Regional Sewerage Business Unit Business Plan 2020/21 be presented to the Tasman District Council and Nelson City Council.***

Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021
Business Plan

4. Background

- 4.1 The Nelson Regional Sewerage Business Unit Draft Business Plan 2020/2021 was presented to the NRSBU for adoption during the 13 September 2019 NRSBU board meeting.
- 4.2 The board adopted the Draft Business Plan 2020/2021 and recommended that the business plan be presented to the Nelson City Council and Tasman District Council for feedback.
- 4.3 Tasman District offered no feed back
- 4.4 Nelson City Council gave feedback as follows:

"The Infrastructure Committee considered the Draft Business Plan on the 21 November 2019 and provided feedback to the Acting General Manager. That feedback requested specifics as to when the Business Improvement Plan was to due to commence."

- 4.5 Minor changes were made to the business plan to show specific progress against the Business Improvement Plan action items.

5. Conclusion

- 5.1 No significant changes were requested from either Nelson City Council or Tasman District Council, and minor amendments were made to reflect the Nelson City Council feedback.

Author: Nathan Clarke, General Manager Regional Sewerage and Landfill

Attachments

Attachment 1: A2396455 - NRSBU Business Plan 2020/21 [↓](#)

Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021
Business Plan

Important considerations for decision making
1. Fit with Purpose of Local Government The Nelson Regional Sewerage Business Unit 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.
2. Consistency with Community Outcomes and Council Policy The Nelson Regional Sewerage Business Unit Business Plan feeds into Council's 2020/21 Annual Plan.
3. Risk This report adopts Council comments on the Nelson Regional Sewerage Business Unit Business Plan following consideration by the Joint Committee. The risk of not approving the Business Plan is that this could delay the Nelson Regional Sewerage Business Unit implementing their Business Plan for 2020/21
4. Financial impact The Nelson Regional Sewerage Business Unit 2020/21 Business Plan reflects an increase in essential renewals expenditure and the commencement of the regional pipeline upgrade.
5. Degree of significance and level of engagement The Nelson Regional Sewerage Business Unit 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.
6. Climate Impact A key feature of the Business Plan is the inclusion of a long-term objective of greenhouse gas emissions with the commitment to measure and reduce greenhouse gas emissions from the facility.
7. 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.
8. Delegations The Nelson Regional Sewerage Business Unit (NRSBU) is a joint committee of Nelson City and Tasman District Councils

Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021
Business Plan

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 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.

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Nelson Regional Sewerage Business Unit

**BUSINESS PLAN
2020/2021**



Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan: Attachment 1

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NRSBU Business Plan 2020-2021

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Business Objectives and Performance Measures	4
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Financial Plan	9
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Appendix C – Business Improvement Plan	15
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Prepared by: Don Clifford with input from Nathan Clarke, Acting Operations Manager

Approved by: Don Clifford, Acting General Manager

Approved by: NRSBU 13 September 2019 (with minor changes approved by Chair 7 October 2019) **Rev 2**

Approved For approval 12 June 2020

Cover photograph Bell Island

*Nelson Regional Sewerage Business Unit Business Plan
2020/21 **(Final)***

Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan: Attachment 1

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1. PURPOSE

The purpose of the Nelson Regional Sewerage Business Unit Business Plan 2020/2021 is to summarise management goals and objectives to deliver wastewater collection and treatment services to the region; and to improve the effectiveness and efficiency in the delivery of those services.

2. MEMORANDUM OF UNDERSTANDING REQUIREMENTS

The Memorandum of Understanding states that the NRSBU Board shall by 31 December each year supply to the councils (Nelson City and Tasman District Councils) a copy of its draft Business Plan. The Business Plan outlines the management of the Nelson Regional Sewerage Business Unit and the assets for the ensuing year, together with any variations to the charges proposed for that financial year.

The Memorandum of Understanding (MoU) commenced on 1 July 2015 and shall terminate on 30 June 2025. The MoU was updated in March 2019.

3. INTRODUCTION

This Business Plan 2020/21 outlines the projects and initiatives to be implemented during the year. It also outlines the associated funding required and the details of the performance targets and measures.

The Business Plan is aligned with the NRSBU Strategic Plan and the NRSBU Wastewater Asset Management Plan 2017 (although some budgets have increased, some have decreased, and/or the timing has changed). It includes business objectives and performance targets (Section 7) and the three-year financial forecasts (Section 8). The following key pieces of information from those other documents are included in the appendices of this business plan:

Appendix A – Committee Activity Schedule

Appendix B - Targeted levels of service established by the Asset Management Plan

Appendix C - Internal business improvement plan

Appendix D - The 10-year financial plan

Appendix E - Schematic layout of the NRSBU operations

Appendix F – Reduction of Adverse Environmental Effects

4. MISSION STATEMENT

The NRSBU's mission statement is:

"To identify the long-term wastewater processing and reticulation needs of our customers and to meet current and future needs in the most cost effective and sustainable manner."

5. STRATEGIC GOALS

The NRSBU aspires to achieve the following goals:

- Wastewater reticulation, treatment and disposal services meet customers' long-term needs.

*Nelson Regional Sewerage Business Unit Business Plan
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- The wastewater reticulation, treatment and disposal services are delivered cost effectively.
- Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.
- We engage the right people with the right skills and experience.
- The NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social and cultural impacts.
- NRSBU understands its Carbon Emissions and manages them in a responsible way.
- Good relationships are maintained with all stakeholders.
- All statutory obligations are met.

The NRSBU functional activities are managed by the Nelson City Council and therefore the NRSBU functional activities shall comply with the requirements of the Nelson City Council Health and Safety Policy and fully subscribe to the vision for a Zero Harm Culture.

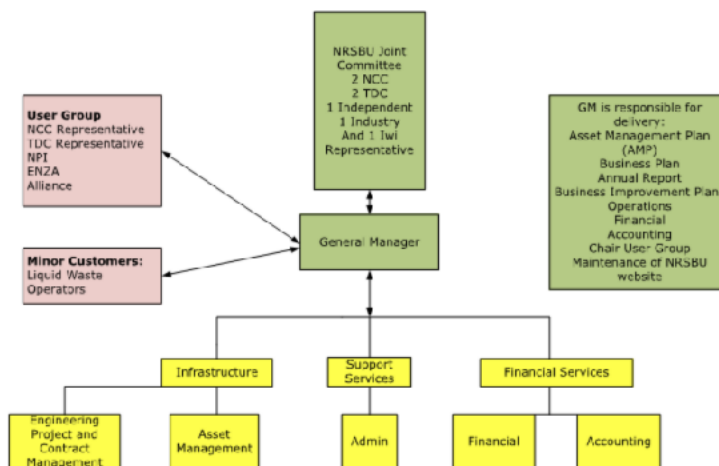
All strategic goals are important and no one goal will be pursued at the expense of another.

It is important to note that discussion is occurring nationally in regard to the delivery of water services in New Zealand This discussion includes the implementation of national discharge standards for wastewater treatment facilities. This work could have a significant influence on NRSBU.

If is necessary for NRSBU to maintain an understanding of these issues so that an appropriate response can be made if required.

6. NRSBU STRUCTURE

The structure of the Nelson Regional Sewerage Business Unit is as follows:



The Nelson Regional Sewerage Business Unit was established in July 2000, replacing the former Nelson Regional Sewerage Authority established in the 1970s.

Following the adoption of a new Strategic Plan in August 2013, the 2017 Wastewater Asset Management Plan was developed and adopted on 15 September 2017. A draft of the long-term financial plan based on the Asset Management Plan, was provided to Tasman District Council and Nelson City Council in July and October 2017 respectively to enable them to consolidate the NRSBU long-term plan into their own strategic documents.

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7. BUSINESS OBJECTIVES AND PERFORMANCE MEASURES

The objectives outlined below describe the long-term aims of the business unit. Performance measure targets and dates (where they are not specified below) are set annually in the Business Plan along with performance measures for projects identified in the Asset Management Plan. Performance will be reported quarterly to the Board and annually to the shareholding councils.

Long Term Objectives	Key Performance Measures
<i>Wastewater reticulation, treatment and disposal services meet customers' long-term needs</i>	
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of the system components.
Intergenerational equity is maintained.	Loans are repaid over 30 years (the average life of the assets).
Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings. Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.
<i>Wastewater reticulation, treatment and disposal services are delivered cost effectively</i>	
Reticulation, treatment and disposal services are delivered cost effectively	The operational costs of reticulation, treatment and disposal processes are benchmarked against costs incurred up to 30 June 2014. All capital projects are delivered within budget.
The economic lives of all assets are optimised.	Three yearly independent audit of asset management practices confirms this.
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Combined loads do not exceed the capacity of the components of the system.

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Long Term Objectives	Key Performance Measures
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	All significant technology choices are supported by cost-benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.
<i>Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.</i>	
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	No event, which impacts on agreed levels of service, occurs that has not been identified in the NRSBU risk management plans. Customer representatives review and approve the risk management plan annually and following any incidents that require activation of the plan.
Contingency plans adequately address emergency events.	Customer representatives review and approve the plans annually. Effectiveness of plans is reviewed and confirmed following incidents that require activation of the plan.
<i>We engage the right people, with the right skills and experience.</i>	
Those engaged with the NRSBU have the right skills, experience, and support to perform well.	Annual staff performance reviews include assessment of the skills and experience required in their role in NRSBU and their development needs are identified and met. Development and succession plans are in place. The Board reviews its performance at least annually.
Operation and maintenance manuals reflect best practice for the management of the plant and reticulation systems and are followed consistently.	An independent audit every three years confirms this.
<i>NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact</i>	

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Long Term Objectives	Key Performance Measures
<p>NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.</p>	<p>That progress towards meeting energy efficiency targets reported on and reviewed annually in June.</p> <p>Current capacity to utilise beneficial application of biosolids to land is sustained.</p> <p>Beneficial economic and environmental reuse of treated wastewater is maintained or increased.</p> <p>Environmental, social and cultural impacts are considered in all decision making.</p>
<p><i>NRSBU understands its Carbon Emissions and manages them in a responsible way.</i></p>	
<p>The NRSBU measures the greenhouse gas emissions of wastewater conveyance, treatment and Biosolids reuse activities</p>	<p>The emissions from each of:</p> <ul style="list-style-type: none"> • Nelson Regional Sewerage Scheme • Bell Island WWTP • Rabbit Island Biosolids reuse system <p>are assessed and reported annually, by June 2021.</p> <p>This will include the development of a model that allows regular and ongoing assessment of emissions using operations and maintenance data.</p>
<p>The NRSBU reduces the greenhouse gas emissions rate for wastewater treatment activities</p>	<p>A target for emissions per unit of wastewater is established by June 2021 and reviewed annually.</p> <p>The NRSBU will annually assess the business case for reducing emissions from wastewater conveyance, treatment, and biosolids disposal operations</p>
<p><i>Good relationships are maintained with all stakeholders</i></p>	
<p>Shareholders are satisfied with the strategic direction and the economic performance of the business unit.</p>	<p>All strategic and business plans are approved by shareholders.</p> <p>All budget projections are met.</p>
<p>Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.</p>	<p>All complaints or objections are addressed promptly.</p> <p>All applications for resource consents are approved.</p> <p>Up to date information on activities and achievements are publicly available.</p>

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<i>All statutory obligations are met</i>	
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.
All resource consent requirements are met.	100% compliance with all resource consents.

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8. THREE YEAR RENEWAL EXPENDITURE FORECAST (\$'000)

Renewal Plan (\$,000)	Projected 2019/20	2020/21	2021/22	2022/23
Miscellaneous	120	120	120	120
Pump Stations and Rising Mains	67	50	251	537
Inlet, Aeration Basin, Clarifier and Ponds	88	828	814	41
Solids Handling	55	723	172	217
ATAD rust proofing	110			
Rabbit Island	38		78	49
Biosolids and sludge storage tank refurbishment		75		
Facilities (Operator Buildings)	95	150		
Replace isolation switches	25			
Replace microscope	12			
PLC renewal	100	100		
Roads	24	75		
Consents	154			
Total	870	2121	1435	964

The renewal programme of the NRSBU assets is developed around lifecycle and condition assessment. An iterative process is followed whereby the renewal programme is considered annually with inputs from the Operation and Maintenance operator and a review of remaining useful life of assets. In the preparation of this business plan a review of the asset renewals list has been undertaken; and it has been identified that, when an asset life was extended, the renewal budget for the asset was not being carried forward for the replacement of the asset. The result of this has been underspending of renewals budgets and some corresponding previously approved budget allowances being dropped. This review has been undertaken for the assets due for renewal in 18/19 and 19/20; and has resulted in a significant increase in the required renewal budget compared to previous years.

Condition assessment reports may be commissioned where additional information is required to ensure optimal spend on renewals.

Miscellaneous items are at the discretion of the General Manager.

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9. NRSBU Capital Upgrade Plan

The following table outlines the capital upgrades proposed over the next three years. This is followed by a commentary outlining more detail on each of the proposals.

Year	Description of Projects	Estimated Costs \$
2020/21	Commence Regional Pipeline Capacity Upgrade (Proposed for Saxtons Road to Monaco)	5,000,000
	Treatment Plant Upgrade (Resource Consent dependent; plus facilities improvements)	2,800,000
	Rabbit Island Biosolids Consent	240,000
	Partial Desludging oxidation ponds	750,000
	Carbon Management System	100,000
2021/22	Completion of Regional Pipeline Capacity Upgrade (Proposed for Beach Road to Saxton Road)	8,000,000
	Pump station and Treatment Plant Upgrade (Resource Consent related)	500,000
2022/23	Treatment Plant and Network Upgrade (Consent related)	500,000
	Modify Facultative Pond (Consent dependent)	420,000

Commentary on Upgrade Proposals for 2020/21

Desludging of Ponds: Partial desludging is being carried out over two financial years. The intention is to reduce the depth of sludge in ponds F1 and F3 to improve the available vertical space in those ponds.

Pump station upgrade is to comply with the conditions of the aberrational discharge consent and to increase network resilience. For example, to install screens at Saxton Rd pump stations and to develop a programme of work to investigate and implement ways to reduce overflows from the sewerage pump stations to the estuary. Reduced overflow options include emergency generators for storm pumps.

The regional pipeline downstream of Beach Road has insufficient capacity to prevent raw sewage overflows under moderate rainfall conditions. In line with the aspirations and intentions described in Appendix F, we will investigate, design and implement capacity improvements. This is an item that was not expressly identified in the 2017 AMP however there was an estimate of \$1m for the 2020/2021 year for Regional Pipeline (Demand dependent). A likely solution will be to rehabilitate existing infrastructure, as that would be significantly more affordable than completely new infrastructure.

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Treatment Plant and Biosolids upgrade covers items such as:

- trials to re-use treated wastewater to clean the inlet screens (reducing the use of potable water and consequently the volume discharged to the estuary)
- further develop investigations into the potential re-use (by others) of treated wastewater
- investigate and implement potential tree and vegetation planting around the perimeter of Bell Island
- commission a high-level report into alternative wastewater treatment systems (that would avoid or significantly reduce the discharge of treated wastewater to the Waimea Inlet)
- equipment and physical improvements to improve health & safety on-site
- biosolids odour reduction activities
- biosolids disposal improvements and future resilience studies

The modification of ponds budget is an allowance that is conditional on the review of the performance of improvements made to the final maturation pond. Therefore, this expenditure may be deferred, and/or the amount amended.

The consent for the application of biosolids at Rabbit Island expires 8 November 2020 and needs renewal.

Regional Pipeline Upgrade:

- Monaco to Bell Island pipe condition assessment and pipe flushing connection, valves and installation.
- Regional pump stations consent compliance, plus storm surge defence plan and implementation programme.
- Capacity improvements (in particular, downstream of Beach Road)

Emission Management System

This Emission Management work is expected to involve an assessment of the emission profile from the Bell Island WWTP, Rabbit Island Biosolids application system, and the Nelson Regional Sewerage system. It will include a draft model that can be used annually to redo the Carbon Emission Assessment based on the information collected as part of the operations and Maintenance. This model should be suitable for use by NRSBU staff to annually assess and report on the emissions from the NRSS.

NRSBU Records and data:

Additionally, we will investigate the benefits of collating all the NRSBU historic and current information into a single access point electronic storage location.

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10. FINANCIAL PLAN

Nelson Regional Sewerage Business Unit
Budget Summary for 2020 to 2023

	Projection	Budget		
	19/20	20/21	21/22	22/23
Income				
Contributors	7,815	8,442	9,079	9,719
Interest	0	0	0	0
Other Recoveries	158	158	158	158
Total Income	7,974	8,601	9,238	9,878
Expenditure				
Operations & Maintenance	3,476	3,517	3,622	3,474
Management	500	500	500	500
Interest	459	712	1,053	1,268
Insurance	75	75	75	75
Depreciation	2,224	2,263	2,359	2,648
Total Operating Cost	6,735	7,068	7,610	7,966
Surplus/Deficit	1,239	1,533	1,628	1,912
Use of Funds				
Loan Repayment	1,353	142	924	1,684
Renewals	871	2,121	1,435	964
Owners Distribution	1,239	1,533	1,628	1,912
Upgrades	4,600	8,890	8,500	920
	8,063	12,586	12,487	5,480
Sources of Funds				
Surplus/Deficit	1,239	1,533	1,628	1,912
Depreciation	2,224	2,263	2,359	2,648
New Loans	4,600	8,890	8,500	920
	8,063	12,586	12,487	5,480

Nelson Regional Sewerage Business Unit Business Plan
2020/21(Final)

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APPENDIX A

Nelson Regional Sewerage Business Unit Committee Activity Schedule 2020-2021

Date	Activity	Papers required
By 31 August 2020	Review draft Annual Report and Financial Statement.	Draft annual report and financial statement.
By 30 September 2020	Deliver annual financial statement to Councils.	Financial Statement.
By 31 December 2020	Review board planning/meeting timetable. Adopt draft business plan for presentation to Tasman District Council and Nelson City Council. Review and update Interests Register. Adopt business continuity plan.	Planning/meeting timetable. Business Plan. Interests Register. Draft business continuity plan.
By 20 March 2021	Present Annual Report and Business Plan to Tasman District Council and Nelson City Council.	Annual Report and Business Plan.

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Date	Activity	Papers required
By 30 June 2021	Review board performance Review governance policy Review Demand Management Plan Receive report on Contingency Plan review by customer representatives. Receive report on Risk Management review by customer representatives. Review customer satisfaction survey results Annual review of Strategic Plan Adopt Energy Conservation Plan Review Audit Management Report Annual Carbon Emission Review	Checklist for committee effectiveness. Governance Policy Draft Demand Management Plan. Report on Contingency Plan review by customer representatives. Report on Risk Management review by customer representatives. Customer survey report. Strategic plan. Energy Conservation Programme. Carbon Mission Measurement System development

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APPENDIX B

LEVELS OF SERVICE

The following levels of service are included in the Nelson Regional Sewerage Business Unit Asset Management Plan 2017 and compliance demonstrates progress towards achieving the strategic goals:

Environmental	Category	Level of Service
Treatment and Disposal	RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions
	RMA Consent – Discharge of Contaminants to Air.	100% compliance with consent conditions
	RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions
	Equipment Failure of critical components within the treatment and disposal system.	No equipment failures that impact on compliance with resource consent conditions.
Pump stations	Odour complaints from pump stations	No odour complaints originating from pump stations
	Pump station wet weather overflows	No overflow events occurring for the contracted contributor flows
	Pump station overflows resulting from power failure	No overflow events occurring
	Pump station overflows resulting from mechanical failure.	No overflow events occurring
Pipelines	Reticulation Breaks	No reticulation breaks.
	Air valve malfunctions	No air valve malfunctions that result in overflows
Capacity	Category	Level of Service
Treatment and Disposal	Overloading system capacity	Treatment and disposal up to all contracted loads and flows
Pump Stations	Overloading system capacity	No overflows for all pump stations for the contracted contributor flows
Reliability	Category	Level of Service
Treatment and Disposal Pump stations Pipelines	Equipment failure of critical components	No equipment failures that lead to non-compliance with resource consent conditions

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Responsiveness	Category	Level of Service
Treatment and Disposal Pump Stations Pipelines	Speed of response for emergency and urgent maintenance works	Achievement of response times specified in the maintenance contract
	Speed of response for routine and programmable maintenance works	Achievement of response times specified in the maintenance contract
Key Customer Relationships	Category	Level of Service
Treatment and Disposal Pump Stations Pipelines	Customer satisfaction	Agreed levels of service provided to all customers
		Robust charging structure is in place

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Appendix C

BUSINESS IMPROVEMENT PLAN

This section describes initiatives to improve the efficiency and effectiveness of the Business Unit and is based on the Nelson Regional Sewerage Business Unit Strategic Plan and referenced to the 2017 Wastewater Asset Management Plan.

IP	Description	Resource Requirements	Progress
IP-1	Consolidate all data and information; and review ease of access	In-house and consultants	Commencing July 2020
IP-2	Renewal of biosolids disposal permits.	In-house, Legal and technical Consultants	Commenced late 2019, and completion expected 2021.
IP-3	Continue sludge removal programme.	In-house and Contractor	On-going, Sludge Bund Consent granted 2019/2020 Sludge containment area under construction 2019/2020. Desludging to be begin November 2020.
IP-4	Determine the long-term strategy (Master Plan)	In-house and consultants	Consultant was engaged to assist on secondment in May 2020, Long term strategy to be developed by year end 2020/2021.
IP-5	Review AMP	In house and consultants	Consultants engaged to assist development, draft by end July 2020
IP-6	Investigate use of gravity belt thickener for use to thicken secondary sludge.	In-house and consultants	Not started. This is programmed for early 2021

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APPENDIX D

10 YEAR PLAN

CAPITAL EXPENDITURE

Upgrade programme		
Year	Description of Projects	Estimated Costs \$
2020/21	Commence Regional Pipeline Capacity Upgrade (Demand dependent)	5,000,000
	Treatment Plant Upgrade (Bell island Resource Consent dependent; plus facilities improvements)	2,800,000
	Rabbit Island Biosolids Consent Application	240,000
	Desludging oxidation ponds	750,000
	Carbon Emission Measurement System	100,000
2021/22	Complete Regional Pipeline Capacity Upgrade (Demand dependent)	8,000,000
	Treatment Plant and Network Upgrade (Consent related)	500,000
2022/23	Treatment Plant and Network Upgrade (Consent related)	500,000
	Modify Facultative Pond (Consent dependent)	420,000
2023/24	Treatment Plant and Network Upgrade (Consent related)	500,000
2024/25	Disposal of dried sludge	700,000*
2025/26	Songer street PS upgrade (Demand dependent)	100,000
	Disposal of dried sludge	700,000*
2026/27	Disposal of dried sludge	700,000*
2029/30	Activated sludge management (2 nd Secondary clarifier)	2,800,000
2030/31	Yet to be determined	

*Note: These forecast amounts will not be required if the NRSBU successfully obtains resource consent to use the material in bunds on site (to protect the low-lying area adjacent to the ATADs)

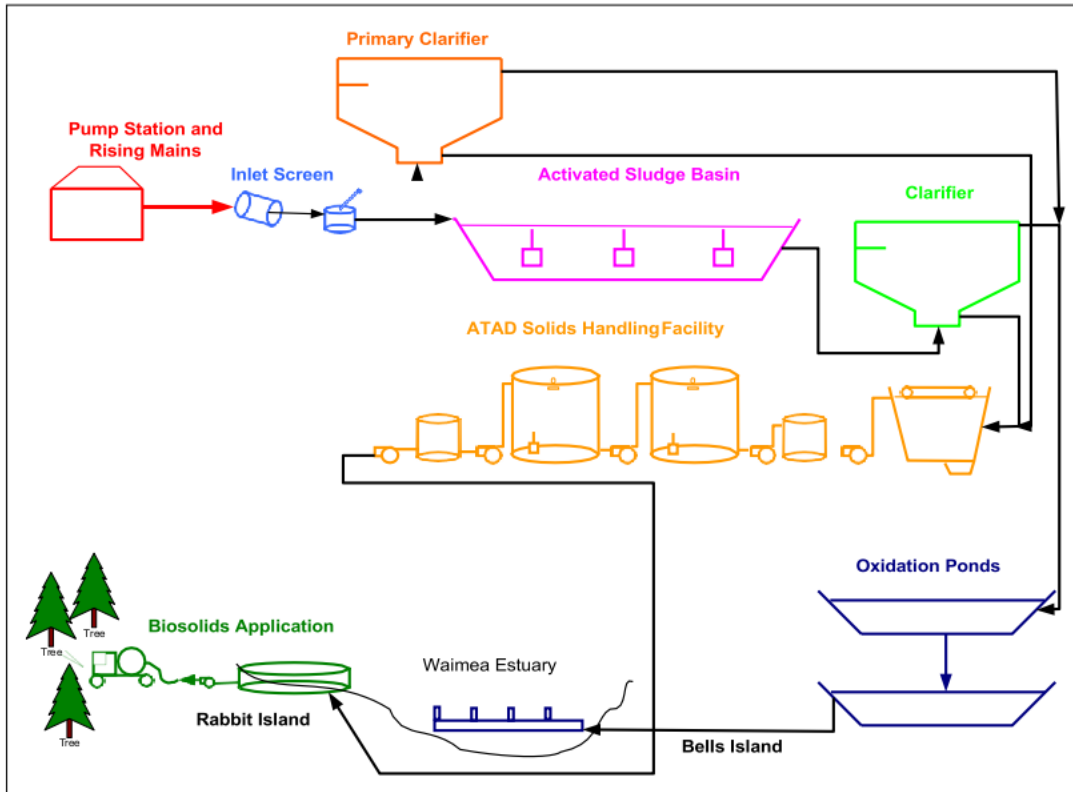
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APPENDIX E

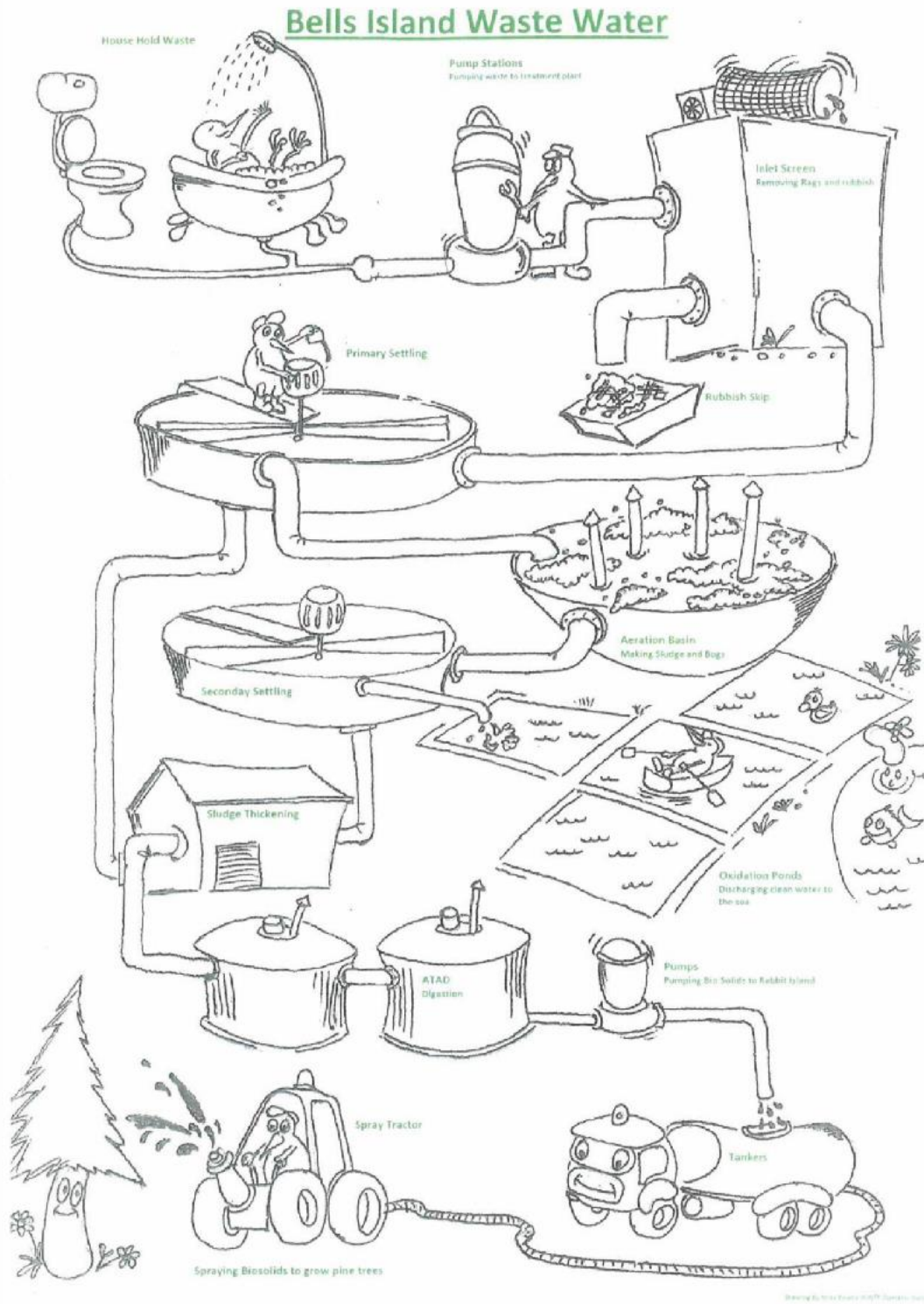
BELL ISLAND TREATMENT PLANT SCHEMATICS



*Nelson Regional Sewerage Business Unit Business Plan
2020/21(Final)*

Item 7: Adoption of the Nelson Regional Sewerage Business Unit 2020/2021 Business Plan:
Attachment 1

Sensitivity: General



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Sensitivity: General

APPENDIX F

REDUCTION OF ADVERSE ENVIRONMENTAL EFFECTS

The NRSBU intends to:

- reduce overflow into the coastal marine environment and Tasman Bay beyond.
- have a greater focus on the immediate coastal marine environment and impacts on the ecology of Tasman Bay.
- consider water quality, biodiversity and estuary health as priorities over the next two years.
- reduce the volume of wastewater discharged to Waimea Inlet.

To implement this vision, the NRSBU will:

- develop a programme of work to investigate and implement ways to reduce overflows from the sewerage pump stations to the estuary.
- implement the conditions associated with the pump stations Aberrational Discharge resource consent.
- undertake a trial to re-use treated wastewater to clean the inlet screens (reducing the use of potable water and consequently the volume discharged to the estuary).
- further develop investigations into the potential re-use (by others) of treated wastewater.
- investigate potential tree and vegetation planting around the perimeter of Bell Island.
- continue to operate the treatment plant well and achieve high quality effluent.
- commission a high-level report into alternative wastewater treatment systems (that would avoid or significantly reduce the discharge of treated wastewater to the Waimea Inlet).