
Minutes of a meeting of the Nelson Regional Sewerage Business Unit

Held in the Council Chamber, Civic House, Trafalgar Street, Nelson

On Friday 5 July 2013, commencing at 1.04pm

Present: D Hiser (Chair), Nelson City Councillors P Matheson and D Shaw, Tasman District Councillor G Glover, Tasman District Council Representative M Higgins, P Wilson (Customer Representative), M Hippolite (Iwi Representative)

In Attendance: Nelson City Council Engineering Adviser (J Thiart), Nelson City Council Administration Adviser (E-J Ruthven)

1. Interests

There were no updates to the Interests Register, and no conflicts of interest with any agenda items were declared.

2. Confirmation of Order of Business

There was no change to the order of business.

3. Confirmation of Minutes

3.1 15 March 2013

Document number 1481176, agenda pages 7-17 refer.

It was noted that, in the first paragraph of page 4 of the minutes, the word 'entirely' should be substituted by the word 'entirety'.

Resolved

THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 15 March 2013, be confirmed as a true and correct record, with the amendment as noted.

Higgins/Hiser

Carried

Attendance: Councillor Glover joined the meeting at 1.10pm.

There was a brief discussion regarding the Bell Island Environmental Development Plan suggestion that the Joint Committee consider establishing a wildlife corridor through the area of Bell Island ear-marked for future pond development.

A suggestion was made that a wildlife corridor could be put in place until such time that the land was needed for pond development. The majority view was that this issue had been well canvassed at the previous meeting at which a decision not to establish a wildlife corridor had been taken, and that any potential change to the decision should follow the notice of motion process.

3.2 6 May 2013

Document number 1504320, agenda pages 18-19 refer.

Resolved

THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 6 May 2013, be confirmed as a true and correct record.

Higgins/Shaw

Carried

4. Status Report – 5 July 2013

Document number 950967 v20, agenda pages 20-22 refer.

Resolved

THAT the Status Report (950967 v20) be received.

Hiser/Shaw

Carried

5. Checklist

There was a discussion regarding the proposed Board Workshop in August. Mr Thiart explained that the new contractor would attend the workshop to explain the process of benchmarking, and to discuss the plant's performance and management, and the development of a model to determine the capacity of the plant. He added that the workshop would also facilitate a process of reviewing the Strategic Plan. Ms Hiser asked that the contractor be requested to provide specific suggestions on the specific recommendations for implementing benchmarking within the NRSBU, rather than a broad and theoretical presentation.

There was general agreement that it would be useful for an external facilitator to encourage a critical review of the Strategic Plan, and that customers should also be invited to take part in the workshop.

There was a discussion regarding potential dates for the workshop. It was agreed that the workshop should take place on Tuesday 30 July,

starting at 11.00am, and that Friday 9 August should be held as an alternate date.

6. Chairperson's Verbal Report

Ms Hiser explained that she had met with the Chief Executives of both Councils, and had attended the Joint Shareholder Committee meeting on 5 April 2013 to present the Unit's Annual Report and Business Plan. She added that she had presented to each Council the Joint Committee's decision to award the Operations and Maintenance Contract to Nelmac.

7. Staff Report – 5 July 2013

Document number 1409653, agenda pages 23-37 refer.

Mr Thiart spoke to the report.

7.1 Contributor Flow Meters

Mr Thiart said that Alliance was currently installing its new flow meter, and that Nelson Pine Industries was expecting to do likewise by the end of August 2013.

7.2 Awarding of Operation and Maintenance Contract

Mr Thiart noted the new contract with Nelmac would be operative from 1 October 2013.

A suggestion was made that senior representatives from Nelmac be invited to an upcoming meeting to meet Joint Committee members.

7.3 Disposal of Trade Waste Agreement

Mr Thiart explained Alliance's request to decrease its contracted loads. He said that both Councils were considering taking up the additional load to increase capacity to 100%.

7.4 Orphanage Creek Pipeline Reinstatement

Mr Thiart described the damage that occurred to the Orphanage Creek Pipeline during the April 21 rainfall event. He said that repair work was underway, and would cost approximately \$95,000. He added that fish passage was being accounted for during repair work, and that the large number and variety of fish found to be in the stream during the course of repair work had surprised Council officers.

7.5 Audit 30 June 2012 Management Report

Mr Thiart noted that Mike Drummond, Corporate Services Manager Tasman District Council, was continuing to develop a Treasury Policy.

7.6 Customer Contingency Plan Review

Mr Thiart noted that customers were no longer requested to stop pumping during storm events, because the network now coped with large wet weather flows.

7.7 Health and Safety

Mr Thiart explained that Nelson City Council was responsible for the health and safety aspects of Business Unit projects.

7.8 Operations and Maintenance Contract

Mr Thiart described the damage to the Airport pump station. He said a new pump had been ordered at a cost of approximately \$192,000. He explained the remedial works using parts of the old Saxton pump pending the new pump's arrival, and noted that the Saxton pump would be held as a spare for any future pump failure.

In response to a question, Mr Thiart explained that the pump's life expectancy was 20 years, and the failed pump was approximately 21 years old. He added that an investigation was considering whether the pump's maintenance schedule had been adhered to. The Committee discussed likely maintenance requirements going forward, and Mr Thiart noted that the relevant section of the Operations and Maintenance Manuals could be reviewed by the new contractor.

In response to a further question, Mr Thiart explained that Nelson City Council Executive Manager Network Services, Alec Louverdis, had delegated authority to authorise expenditure for the new pump.

7.9 Biosolids Contract

Mr Thiart explained that the biosolids capacity was running at approximately 53%, and explained the use of the primary clarifier to receive as much sludge as possible prior to entering the ponds. The Committee discussed the importance of the long-term budgetary implications of removing sludge to Rabbit Island, also noting that this was an environmentally sensitive way of dealing with sludge.

It was noted that Tasman District Council was currently undertaking a Parks and Reserves Review, and the Committee noted the importance of feeding into the Rabbit Island Management Plan that was likely to arise from this review.

In response to a question, Mr Thiart explained that there was capacity to divert sludge to other forestry blocks, but that the transport costs to do so were expensive. The Committee expressed a desire to consider at the workshop a cost/benefit analysis of diverting sludge to Rabbit Island, rather than to landfill, and to consider options for the sludge currently in the ponds. The Committee also expressed a desire to consider the

possibility of diverting sludge to other nearby forestry blocks in the future.

7.10 Level of Service

The Committee discussed the pump station overflow that occurred during the April 21 rainfall event. Mr Thiart explained that this had occurred as a result of a power outage, following which only one of two pumps re-started in emergency mode.

There was also a discussion regarding BOD levels, and Mr Thiart explained the preferred use of CBOD measures to give accurate readings. However, he noted that current CBOD readings were still tracking at a higher level than total BOD readings from 2009; and suggested that the Committee would need to be mindful of pond capacity in the coming years.

7.11 Performance

Mr Thiart explained that, with the new pipe and pump station upgrades completed, the plant was now using less energy.

7.12 General

In response to a question, Mr Thiart explained that fencing around the waahi tapu sites on Bell Island had been examined and found to be in good condition.

Resolved

THAT the Staff Report – 5 July (1409653) be received.

Hiser/Glover

Carried

8. Treatment Plant: A-Train

Document number 1540942, agenda page 38 refers.

Mr Thiart explained that removal of the A-Train roof had uncovered damage in the form of rust and distortion, caused by a storm some years ago.

It was noted that the figure in the recommendation should be \$804,000.

Resolved

THAT the Executive Manager Network Services be authorised to approve a variation to the sludge tank upgrade and renewal work to a value not exceeding \$80,000 bringing the total cost of the work to \$804,000.

Higgins/Shaw

Carried

Attendance: The meeting adjourned for afternoon tea from 2.43pm to 2.58pm

**9. Nelson Regional Sewerage Business Unit:
Customer Survey.2012/13**

Document number 1540469, agenda pages 39-42 refer.

The Joint Committee noted the Customer Survey results. Mr Thiart suggested that he arrange to meet customers in between the quarterly Joint Committee meetings, in order to better understand the customers' needs, and there was general agreement with this initiative.

There was a brief discussion regarding consideration of the risks of any customers leaving the scheme.

Resolved

THAT the Nelson Regional Sewerage Business Unit: Customer Survey 2012/13 (1540469) be received, noting officer suggestions for improvement.

Shaw/Glover

Carried

10. Construction Index

Document number 1540460, agenda pages 43-46 refer.

Mr Thiart explained that the Construction Index was based on figures provided by Statistics New Zealand. He said that the index would be used to adjust the valuation for the coming year.

Surprise was expressed at the level of decrease in the Pipeline Index, however it was confirmed that the March Index was required to be used and, short of a corrective publication by Statistics New Zealand, the figures identified should be used.

Resolved

THAT the Nelson Regional Sewerage Business Unit Construction Index for the 2012/13 valuation be set as follows:

- ***Pipeline:*** ***-6.26%***
- ***Electrical:*** ***2.25%***
- ***Mechanical:*** ***-1.66%***
- ***Civil:*** ***1.19%***
- ***Structural:*** ***-2.85%;***

AND THAT no peer review of the valuation be required following the use of the NRSBU Construction Index.

Higgins/Matheson

Carried

11. Finance report

Document number 1419497 v11, agenda pages 47-48 refer.

Resolved

THAT the Nelson Regional Sewerage Business Unit: Financial report (1419497 v11) be received.

Glover/Shaw

Carried

12. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

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	<p>Nelson Regional Sewerage Business Unit – Public Excluded Minutes – 15 March 2013</p> <p>These minutes confirmed the public excluded minutes of the Nelson Regional Sewerage Business Unit meeting of 14 December 2012, and otherwise contain information</p>	<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>

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	regarding:		
	Re-testing of the regional pipeline and consideration of liquidated damages.		Section 7(2)(b) <ul style="list-style-type: none"> To protect information that may disclose a trade secret or the commercial position of a person
2	Nelson Regional Sewerage Business Unit – Public Excluded Extraordinary Minutes – 6 May 2013	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:
	These minutes contain information regarding: The tender of an operation and maintenance contract.		<ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations

Matheson/Glover

Carried

The meeting went into public excluded session at 3.12pm and resumed in public session at 3.15pm.

13. Confirmation of Public Excluded Minutes

In public excluded session, the meeting confirmed the public excluded minutes of the meetings of 15 March 2013 and 6 May 2013.

Resolved

THAT the minutes of the part of a meeting of the Nelson Regional Sewerage Business Unit, held with the public excluded on 15 March 2013, be confirmed as a true and correct record.

Glover/Hiser

Carried

Resolved

THAT the minutes of the part of a meeting of the Nelson Regional Sewerage Business Unit, held with the public excluded on 6 May 2013, be confirmed as a true and correct record.

Glover/Shaw

Carried

14. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Glover/Shaw

Carried

There being no further business the meeting ended at 3.15pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date