
Minutes of a meeting of the Nelson Regional Sewerage Business Unit

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

On Friday 29 August 2014, commencing at 1.02pm

Present: Councillors M Higgins (Chairperson) and B Dowler (Tasman District Council), Councillor R Copeland and Mr D Shaw (Nelson City Council)

In Attendance: M Hippolite (Iwi Representative), P Wilson (Industry Customers' Representative), Nelson Regional Sewerage Business Unit General Manager (R Kirby), Senior Asset Engineer – Solid Waste (J Thiart), Management Accountant (A Bishop), and Administration Adviser (E-J Ruthven)

1. Apologies

Resolved

THAT apologies be received and accepted from Councillors Copeland and Dowler for lateness.

Higgins/Shaw

Carried

2. Confirmation of Order of Business

The Chairperson acknowledged the passing of the late Donna Hiser, previous Chairperson of the Nelson Regional Sewerage Business Unit, and spoke about her contribution to the Board and its work.

Senior Asset Engineer – Solid Waste, Mr Thiart spoke about the memorial service for Ms Hiser, which he had attended.

Attendance: Cr Copeland and Cr Dowler joined the meeting at 1.03pm.

3. Interests

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

4. Confirmation of Minutes – 20 June 2014

Document number A1212937, agenda pages 6-13 refer.

Resolved

THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 20 June 2014, be confirmed as a true and correct record.

Dowler/Shaw

Carried

5. Status Report – 29 August 2014

Document number 452094, agenda page 14 refers.

Mr Thiart spoke to the Status Report. He spoke about planting work undertaken by the Bell Island Spit Restoration Group, and suggested that the group could assist in the future with the development of a buffer zone around the edge of the estuary, to further promote the growth of native plants.

Mr Thiart also spoke about a recent mussel monitoring survey that had been undertaken, and that Bell Island activities were not affecting mussel levels. He said that a copy of the report would be placed on the website, and could be circulated to any interested committee members.

There was a brief discussion regarding the re-vegetation of Bell Island, and the consequent increase in birdlife there. It was suggested that consideration be given to banning dogs from Bell Island when Tasman District Council next reviewed its Dog Control Bylaw.

Resolved

THAT the Status Report – 29 August 2014 (A452094) be received.

Copeland/Dowler

Carried

6. General Manager's Report

Document number A1229361, agenda pages 15-21 refer.

Nelson Regional Sewerage Business Unit General Manager, Mr Kirby presented the report.

There was a discussion regarding the estimated costs for the biosolids contract, and it was noted that officers had found the contract price to be acceptable. It was further noted that the operator had performed well to date.

Resolved

THAT the General Manager's Report (A1229361) be received.

Copeland/Shaw

Carried

7. Checklist (Board Work Plan)

The Board work plan was noted.

8. Annual Financial Statements

Document number A1236644, agenda pages 22-36 refer.

Management Accountant, Andrew Bishop, presented the Annual Financial Statements. He said that the audit process was substantially complete, but had identified an issue relating to the treatment of swaps. He said that the recommended course of action to deal with this issue was to transfer the value of the swaps back to Nelson City and Tasman District Councils, which would be dealt with later in the meeting.

During discussion, it was noted that actual recoveries were slightly lower than the previous year. In response to a question, Mr Bishop explained that contributors' costs were unlikely to increase as there was lower capital expenditure going forward.

Resolved

THAT the Annual Financial Statements for the year ending 20 June 2014 (A1236644) be approved, subject to audit.

Shaw/Higgins

Carried

9. Accounting Standards Framework Regime

Document number A1229684, agenda pages 37-38 refer.

Mr Bishop explained that new accounting standards had been introduced and that it was appropriate for the NRSBU to adopt Tier Two reporting. He said that there was little benefit for the NRSBU in adopting Tier One reporting, and that to do so would also increase costs.

Resolved

THAT the report Accounting Standards Framework Regime A1229684 be received;

AND THAT the Nelson Regional Sewerage Business Unit elect Tier 2 reporting from 1 July 2014.

Dowler/Shaw

Carried

10. Transfer of Interest Rate Swaps

Document number A1230483, agenda pages 39-40 refer.

Mr Bishop further explained that the proposed transfer of interest rate swaps to Nelson City and Tasman District Councils was suggested during the auditing of the Annual Financial Statements. He said that the action would not affect the NRSBU, as the costs of the NRSBU were borne by the two Councils.

Resolved

THAT the report Transfer of Interest Rate Swaps (A1230483) be received;

AND THAT the Interest Rate Swap contracts totalling \$16 million entered into by Tasman District Council and Nelson City Council on 16 May 2012 on behalf of the Nelson Regional Sewerage Business Unit be transferred back to Tasman District Council and Nelson City Council at nil consideration.

Copeland/Dowler

Carried

11. Nelson Regional Sewerage Business Unit Annual Report 2013/2014

Document number A1227448, agenda pages 41-67 refer.

NRSBU General Manager, Richard Kirby, presented the report.

It was noted that the heading of the table on page 51 should be 2013/14, rather than 2012/13.

There was a discussion regarding the benchmarking table on page 49. In response to a question, Mr Thiart explained that the cost per kilo of BOD had reduced due to the impact of volume and loads. He added that the cost per cubic metre of wastewater treated had increased.

There was a further discussion regarding the cost per population equivalent. During discussion, Mr Thiart explained the difficulties in benchmarking, as the treatment plants being compared to Bell Island were not like for like. The Committee noted the difficulties in benchmarking, but agreed it was helpful to consider trends over time.

In response to a question regarding the table on page 52, Mr Bishop explained that the budgeted amount for the new rising main and pump station upgrade was \$145,000 carried forward, but that the actual spend in 2013/14 was \$27,000.

Resolved

THAT the Nelson Regional Sewerage Business Unit Annual Report (A1227448) be adopted, subject to audit.

Higgins/Dowler

Carried

12. Nelson Regional Sewerage Business Unit Asset Management Plan 2014

Document number A1184459, separately circulated document refers.

Mr Thiart tabled a document outlining changes to the NRSBU Asset Management Plan 2014 (A1276555).

There was a discussion regarding examples from around New Zealand of more culturally sensitive ways of dealing with wastewater, and whether this could also be incorporated into the Plan. It was agreed to include in the Plan additional wording and to budget \$5 million for potential costs associated with the next resource consent process, which could take into account issues surrounding culturally sensitive ways of dealing with wastewater.

It was further agreed that an additional paragraph be added regarding the intrinsic value of the Plant being on Bell Island.

Resolved

THAT the Nelson Regional Sewerage Business Unit Asset Management Plan 2014 (A1184459) be adopted, subject to amendments being incorporated.

Shaw/Copeland

Carried

13. Nelson Regional Sewerage Business Unit Long Term Plan 2014

Document number A1191211, agenda pages 68-94 refer.

It was noted that the NRSBU Long Term Plan 2014 would indicate to Nelson City and Tasman District Councils what levels of expenditure were required for each Council's Long Term Plan 2015-2025. It was agreed that the Plan should be adopted and issued to contributors and Iwi for consultation, prior to being formally adopted in February 2015.

Resolved

THAT the NRSBU draft Long Term Plan 2014 be adopted and issued to contributors and Iwi for consultation.

Dowler/Shaw

Carried

14. Health and Safety

Document number A1236138, agenda pages 95-96 refer.

NRSBU General Manager, Richard Kirby, presented the report. He said that the Health and Safety Reform Bill was scheduled to come into effect in July 2016, and that Nelson City Council would be reviewing its policies in line with the new Act. He suggested that the NRSBU dovetail into this review and report back accordingly.

Resolved

THAT the report Health and Safety (A1236138) be received.

Shaw/Copeland

Carried

There being no further business the meeting ended at 1.56pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date