

Minutes of a meeting of the Nelson Regional Sewerage Business Unit

Held at the Bell Island Sewerage Treatment Plant, Bell Island, Richmond

On Friday 23 August 2013, commencing at 1.40pm

Present: D Hiser (Chair), Nelson City Councillor 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 Management Accountant (A Bishop), and Nelson City Council Administration Adviser (E-J Ruthven)

Apology: Nelson City Councillor P Matheson

1. Apologies

The apology from Councillor Matheson was noted.

2. Interests

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

3. Confirmation of Minutes – 5 July 2013

Document number 1550277, agenda pages 5-13 refer.

Resolved

THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 5 July 2013, be confirmed as a true and correct record.

Shaw/Glover

Carried

There was a discussion regarding the Tasman District Council Parks and Reserves Management Plan Review, particularly with regards to the Business Unit's biosolids spraying activities on Rabbit Island. The Joint Committee was concerned that nothing in the review should jeopardise

the current capacity to spray treated biosolids on Rabbit Island or preclude expanding these activities to Rough Island in future years.

Resolved

THAT the Nelson Regional Sewerage Business Unit write to Tasman District Council to request input into the Parks and Reserves Management Plan Review, as well as subsequent reviews of Rabbit Island and Rough Island Management Plans, with an emphasis on the Business Unit's current and potential future biosolids spraying activities.

Shaw/Glover

Carried

In response to a question, Mr Thiart said that he was not aware of any further updates regarding the Treasury Policy. Disappointment was expressed by Joint Committee members that this item was still outstanding, and the Chair undertook to contact Tasman District Council to enquire about progress.

There was also a discussion about alterations to legislation relating to Health and Safety in the Workplace. Mr Thiart confirmed that as the Business Unit's Contract Management and Engineering Services were supplied by Nelson City Council, the ultimate responsibility for the Business Unit's Health and Safety responsibilities lay with the Chief Executive of Nelson City Council, and that all contractors were required to comply with Nelson City Council Health and Safety policies.

Mr Thiart agreed to investigate whether there had been any changes to the legislation which required a review of policies and procedures.

4. Status Report – 23 August 2013

Document number 950967 v21, agenda pages 14-15 refer.

In response to a question, Mr Thiart and Mr Bishop explained that Audit New Zealand had requested a peer review of the valuation, and suggested that it should commission a peer review itself. Mr Thiart noted that he was discussing with MWH the possibility of the Business Unit commissioning a peer review of the valuation rather than Audit new Zealand.

In relation to item 5, Mr Thiart explained that the word 'during' should be replaced with the word 'following'.

Resolved

THAT the Status Report (950967 v21) be received.

Hiser/Shaw

Carried

5. Checklist (Board Work Plan)

The Board Work Plan was noted.

6. Chairperson's Verbal Report

The Chair noted that she had had regular meetings with the Councils and with Mr Thiart in relation to the draft Annual Report 2012/13 and the workshop. She also noted the potential restructuring to take place at Nelson City Council and expressed the view that this was likely to improve reporting lines and delegations as far as the Business Unit was concerned.

7. Staff Report – 23 August 2013

Document number 1560065, agenda pages 16-23 refer.

Mr Thiart presented the report.

7.1 Disposal of Trade Waste Agreement

Mr Thiart explained that the two Councils had agreed to share the additional capacity following Alliance's reduction.

7.2 Operations and Maintenance Contract

Mr Thiart noted that maintenance work on the ATADs was on target for completion by the end of September.

7.3 Biosolids Contract

Mr Thiart explained the table relating to biosolids application, noting that there was still plenty of capacity to dispose of biosolids through the Rabbit and Bell Island pine plantations. The Joint Committee agreed with the tabular reporting, and also requested a quarterly rolling graph, in order to indicate trends.

In response to a question, Mr Thiart spoke about the optimum concentration levels of biosolids to ensure the most efficient spraying application.

7.4 Levels of Service

It was requested that future reporting of overflows relating to wet weather events record the q-rating of the event.

Mr Thiart also noted that Tasman District Council was currently considering whether to accept reporting on CBOD levels as meeting the consent requirement to report on BOD levels.

In response to a question, Mr Thiart explained the requests for information received relating to odour issues. He added that other odour issues had been attributed to other nearby industrial plants also releasing

odours. It was agreed that the heading in the table should be re-named 'Odour Notifications', as odour complaints referred specifically to the requirements of the resource consent.

7.5 2012 Action Implementation Plan

In relation to item 4.3, Mr Thiart noted that he had now received comment from Tasman District Council.

In response to a question, Mr Bishop advised that audit sign-off was expected by 30 September 2013.

7.6 Loads

In response to a question, Mr Thiart advised that pond level management was consistently improving, especially with regards to management of increased infiltration following heavy rainfall events.

7.7 Performance

Mr Thiart noted that the A-Train had been turned off for maintenance work, resulting in less power usage. He said that an investigation was underway to consider the energy efficiency of running only two trains at a time against the increased risk level from the associated lack of buffer capacity.

7.8 Workshop – Strategic Plan Review

Mr Thiart explained that, following the benchmarking presentation at the workshop, he had done some additional work around benchmarking, and had identified several treatment plants around New Zealand against which Bell Island could be compared. He explained that treatment plant staff around New Zealand had indicated a willingness to share information, and he expected to report further progress later this year.

Resolved

THAT the Staff Report – 23 August 2013 (1560065) be received.

Hiser/Higgins

Carried

8. Major Projects Report

8.1 Treatment Plant: A-Train Remediation Progress Report

Document number 1540942, agenda pages 24-25 refer.

Mr Thiart explained the work occurring on the A-Train, and noted that work should be completed on budget, by the end of September.

Resolved

THAT the A-Train Remediation Progress Report (1540942) be received.

Glover/Shaw

Carried

9. Nelson Regional Sewerage Business Unit Strategic Plan 2013/2016

Document number 1572434, agenda pages 26-29 refer.

The Joint Committee discussed the Strategic Plan 2013/2016.

9.1 Key Performance Measure – Reduce Stormwater Inflows by 10%

The Joint Committee discussed the proposed Key Performance Measure that peak stormwater inflows be reduced by 10% per year and that this target be reviewed annually. A view was expressed that this key performance measure may be too ambitious, given that the Business Unit had no direct control over storm water inflows, but that a measure not to exceed 2013 levels may be achievable. Another view was expressed that utilising a key performance measure in this area would highlight the issue and encourage both Councils to address stormwater infiltration into the network.

Mr Thiart noted that this measure would be valuable in terms of obtaining data from which to benchmark future years' performance.

It was agreed that this key performance measure should be left at 10%, and reviewed again next year.

9.2 Key Performance Measure – Identify all Stakeholders

The Joint Committee discussed the Key Performance Measure that all stakeholders are identified and reporting, communication and consultation targets are set and met by June 2014. Concern was expressed that it may be impossible to identify all stakeholders.

Following discussion, it was agreed to replace this Key Performance Measure with another specifying "Stakeholders are identified and communication targets are set and met by June 2014".

Attendance: Mr Higgins left the meeting at 3.17pm.

9.3 Key Performance Measure – Reduction in Overflow Events

Mr Hippolite suggested that it would be useful to have a key performance measure to reduce overflow events. The Joint Committee discussed the reasons for recent overflow events, noting that these were associated with heavy rainfall events, rather than power failure or mechanical failure reasons.

Following discussion, it was agreed to include "No overflows due to power failure or mechanical failure, and a decrease in wet weather overflow events" as a Key Performance Measure under Section 5 "NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact".

Resolved

THAT the Nelson Regional Sewerage Business Unit Strategic Plan 2013-2016 (1572434), as amended, be adopted, subject to further minor wording amendments.

Shaw/Glover

Carried

Attendance: Mr Higgins returned to the meeting at 3.31pm

10. Annual Financial Statements for the Year Ended 30 June 2013

Document number 1574481, agenda pages 30-44 refer.

Mr Bishop presented the report. In response to a question, he explained that the average weighted cost of funds included facility fees, and resulted from swaps being in place. He added that this was separate from the average weighted interest rate, which did not include the cost of finance.

Following discussion, it was agreed that the phrase "and subsequently approved by both Councils" should be added under item (n) on page 36 of the agenda, following the words "Business Plan".

Resolved

THAT the Nelson Regional Sewerage Business Unit Annual Financial Statements for the year Ended 30 June 2013 (1574481) be approved, subject to audit adjustments.

Hiser/Glover

Carried

11. Nelson Regional Sewerage Business Unit Annual Report 2012/2013

Document number 1555239, agenda pages 45-74 refer.

The Chair tabled a new version of the Annual Report, including tracked comments (1584817).

11.1 Section 2 – The Year in Review

Following discussion, it was agreed that paragraph 2.1 should be moved to the end of this section.

11.2 Section 3 – Level of Service Performance

Mr Thiart noted that the figures in the line “no overflow events occurring for the contracted contributor flows” in the Level of Service Summary table were incorrect, and undertook to rectify this.

In response to a question, Mr Thiart explained the process for investigating odour complaints.

11.3 Section 4 – Customer Group

In response to a question, Mr Thiart agreed to include a note that the scale was measured out of 7, and to include a note explaining the wide range in results with regards to efficiency.

Attendance: Nelson City Council Executive Manager Strategy and Planning, Michael Schruer, joined the meeting at 3.56pm.

11.4 Section 8 – Financial Performance

In response to a question, Mr Bishop explained that the reference to revaluations in paragraph 8.2 related to a comparison of the budget for depreciation prepared two years ago, and that two revaluations had occurred since then.

Following discussion, it was agreed that paragraphs 8.6 and 8.7 be removed.

Resolved

THAT the Nelson Regional Sewerage Business Unit Annual Report 2012/2013 (1555239), as amended, be adopted subject to audit.

Glover/Shaw

Carried

12. Nelson Regional Sewerage Business Unit Resource Consent Monitoring: Discharge Permit

Document number 1560412, agenda pages 75-84 refer.

Mr Thiart explained that the Business Unit activities were in compliance with consent requirements, aside from the issue of BOD levels. He explained the use of CBOD testing, rather than TBOD testing, and noted that he was awaiting a decision from Tasman District Council as to whether providing CBOD levels would meet the consent requirements to report on BOD levels.

Resolved

THAT the report Nelson Regional Sewerage Business Unit Resource Consent Monitoring: Discharge Permit (1560412) be received;

AND THAT the increase in Suspended Solids and Biological Oxygen Demand and variance in Biological Oxygen Demand be investigated as part of the operation and maintenance contract and a further report be submitted the Board regarding this matter in March 2014.

Higgins/Shaw

Carried

13. Nelson Regional Sewerage Business Unit Board Performance Review Workshop 30 July 2013

Document 1573846, agenda pages 85-89 refer.

Councillor Glover tabled a document containing some comments (1584593). Mr Thiart noted that a revised copy of the draft Review of Board Performance would be distributed to all members for comment.

14. Public Excluded Minutes -5 July 2013

A memorandum was tabled (1582426), noting that the public excluded minutes of the previous meeting had been inadvertently omitted from the agenda and should be considered as a late item. It was noted that these minutes did not contain any public excluded information, and consequently could be confirmed as true and correct in public session.

Resolved

THAT the public excluded minutes of the Nelson Regional Sewerage Business Unit meeting of 5 July 2013 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable these minutes to be confirmed as a true and correct record at the final meeting of the triennium of the Nelson Regional Sewerage Business Unit.

Shaw/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 5 July 2013, be confirmed as a true and correct record.

Higgins/Shaw

Carried

15. Acknowledgments

The Joint Committee acknowledged the work that Mr Schruer had put into the Business Unit, particularly with regards to the biosolids project, and wished him well in his new role at the Ministry of Foreign Affairs and Trade. Mr Wilson endorsed the Joint Committee’s thanks to Mr Schruer, noting his professionalism and work with the industry representatives.

Resolved

THAT the Joint Committee pass a resolution of thanks to Michael Schruer to acknowledge his work with the Nelson Regional Sewerage Business Unit, especially with regards to establishing processes and reporting mechanisms, and noting the impact of his work on the biosolids project.

Hiser/Higgins

Carried

Mr Schruer thanked the Joint Committee for their professionalism and commitment over the years he had been involved, and thanked them for their support. He also thanked Mr Thiart for his on-going work on the Business Unit activities.

The Chair also noted that this was Councillor Glover’s final meeting. She thanked her for her work on the Joint Committee, and wished her well for the future.

The Chair also thanked all staff and members of the Joint Committee for their support and hard work during the tenure of the current committee.

There being no further business the meeting ended at 4.20pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date