

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

**Date:** Tuesday 16 July 2019  
**Time:** 9.30 am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

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## Nelson-Tasman Regional Landfill Business Unit

### AGENDA

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#### MEMBERSHIP

**Members**

- Cr S Walker
- Cr S Bryant
- Cr C M Maling
- Cr I Barker
- Mr Andrew Stephens

(Quorum 3 members)

Contact Telephone: 03 543 8524  
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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-Tasman Regional Landfill Business Unit meeting held on Friday, 8 March 2019, be confirmed as a true and correct record of the meeting.**

**6 PRESENTATIONS**

Nil

**7 REPORTS**

7.1 General Manager's Update Report..... 5

**8 CONFIDENTIAL SESSION**

Nil



## 7 REPORTS

### 7.1 GENERAL MANAGER'S UPDATE REPORT

Decision Required

**Report To:** Nelson-Tasman Regional Landfill Business Unit  
**Meeting Date:** 16 July 2019  
**Report Author:** Don Clifford, Acting General Manager  
**Report Number:** RRLBU19-07-1

#### 1 Summary

- 1.1 This is the three monthly General Manager's Update report.
- 1.2 The Business Plan and the landfill charges for 2019/2020 have been confirmed by both councils.
- 1.3 A submitter has requested that the charges for receiving clean HAIL material be reduced.

#### 2 Draft Resolution

**That the Nelson-Tasman Regional Landfill Business Unit**

1. **receives the Nelson Tasman Regional Landfill Business Unit General Manager's Report, RLBU19-07-01; and**
2. **notes approval of the Business Plan 2019/20 and the proposed landfill charges for 2019/2020 from both Tasman District Council and Nelson City Council; and**
3. **approves a one year (for the 2020/2021 financial year) trial removal of charges for residential HAIL material that has been demonstrated to be clean enough for beneficial use at the landfill.**

### 3 Purpose of the Report

- 3.1 This report provides the three-monthly update on activity for the Nelson Tasman Regional Landfill Business Unit (NTRLBU).

### 4 Iwi Advisor to Nelson Tasman Regional Landfill Business Unit

- 4.1 The Terms of Reference for the NTRLBU allow for the appointment of an iwi advisor, see below.

#### *Structure of NTRLBU*

5. The NTRLBU will be established as a Joint Committee of Nelson and Tasman pursuant to schedule 7 to the LGA.
  6. The NTRLBU shall comprise four or five members appointed as follows:
    - (i) Two members appointed by Tasman (at least one of whom will be an elected member of the Tasman District Council);
    - (ii) Two members appointed by the Nelson (at least one of whom will be an elected member of the Nelson City Council);
    - (iii) May include one jointly appointed/independent member, who is not involved in any business related to the NTRLBU activities. This member would only be appointed if mutually agreed to by both councils and in accordance with the councils' 'Policy for appointment and remuneration of jointly-appointed independent members on committees'. This member shall be appointed for a period of three years, and in such a way as to provide continuity through the triennial election period. The member shall be remunerated in accordance with the councils' 'Policy for appointment and remuneration of jointly-appointed independent members on committees'.
  7. The NTRLBU will include one iwi advisor, nominated by local iwi with mana whenua at either landfill site, and confirmed by both councils. This iwi advisor shall be appointed for a period of three years, and in such a way as to provide continuity through the triennial election period. The member shall be remunerated in accordance with the councils' 'Policy for appointment and remuneration of jointly-appointed independent members on committees'.
  8. In appointing members to the NTRLBU, the councils will have regard to the criteria, skills and experience required so that an appropriate mix of skills is maintained.
  9. The NTRLBU will elect a Chair and Deputy Chair from its voting members at its first meeting of the triennium.
- 4.2 On 20 June 2019, both councils approved the appointment of Andrew Stephens (Ngāti Tama) as iwi advisor to the NTRLBU.

### 5 Health and Safety

- 5.1 The contractor at York Valley has reported no significant incidents.

### 6 Operations

#### **Finance report on trading to date**

- 6.1 **Attachment 1** includes the financial reports up to the end of May 2019:

- Income Account for the period to 31 May 2019
  - Balance Sheet as at 31 May 2019
- 6.2 Generally we have continued the same trend as for earlier this year with income and costs above budget.
- 6.3 Year-to-date landfill fees received were 122% against budget
- 6.4 Year-to-date staff and administration costs were 130% against budget (down from 149% for the last quarter).
- 6.5 We have the effect of paying cash for the 2018 calendar year for the Emissions Trading Scheme (ETS) cost at \$25. From an accounting perspective this has meant that the January–June 2018 cost has been at \$25 against our provision at \$19.45, a difference of \$230,000. We still hold the units purchased at \$19.45 for future use. Year-to-date cost is 147% against budget.
- 6.6 Eves Valley year-to-date expenses were 197% against budget (down from 217% at last quarter).
- 6.7 The Aftercare provision remained our largest percent variance against budget with the year-to-date figure at 435%. The 2017/18 post closure provision has been finalised, but not yet audited.
- 6.8 The net surplus after levy remains above budget.

<b>7 Landfill Operations and Maintenance– York Valley and Eves Valley</b>
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- 7.1 The new contract commenced on 1 January 2019. The Eves Valley site was taken over on 1 July 2019.
- 7.2 The new compactor will be delivered in July; some fit-out works are required before it becomes operational at the end of the month.
- 7.3 The contractor has advised that the wheels for the compactor will be different from the tender document proposal. This is a consequence of advice from the manufacturer of the compactor. This change was accepted by NTRLBU but at the contractor's risk.
- 7.4 Landfill gas was partially shut down on 27 May 2019 to replace valves and the east side lines were shut down on 24 June 2019 for maintenance. Supply to the hospital was available during the maintenance period. In June there were some issues with increased oxygen but this was concluded to be because of the higher pressure on the west side during the east side shutdown. The system has now returned to normal.
- 7.5 The weighbridge required significant repair and cleaning. The bridge was weighing incorrectly because of missing load cell pins and significant dirt build-up. There was also damage to the safety barrier which was affecting the weigh. The specialist contractor cleaned and repaired the weighbridge (mainly on weekends to avoid disruption) and has recommended the introduction of a scheduled maintenance plan to avoid such a significant repair in future.
- 7.6 Residual waste tonnages are tracking slightly above budget projections. As per the previous year the high volumes are likely to be associated with continuing high activity in the construction industry.

**Item 7.1**

- 7.7 Landfill costs have tracked above budget: York valley expenses are up due to higher cost of the operations contract and higher waste levy (as a result of the increased volumes). Eves Valley costs are up due un-budgeted leachate costs.
- 7.8 The ETS levy is up due to both volume increase and price increase.
- 7.9 Aftercare provision is up significantly on budget. The unwinding of the NPV of the Eves Valley provision was not budgeted for and the provision for each site is higher due to increases in the assessed costs.
- 7.10 At the current rate of landfill we are still tracking to use up the available York Valley airspace by approximately 2031/2032.
- 7.11 Eves Valley batter earthworks were completed without incident in April. A silt fence has been fitted to reduce run off until planting can be completed in spring.
- 7.12 The new contractor took over the Eves Valley site on 1 July 2019. There are a few minor tasks yet to be completed by the previous contractor.

**York Valley Annual Monitoring Report**

- 7.13 We are awaiting a consultant's proposal to address the recommendations from the annual monitoring report for the York Valley landfill.

**Eves Valley Annual Monitoring Report**

- 7.14 A consultant has been engaged to address the recommendations from the annual monitoring report for the Eves Valley landfill.
- 7.15 Initial reports have been received and these will be reviewed and reported to the next committee meeting.

<b>8 Joint Landfill Asset Management Plan</b>
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- 8.1 At the NTRLBU meeting on 22 June 2018 the committee approved the draft Asset Management Plan (AMP) being issued to both councils for approval.
- 8.2 Nelson City Council approved the AMP on 15 November 2018. Tasman District Council approved the AMP in February 2019.

<b>9 Business Plan</b>
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- 9.1 The 2019-2020 landfill charges took effect from 1 July 2019 (following approval from both councils).
- 9.2 The 2019/2020 financial year landfill charges (including GST) per tonne are:
 

Residual Waste	\$163
HAIL > 17,000 tonnes	\$138
HAIL < 17,000 tonnes	\$146
HAIL Residential/Tested	\$98
Polystyrene	\$2,080



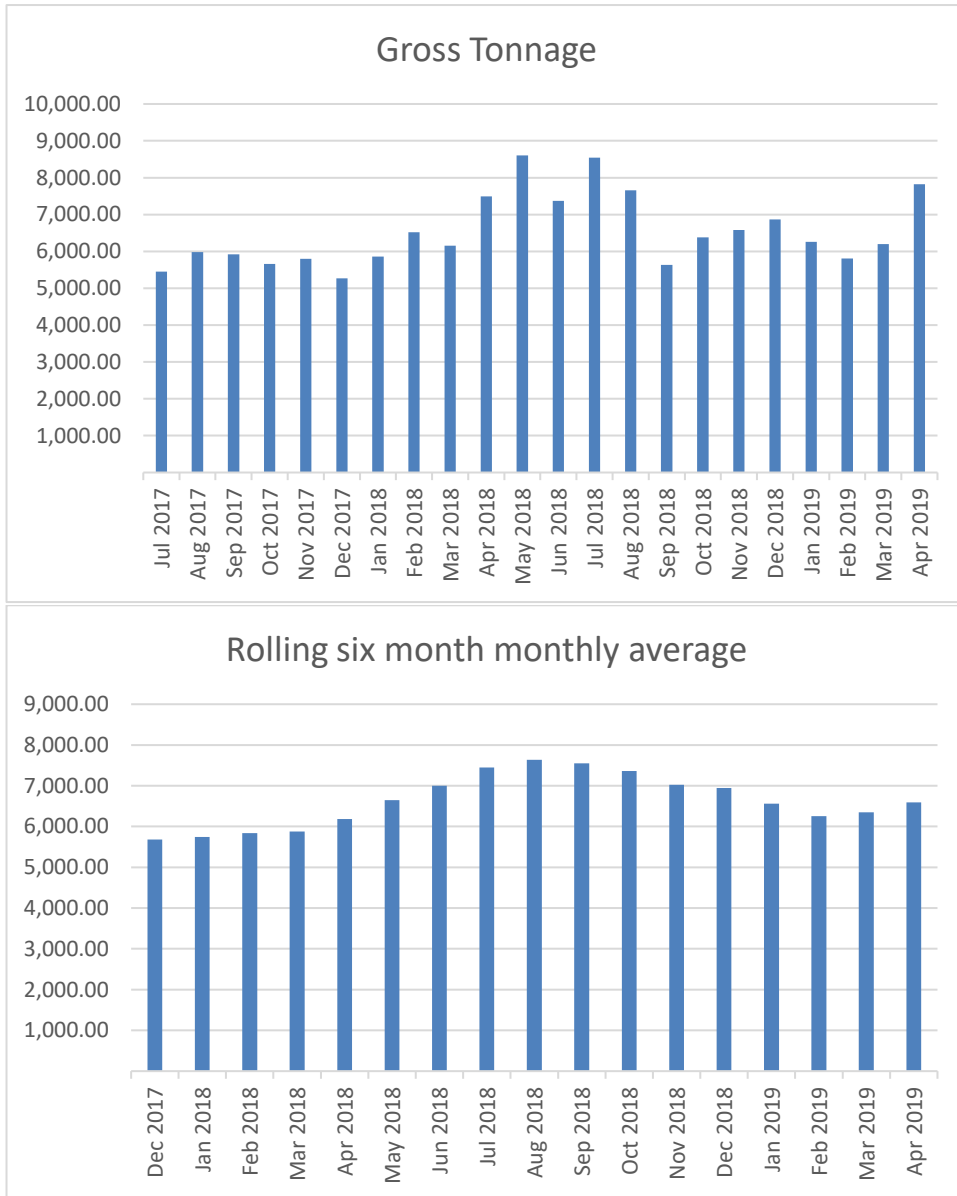
- 9.3 As requested at the committee meeting on 8 March 2019, the customer group members were invited to a meeting to explain the new charges.
- 9.4 Whilst price increases are never welcome, the main feedback from that meeting was that the companies have requested, and would appreciate, plenty of advance notice of any future changes to fees.
- 9.5 Tasman District Council approved the draft Business Plan on 9 May 2019. Nelson City Council approved the draft Business Plan in June 2019.
- 9.6 Nelson City Council has received submissions through its Long Term Plan consultation about the charges above.
- 9.7 One submitter has asked the councils to consider removing the charge for residential HAIL that has been tested and shown to meet the recreation criteria of the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health and can be used as construction or cover material.
- 9.8 Clean fill from non-HAIL sites is currently accepted free of charge. The submitter has asked for HAIL site material that has been demonstrated to be similarly “clean” to also be accepted free of charge.
- 9.9 The issues for the committee to consider include:
  - The anticipated volumes of complying material being received;
  - The volume of material required for cover or similar on-site construction;
  - The moisture content of the material (which affects its handling and usefulness);
  - The potential for rain/stormwater run-off to become contaminated; and
  - The cost of handling the material on-site.
- 9.10 We do not have a clear understanding of these issues but it does seem to be an anomaly for similar materials to be charged so differently.
- 9.11 It is proposed that a trial period of one year is put in place where material that satisfies the criteria for clean fill is accepted free of charge.
- 9.12 In practice, this would mean that for the next financial year (2020/21) we would remove the charge category of “HAIL Residential/Tested at \$98/tonne”.
- 9.13 Section 10 of the Terms of Reference below provides the authority for the committee to deal with this matter.

***Powers and responsibilities delegated to the NTRLBU***

10. The NTRLBU may without the need to seek any further authority from the councils:
  - (i) Set fees and charges for waste disposal at the regional landfill facilities by 30 June each year; including the power to apply discounted fees and charges for the disposal of waste in bulk; and may determine other circumstances where discounted fees and charges may be applied. For clarity, the fees and charges shall be included in the draft annual Business Plan that is submitted for Council approval each year.
  - (ii) Make decisions to accept (or not accept) waste that is generated outside the Nelson Tasman region.

**10 York Valley Landfill Tonnages**

10.1 The tables below show recent weighbridge records of total tonnages per month received at York Valley. For comparison, the 2019/20 budgets are based upon an average monthly tonnage of approximately 5,800 tonnes.



**11 Attachments**

- 1. [Financial Report](#)

## Nelson Tasman Regional Landfill Business Unit

## Income Account for the period to 31st May 2019

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2018/19 Budget	
						YTD	Annual
<b>Income</b>							
Landfill Fees	896,334	675,633	9,043,663	122%	112%	7,431,957	8,107,590
Other recoveries	17,816	4,910	58,151	108%	99%	54,011	58,921
Interest	6,272	8,990	68,984	70%	64%	98,889	107,879
<b>Total Income</b>	<u>920,422</u>	<u>689,533</u>	<u>9,170,798</u>	<u>121%</u>	<u>111%</u>	<u>7,584,857</u>	<u>8,274,390</u>
<b>Less Expenses</b>							
Staff and Administration	26,206	19,537	278,783	130%	119%	214,895	234,432
York Valley Expenses	211,890	141,659	2,022,422	130%	119%	1,558,258	1,699,917
ETS Levy	300,008	130,482	2,108,733	147%	135%	1,435,297	1,565,778
Eves Valley Expenses	1,252	1,141	24,724	197%	181%	12,553	13,694
Aftercare provision	24,144	5,556	265,583	435%	398%	61,113	66,669
<b>Total Expenses</b>	<u>563,500</u>	<u>298,375</u>	<u>4,700,246</u>	<u>143%</u>	<u>131%</u>	<u>3,282,116</u>	<u>3,580,490</u>
<b>Net Surplus before levy</b>	<u>356,922</u>	<u>391,158</u>	<u>4,470,552</u>	<u>104%</u>	<u>95%</u>	<u>4,302,741</u>	<u>4,693,900</u>
Local Disposal Levy	366,667	366,666	4,033,334	100%	92%	4,033,334	4,400,000
<b>Net Surplus (Deficit) after Levy</b>	<u>(9,745)</u>	<u>24,492</u>	<u>437,218</u>			<u>269,407</u>	<u>293,900</u>



## Nelson Tasman Regional Landfill Business Unit

### Balance Sheet as at 31st May 2019

	Current	Last Month	30 June 2018
<b>Equity</b>			
Equity 1 July	7,307,371	7,307,371	8,805,257
Plus Net Income	437,218	446,963	(1,497,886)
<b>Closing Equity</b>	<u>7,744,589</u>	<u>7,754,334</u>	<u>7,307,371</u>
<b>Which was invested as follows -</b>			
<b>Current Assets</b>			
NCC Current Account	431,796	2,646,860	734,273
Debtors	5,421	5,421	960,331
NZETS units	2,584,194	2,333,194	2,079,194
<b>Total Current Assets</b>	<u>3,021,410</u>	<u>4,985,474</u>	<u>3,773,798</u>
<b>Fixed Assets</b>	5,836,853	5,855,631	6,037,845
<b>Investments</b>	3,387,843	3,381,571	3,318,859
<b>Total Assets</b>	<u>12,246,106</u>	<u>14,222,676</u>	<u>13,130,502</u>
<b>Less Liabilities</b>			
<b>Current Liabilities</b>			
Sundry Creditors	75,689	78,222	221,295
NCC Creditor	-	-	1,235,619
ETS Accrual	851,484	2,625,551	816,826
Aftercare provision - Current	293,570	507,940	534,200
<b>Total Current Liabilities</b>	<u>1,220,743</u>	<u>3,211,712</u>	<u>2,807,941</u>
<b>Term Liabilities</b>	3,280,774	3,256,630	3,015,191
<b>Net Assets</b>	<u>7,744,589</u>	<u>7,754,334</u>	<u>7,307,371</u>