

Notice is given that an ordinary meeting of the Nelson Regional Sewerage Business Unit will be held on:

Date: Friday 7 December 2018
Time: 1.30 pm
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Nelson Regional Sewerage Business Unit

AGENDA

MEMBERSHIP

Chairperson Cr Kit Maling
Members Cr Dean McNamara
Cr Tim Skinner
Cr Stuart Walker

(Quorum 2 members)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 PUBLIC FORUM

5 CONFIRMATION OF MINUTES

That the minutes of the Nelson Regional Sewerage Business Unit meeting held on Monday, 27 August 2018 and the minutes of the Extraordinary Nelson Regional Sewerage Business Unit meeting held on Tuesday, 30 October 2018, be confirmed as a true and correct record of the meeting.

6 PRESENTATIONS

Nil

7 REPORTS

7.1 Acting General Manager's Update Report 5

7 REPORTS

7.1 ACTING GENERAL MANAGER'S UPDATE REPORT

Decision Required

Report To:	Nelson Regional Sewerage Business Unit
Meeting Date:	7 December 2018
Report Author:	Don Clifford, Acting General Manager
Report Number:	RNRSBU18-12-1

1 Summary

- 1.1 This is the three monthly General Manager's Update report.
- 1.2 It is recommended that the Nelson Regional Sewerage Business Unit (NRSBU) Committee members attend a workshop to develop the Annual Plan for 2019/2020

2 Draft Resolution

That the Nelson Regional Sewerage Business Unit:

1. receives the Nelson Regional Sewerage Business Unit General Manager's Report, NRSBU18-12-01; and
2. instructs the Acting General Manager to arrange a workshop for NRSBU Committee members in the New Year to discuss and develop the Annual Plan for 2019/2020.

3 Purpose of the Report

3.1 This report provides the three-monthly update on activity for the NRSBU.

4 Health and Safety

- 4.1 Health and safety operational matters are reviewed at monthly contract meetings. Actions recorded in the minutes of the meetings demonstrate that the contractor performs their duties in alignment with their approved Health and Safety Plans.
- 4.2 No work injuries have been reported.
- 4.3 Nelmac has reported a significant increase in the number of near misses and investigated (August 2018 = 11 and September 2018 = 6)
- 4.4 Nelmac has implemented a working alone policy and this policy will be reviewed in February 2019 to ensure that the desired outcomes are being achieved.
- 4.5 The number of visitors to the treatment plant over the last six months has nearly halved to an average of less than 80 visitors per month.
- 4.6 A comprehensive review of all health & safety risks has been undertaken. The outcome of the review is likely to be a request for some capital funding to improve the work environment.

5 Financial Status**Finance report on trading to date**

- 5.1 **Attachment 1** includes the following financial reports up to the end of October 2018:
- Income Account for the period to 31 October 2018
 - Balance Sheet as at 31 October 2018
- 5.2 Variable income is down and attributed to lower volumes/concentrations received.
- 5.3 Management costs are up against budget due to the extra inputs and external pricing of the acting General Manager and the acting Operations Manager.
- 5.4 Maintenance costs are over budget due to a higher level of activity at Rabbit Island, various pump stations and Bell Island.
- 5.5 Sundry costs are up significantly due to the supply of water for cleaning the inlet screens (for six months \$56,000 versus full year budget of \$44,000).
- 5.6 The biosolids costs are up due to the arrears payment of escalation to the contractor of \$79,198.58 (for the period July 2014 to September 2018).

6 Contract 3458 – Operation and Maintenance

- 6.1 The primary sludge concentration has been maintained above 4.6% and no thickening has been required since 2017.
- 6.2 The activated sludge process performed satisfactorily.
- 6.3 The ATAD process complied with the consented treatment requirements.

- 6.4 The discharge effluent quality complied with discharge limits for all parameters.
- 6.5 Nelmac has received no odour complaints since April 2018.
- 6.6 The ponds performed well over the last few months and the results of the sludge survey completed during November 2018 is shown in the table below.

Pond	Year of Survey	Water Level (m)	Avg. Pond Depth (m)	Avg. Depth to Sludge (m)	Avg. Sludge Depth (m)	Max. Sludge Depth (m)	Est. Total Pond Volume (m ³)	Est. Sludge Volume (m ³)	Weighted Average Sludge Solids Content	Est. Tonnes Dry Solids (tDS)
F1	2018	23.73	1.84	1.27	0.57	1.15	183,720	56,480	3.9%	2,203
	2018 J	23.70	1.81	1.26	0.55	1.03	180,630	54,310	3.8%	2,064
	2017	23.66	1.77	1.21	0.56	1.06	176,410	55,260	3.2%	1,788
	2015	23.66	1.76	1.16	0.60	1.06	176,050	51,930	3.1%	1,596
	2014	23.46	1.56	0.99	0.57	1.15	155,320	52,340	2.9%	1,518
F2	2018	23.76	2.06	1.27	0.79	1.38	196,960	71,060	5.4 %	3,837
	2018 J	23.90	2.20	1.37	0.83	1.44	211,500	74,530	5.5%	4,099
	2017	23.67	1.97	1.20	0.77	1.42	187,640	70,050	5.3%	3,708
	2015	23.67	1.88	1.11	0.77	1.50	187,640	71,220	4.0%	2,878
	2014	23.57	1.78	1.09	0.70	1.35	176,810	66,240	4.8%	3,180
F3	2018	23.70	1.82	1.29	0.53	1.01	179,160	56,630	4.4%	2,492
	2018 J	23.60	1.72	1.16	0.56	0.92	168,920	59,360	4.8%	2,849
	2017	23.70	1.82	1.29	0.53	1.08	179,160	56,400	3.9%	2,172
	2015	23.55	1.63	1.06	0.57	1.13	163,770	51,170	3.2%	1,701
	2014	23.61	1.69	1.11	0.58	1.20	169,760	52,900	3.5%	1,852

- 6.7 A full review of the pond conditions will be completed in early 2019 once the sludge assessment review has been completed by Nelmac.

Odour Management

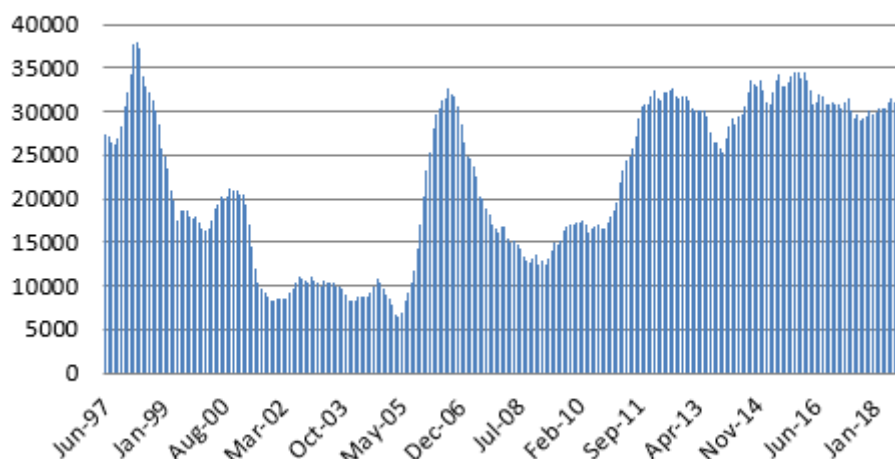
- 6.8 Several meetings have been held to identify all odour risks and they have been assessed for priority of concern and action.
- 6.9 The four main areas are: pump stations, Bell Island mechanical systems, Bell island ponds and Rabbit Island biosolids disposal.

- 6.10 The contractor was instructed to renew the media in the bio filters at the Wakatu pump station and the Airport pump station. That work has been completed.
- 6.11 A meeting was held with the Pond Management team to discuss preparations for the summer season.
- 6.12 The contractor was instructed to seal the holes in the ATAD roofs. That work has mostly been completed with a significant reduction in the release of unwanted odour.
- 6.13 The Acting General Manager is meeting bi-monthly with Best Island resident representatives. At the meetings an update on the status of odour mitigation works is discussed.
- 6.14 An annual meeting between the Acting General Manager and all Best Island residents is being considered. This would be separate from the Nelmac get-together with residents.
- 6.15 A proposal is being developed with the Biosolids contractor to set-up a second system to make it simpler and faster to respond to changes in wind direction. The contractor has been instructed to plan disposal with the daily wind forecast in mind.

Biosolids Operation

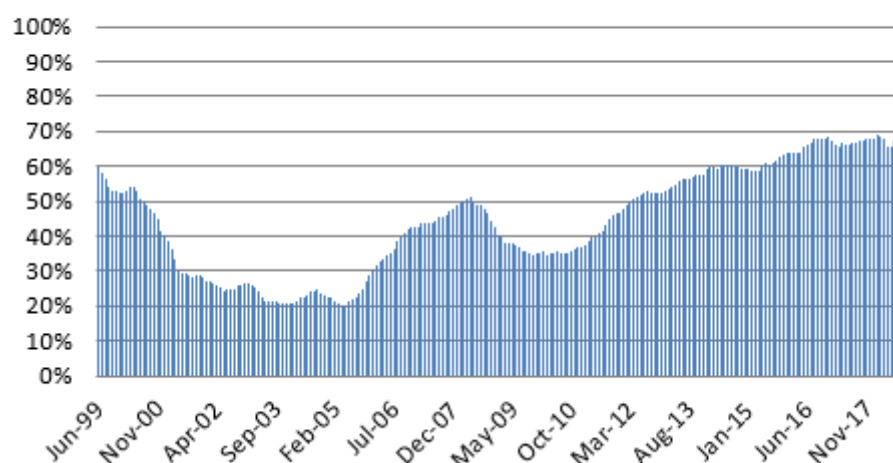
- 6.16 The 12-month rolling average of biosolids sprayed is 29,450m³.

Annual rolling volume sprayed



- 6.17 The following graph shows the use of nitrogen capacity of the Rabbit Island pine plantations and demonstrates that the NRSBU has a buffer of only slightly more than 30%, therefore it is important to optimise the management of the Rabbit Island forest and the production of biosolids at Bell Island.

Nitrogen Capacity used in 3 year cycle



Regional Pipeline

- 6.18 A formal request has been received from Tasman District Council regarding the existing pipe system at Headingly Lane, Richmond.
- 6.19 The Council would like to connect their sewer into the pipe that drains from Nelson Pine Industries.
- 6.20 Technical considerations of the request are in progress. Part of the response to the request will depend upon the intended timing of the NRSBU to install any new pipeline.

Trade Waste Agreements

- 6.21 Currently we don't have a Trade Waste agreement with Turners & Growers who took over the ENZA site.
- 6.22 Turners & Growers issued a signed agreement that was lacking in some key details.
- 6.23 A complexity is that Turners & Growers has sold off part of the facility.
- 6.24 The existing agreements are somewhat out-of-date, therefore a legal review is being considered (to make them more current).

Bell Island Resource Consent Application

- 6.25 Pre-hearing meetings have been held with submitters and feedback from those meetings is being considered.
- 6.26 The feedback may lead to suggested amendments and/or additions to the proposed Conditions of Consent.

Re-use trial

- 6.27 Planning and investigation is underway to establish a trial to filter the treated wastewater for re-use.
- 6.28 The first intended re-use will be the wash water at the inlet screens. If successful this will significantly reduce the cost and need to use potable water (current cost in excess of \$100,000 per annum).
- 6.29 We have taken ownership of the out-of-date potable water filtration units from Nelson City Council's water treatment plant. It is intended to use these membrane filters after the trial has proven successful.

Asset Management Plan

6.30 At the 22 June 2018 meeting the NRSBU Committee approved the draft AMP being issued to both councils for approval.

6.31 Nelson City Council has approved the draft AMP and it will be presented to Tasman District Council in the new year.

Key Performance Indicators

6.32 The outcomes of key performance indicators since 1 June 2018 are shown in the following table.

Environmental: Treatment and Disposal			
RMA consent - wastewater Discharge to Coastal Marine Area	RMA Consent - Discharge of Contaminants to Air (Odour complaints)	RMA Consent - Discharge of Contaminants to Land	Equipment Failure of critical components within treatment and disposal system
Environmental: Pump Stations			
Odour complaints from pump stations	Pump station wet weather overflows	Pump station overflows resulting from power failure	Pump station overflows resulting from mechanical failure
Environmental: Pipeline			
Reticulation breaks	Air valve malfunction		
Capacity: Overloading system capacity			
Treatment & Disposal	Pump Stations		
Reliability: Equipment failure of critical components			
Treatment & Disposal	Pump Stations	Pipelines	
Responsiveness: Speed of response for emergency and urgent maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
Responsiveness: Speed of response for routine and programmable maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
Key customer relationships: Overall satisfaction			
Treatment & Disposal	Pump Stations	Pipelines	

Compliance Outcome

6.33 The compliance outcomes for the 12 months to 31 October 2018 are outlined in the following table.

i)	Resource Consent Compliance (rolling 12 month record)	
	Discharge to Estuary	Achieved.
	Consent for Aberrational Discharges within Nelson City Council area	No overflows during the past 12 months.
	Discharge to Air Permit	100% Compliance except Odour
	Biosolids Disposal	100% Compliance (except odour)
	Discharge treated waste water to land	100% Compliance
ii)	Odour Notifications	
	Past three months	Nil.
	Last 12 months	21 odour complaints were received. 19 of the odour complaints were associated with issues around the ATAD systems and ATAD bio-filter.
iii)	Overflows	
	Past three months	Nil.
	Last 12 months	Nil.
iv)	Speed of response for maintenance works	
	Response within 30 minutes. Achieved.	
v)	After hours call outs	
	Five months 24 call outs (Average of 5 per month) of which 11 (45%) were dealt with through remote access and 3 (12%) were related to the network.	

NRSBU Business Plan

- 6.34 The MoU requires a draft Business Plan for 2019/2020 to have been issued to both councils by 31 October 2018.
- 6.35 The MoU further require that after the councils have had an opportunity to discuss and comment on the draft Business Plan the NRSBU shall finalise the Business Plan, incorporating any changes agreed between the councils and the NRSBU. The final Business Plan is required to be presented to both councils by 31 May 2019 for inclusion in their draft Annual Plans.
- 6.36 This year we have held back on drafting the Business Plan until the proposed resource consent conditions are finalised and the estimated costs are known.
- 6.37 There are some potential system improvements to that may also affect the budgets.
- 6.38 Following formal audit of the finances, there may also be some budgetary changes required. There are a number of physical works items to comply with the aberrational discharge consent that will impact budgets.
- 6.39 It is therefore proposed that the committee convenes for a Workshop in the New Year to discuss and work through these issues to develop the draft Business Plan.

7 Attachments

1. NRSBU Financial Reports

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**Nelson Regional Sewerage Business Unit
Financial Report**

Income Account for the period to **31st October 2018**

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2017/18 Budget		YTD Variation
						YTD	Annual	
Income								
Contributions Fixed	367,155	372,000	1,468,619	99	33	1,488,000	4,464,000	(19,381)
Contributions Variable	237,185	261,478	1,086,417	104	35	1,045,911	3,137,732	40,506
Other Recoveries	13,620	13,189	56,538	107	36	52,756	158,268	3,782
Interest	33	-	1,809			-	-	1,809
Forestry Income	-	-	-			-	-	0
Total Income	617,993	646,667	2,613,383	101	34	2,586,667	7,760,000	26,716
Less Expenses								
Management	96,840	16,738	262,497	392	131	66,955	200,864	(195,542)
Electricity	67,947	68,363	273,509	100	33	273,450	820,350	(59)
Contract Maintenance	56,074	54,665	243,871	112	37	218,664	655,993	(25,207)
Reactive and Proactive Maintenance	90,750	42,377	299,311	177	59	169,500	508,500	(129,811)
Monitoring	22,113	17,149	48,746	71	24	68,592	205,775	19,846
Consultancy	4,626	6,250	19,925	80	27	25,000	75,000	5,075
Insurance	4,265	5,000	17,058	85	28	20,000	60,000	2,942
Sundry	68,580	12,231	85,003	174	58	48,923	146,770	(36,080)
Biosolids Disposal	29,909	51,900	289,767	140	47	207,601	622,804	(82,166)
Operating & Maintenance Expenses	441,103	274,673	1,539,688	140	47	1,098,685	3,296,056	(441,003)
Financial	42,701	51,583	163,733	79	26	206,333	619,000	42,601
Depreciation	159,681	155,833	638,723	102	34	623,333	1,870,000	(15,390)
Total Expenses	643,485	482,089	2,342,143	121	40	1,928,351	5,785,056	(413,792)
Net Income	(25,492)	164,578	271,240	41	14	658,316	1,974,944	(387,076)

NRSBU Ledger and Financial Report 2018 19 (A2059786).xlsx29/11/2018

Nelson Regional Sewerage Business Unit			
Balance Sheet as at 31st October 2018			
	Current	Last Month	June 2018
Equity			
Opening Equity (July)	48,867,719	48,867,719	46,966,781
Plus Net Income YTD	271,240	185,428	0
Plus Revaluation	0	0	1,900,939
Closing Equity	49,138,959	49,053,148	48,867,719
Contingency Reserve	100,000	100,000	100,000
	<u>49,238,959</u>	<u>49,153,148</u>	<u>48,967,719</u>
Which was Invested as follows -			
Current Assets			
Bank	7,221	35,619	621,557
Debtors	34,425	38,177	114,287
NCC Current account	3,698	228,718	0
Total Current Assets	45,345	302,513	735,844
Fixed Assets	63,920,610	63,943,133	64,247,645
Current Liabilities			
Creditors	(236,996)	(442,499)	(140,998)
NCC Loan	(490,000)	(650,000)	0
TDC Current Account	0	0	(731,820)
NCC Current account	0	0	(1,142,952)
Total Current Liabilities	(726,996)	(1,092,499)	(2,015,769)
Term Liabilities	(14,000,000)	(14,000,000)	(14,000,000)
Derivative Financial Instruments	0	0	0
	<u>49,238,959</u>	<u>49,153,148</u>	<u>48,967,719</u>

NRSBU Ledger and Financial Report 2018 19 (A2059786).xlsx