
Minutes of a meeting of the Nelson City Council to deliberate on submissions to the draft Regional Landfill Proposal

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

On Thursday 25 September 2014, commencing at 1.17pm

Present: Her Worship the Mayor, R Reese, Councillors L Acland, I Barker, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson, G Noonan, T Skinner and M Ward

In Attendance: Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Senior Strategic Adviser (N McDonald), Group Manager Community Services (C Ward), Manager Administration (P Langley), and Administration Adviser (E-J Ruthven)

Apologies: Councillors R Copeland and P Rainey, and Councillor K Fulton for lateness

Attendance: The meeting opened and adjourned for lunch from 1.17pm until 2.36pm.

Opening Prayer

Councillor Davy gave the opening prayer.

1. Apologies

Resolved

THAT apologies be received and accepted from Councillors Copeland, and Rainey, and from Councillor Fulton for lateness.

Her Worship the Mayor/Skinner

Carried

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

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

4. Confirmation of Minutes – 2 September 2014

Document number A1242960, agenda pages 4-10 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council to hear submissions on the Draft Regional Landfill Proposal, held on 2 September 2014, be confirmed as a true and correct record.

Davy/Barker

Carried

5. Mayor's Report

Her Worship the Mayor noted the late item at the Governance Committee meeting in relation to the Everyman debt issue which the committee chose not to receive due to intervening conversations with the Office of the Auditor General (OAG).

She advised the importance of the review being conducted independently as it was a matter of public confidence, and she noted that historic practices had now been amended, but there were still questions at play.

In response to a question, Her Worship the Mayor advised that no timeframe had been given for the OAG process and it varied on whether OAG wished to proceed or not, which was likely.

There was support from councillors that this was the most appropriate way to proceed with the Everyman debt issue.

6. Analysis of Submissions on the Proposal for the Implementation of a Regional Landfill

Document number A1240818, agenda pages 11-60 refer.

Group Manager Infrastructure, Alec Louverdis presented the report.

In response to a question, Mr Louverdis said that the benefits to NCC were clearly articulated in previous reports and that there were clear benefits to Nelson ratepayers in relation to the regional landfill proposal. He advised that if the status quo remained then the projected surplus would be less.

Group Manager Corporate Services, Nikki Harrison advised that the net book value of the York Valley landfill was \$6.6 million. She informed councillors that the Deloitte assumption of \$9.5 million double counted the new road and weighbridge. She clarified that the change in the net book value to \$6.6 million would not affect the calculations as it only

impacted the rate of return calculations and this wasn't part of the proposal consulted on.

Ms Harrison advised that the levy allocation paid to solid waste activities was to support waste minimisation initiatives and that the original proposal with Tasman District Council (TDC) was for increased operating surpluses, and this would be shared 50/50 between both councils. She advised that various different rates of returns had been modelled as per the Deloitte report (A1223167).

She informed councillors that this was part of the negotiation phase, and that TDC were not keen on the rate of return option, as they believed it was complicated, and that the proposal was for a 60/40 split of surpluses which was an improvement to NCC's status quo position. Ms Harrison clarified that keeping the status quo however would mean a \$73,000 loss.

In response to a question, Ms Harrison explained that due to the increased level of waste going into landfill the levy allocation would double as TDC would also be receiving a levy equivalent to NCC.

In response to a question, Mr Louverdis explained that under 4.3 of the Statement of Proposal it clearly illustrated the benefits and costs and that vehicle movements were expected to increase by less than 1% along Market Road, therefore impact for residents would be minor.

Attendance: Councillor Fulton joined the meeting at 3.04pm.

Mr Louverdis said that the additional loads from TDC was 6 on average per day in addition to the existing traffic volume which equated to 12 vehicle movements ranging from 9-11 tonnes which lead to the overall increase of less than 1%, and that this figure took into consideration trucks to the quarry, the landfill and residential vehicles.

Mr Louverdis advised that neither TDC transfer stations nor NCC landfill or transfer station kept track of vehicle origin and that there would be a cross flow of traffic movements between NCC and TDC with the possibility of vehicles coming from outside the region.

In response to a question, Mr Louverdis said that the vehicle count was taken at the Market/Waimea Road intersection.

Mr Louverdis advised that he was unaware of how TDC dealt with their greenwaste.

There were discussions that information was needed to assess the number of trucks going to the York Valley each day and the increased impact of the numbers in order to make an informed decision on submissions, along with the origin of the waste.

Mr Louverdis said that the same tonnage which was being directed to Eves Valley landfill would come to York Valley landfill and that NCC and

TDC waste in tonnage were similar, around 30,000 tonnes per year. He advised that private contractors delivered waste to TDC transfer stations.

Ms Harrison explained that the asset value used by Deloitte was \$9.5 million and this sum would only be relevant if NCC was receiving a rate of return, however the current proposal was not modelled on a rate of return so using \$6.6 million rather than \$9.5 million was irrelevant to the proposal consulted on.

Ms Harrison explained the current book value was approximately \$1million in land, and about \$3.5 million in developments on the York Valley landfill to date. She also indicated that future close-out costs of approximately \$0.5 million would be incurred to close it down.

In response to a question, Ms Harrison said that used airspace was not incorporated into the valuation, and that if the land was to be sold then a number of criteria would need to be considered not just the hard assets but also the life and conditions of the resource consent. She said that the true value would be the realisation of being able to use consented space within the consented timeframe.

In response to a question, Mr Louverdis clarified that there was no work to date as to where a future landfill would be located, and that airspace was only as good as the extent the consent was good for.

Mr Louverdis explained that in 2034 if there was no regional landfill NCC would need to consider the airspace and other locations, which was part of Council's normal asset management planning process. He said that if the regional landfill did not proceed, then Council would continue with the status quo.

In response to a question, Mr Louverdis advised that there was time to commence planning and investigation of a new regional landfill jointly with TDC in the Nelson or Tasman area if the current regional proposal at York Valley went ahead.

There was a discussion that it was important to understand the difference between asset and income.

Mr Louverdis advised councillors that the average leachate flow from York Valley was 0.4 litres per second, and that the system could cater for 11 litres, and there was a control valve that controlled this. Any overflows went into a leachate detention area at York Valley. He advised that in 2011 due to an extreme rainfall event, leachate did enter into the York Stream but was diluted and handled under the resource consent. He advised that the link at Bishopdale and bubbling at Caltex, was not related to leachate, but due to an undersized sewer connection between Caltex and Waimea Road. He indicated to councillors that when there was heavy rainfalls there was infiltration into the sewer system and due to the undersized pipe caused bubbling up.

In response to questions, Mr Louverdis advised that if both Councils decided to invest in prioritising recycling then the life of the landfill would extend, as less would be going to landfill. He noted, again in response to a question that there were other landfills such as Kate Valley that could be a future option.

Mr Louverdis said that there was no other way for trucks to access York Valley than Market Road without substantial construction costs.

There were discussions regarding the increased noise and vibrations of additional trucks and the tonnage of these trucks.

In response to a question as to why TDC did not just bring their waste to York Valley, like Buller, and pay NCC rates, Mr Louverdis advised that TDC would not be able to fund their waste minimisation initiatives if they did this. Any regional facility would need to reflect the same income they would get from Eves Valley landfill. He said that the waste stream proportion which would be given back to TDC was to subsidise their recycling services.

Attendance: The meeting adjourned for afternoon tea from 3.56pm until 4.13pm, during which time Councillor Davy left the meeting.

PUBLIC EXCLUDED BUSINESS

Exclusion of public

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	Legal Advice – Regional Landfill Consultation Process	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: <ul style="list-style-type: none"> • Section 7(2)(g) To maintain legal professional privilege

Ward/Matheson

Carried

The meeting went into public excluded session at 4.14pm and resumed in public session at 4.35pm.

7. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Her Worship the Mayor/Barker

Carried

8. Analysis of Submissions on the Proposal for the Implementation of a Regional Landfill (Contd)

There was a discussion that clarification was required on truck and traffic impacts, recycling costs for both Councils, value of the airspace and asset value of the York Valley landfill.

Resolved

THAT the meeting adjourn and reconvene at 9.00am on Thursday 2nd October 2014

Her Worship the Mayor/Barker

Carried

The meeting adjourned for the day at 4.40pm.

Minutes of a reconvened meeting of the Nelson City Council to deliberate on submissions to the draft Regional Landfill Proposal

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

On Thursday 2 October 2014, commencing at 9.03am

Present: Her Worship the Mayor, Rachel Reese, Councillors L Acland, I Barker, R Copeland, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson, G Noonan, T Skinner and M Ward

In Attendance: Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Senior Strategic Adviser (N McDonald), Group Manager Community Services (C Ward), Senior Asset Engineer – Solid Waste (J Thiart), Manager Administration (P Langley), and Administration Adviser (G Brown)

Apologies: Councillor P Rainey

9. Analysis of Submissions on the Proposal for the Implementation of a Regional Landfill (Continuation)

Document number A1240818, agenda pages 11-60 refer.

Group Manager Infrastructure, Alec Louverdis joined the meeting and referred to questions which were previously raised on 25 September 2014 meeting, which were regarding truck movements, asset value, rate of return, and airspace.

Attendance: Councillor Skinner and Councillor Copeland joined the meeting at 9.06am.

Mr Louverdis referred to item 4.3 of the Statement of Proposal (SOP), and informed councillors that this illustrated that the increase in vehicle movements would be less than 1% along Market Road, with no change to the times of vehicles. He then referred to item 4.5 of the SOP, the non financial elements review, which indicated traffic movements would increase from an average 2,300 vehicle movements per day to 2,322 following implementation of this proposal.

In relation to questions, Mr Louverdis clarified the information relating to the volume and traffic movements were informed by the September 2013 Tonkin and Taylor report which also formed part of the SOP.

Mr Louverdis reconciled on the whiteboard the numbers on page 14 of the report (A1240818) with the Tonkin and Taylor report along with the SOP, and reminded councillors that a truck going into the landfill and leaving the landfill was classed as one truck movement.

Mr Louverdis informed councillors that Tasman District Council (TDC) had a contract with Smart Environmental Limited who handled Tasman waste, and that waste was taken to one of the four transfer stations in Richmond, Motueka, Takaka or Murchison. Waste from Motueka, Takaka and Murchison was then taken to Richmond and from there to Eves Valley through Fulton Hogan who were contracted to TDC for this service.

He advised that the average truck movements to Eves Valley landfill per day was 14, and that the landfill also accepted special waste by application which accounted for approximately four vehicle movements per day which equated to 28,000 tonnes per year. In addition, he said that Buller equated to 2 movements per day. This gave a total average of 20 movements per day, well within the estimate from Tonkin and Taylor of 22 movements per day.

Mr Louverdis advised that TDC had committed to using truck and trailers therefore the 7 vehicles per day would be reduced to 5 which would reduce the traffic movements to 10. He also said that TDC would be using a closed bin system which would increase compaction and tonnage so there was potential to further reduce the number of vehicle movements.

Mr Louverdis also noted that TDC had committed to the current practice of Smart Environmental taking waste to their transfer stations and not directly to York Valley.

In response to a further question, Mr Louverdis said that topsoil was used to cover waste as stated in the resource consent, and that he believed that the impact of additional material would not be substantial if the regional landfill proposal came to fruition. He advised that there was a compactor onsite at the York Valley Landfill.

Senior Asset Engineer – Solid Waste, Johan Thiert advised that separated greenwaste was received at Pascoe Street, and that at TDC the separated greenwaste was taken to a competing contractor, and that this would continue under the regional landfill proposal.

With respect to NCC, Mr Louverdis advised that Fulton Hogan transferred 9 tonne single bins from Pascoe Street to York Valley, and that the average number to York Valley was 55 movements, 110 vehicle movements per day. He advised that the SOP was consistent with the operations on the ground.

In response to a question, Mr Thiert said that a 1% increase had been projected for waste but that he did not expect growth in Nelson to be

this figure. He advised that the growth rate of 1% for truck movements included all vehicle types.

In response to a question, Mr Louverdis indicated that the peak vehicle times were between 8-9am in the morning and that there was the opportunity to have peak times that were more convenient. He explained that both Eves Valley and York Valley receive contaminated waste, however the waste at York Valley always needed to meet the resource consent conditions. He could not comment on the Eves Valley resource consent but he believed they used the same criteria as NCC.

Mr Louverdis said that there was a possibility that there would be an increase in loads due to the recent identification of Hazardous Activities and Industries List (HAIL) sites, and that HAIL sites were not taken into growth projections. He could not quantify the volume that would go to landfill as a result of HAIL sites as this was dependent on a number of factors, but more traffic loads were anticipated.

There were discussions regarding TDC HAIL sites and that they were not publicised therefore NCC were not aware of how many sites had been identified. Mr Louverdis said that topsoil was tested and that the acceptance criteria would be applicable to TDC, and that there were mitigation options should York Valley not accept the materials.

Mr Louverdis advised that the York Valley Landfill was independently audited and peer reviewed annually and that these regularly reported that the York Valley was very well managed.

Mr Thiart gave a Power Point presentation (A1256097).

There were discussions regarding contaminated material and whether NCC discouraged the dumping of this at York Valley. Mr Louverdis advised that in his opinion this was not the case. He added that the process for acceptance of contaminated material was that materials would be tested offsite and this was a condition of the resource consent.

Attendance: The meeting adjourned for morning tea from 10.36am to 10.58am. During this time Councillor Fulton left the meeting.

There were concerns raised about TDC not publicising HAIL sites, as it could mean that potentially York Valley landfill could receive an increase in contaminated materials and vehicle movements.

In response to a question, Mr Louverdis said that he did not believe that the actual Tonkin & Taylor report dated September 2013 had been presented to Council but that the findings had been covered off in an officer's report to Council on this matter.

Mr Louverdis confirmed that approximately 2,500 tonnes per annum of contaminated material went to Eves Valley Landfill. In response to a question, he advised that an estimate of 1600 tonnes per annum of

hazardous waste came from TDC and 900 tonnes per annum from NCC, and again noted that NCC did not register the origin of trucks that came to the York Valley landfill.

In response to a question, Mr Louverdis said that it would be possible to create a sealed area at York Valley for hazardous waste however it was not in liquid form and NCC would still need to comply with the resource consent conditions, therefore lined or not lined was not the issue, it would be how the landfill was managed. He advised that there was a leachate collection system which was discharged into the sewer system.

There were discussions that the contaminated waste from the Maitai River was not accepted at York Valley landfill and had to be rerouted to Eves Valley.

Attendance: The meeting adjourned from 11.29am until 11.35am.

Mr Louverdis clarified to councillors that NCC had not discouraged contaminated waste to the York Valley landfill and that the materials from the Maitai River actually went to York Valley. He explained that an example of hazardous waste would be materials containing insecticides such as treated timber.

In response to a question, Mr Louverdis confirmed that NCC contracts a consultant to monitor resource consent compliance, and that the acceptance criteria for hazardous waste would remain the same. He advised that he was not aware of how TDC contained the leachate at Eves Valley landfill.

Attendance: Councillor Fulton rejoined the meeting at 11.43am.

In response to further questions, Mr Louverdis said that if York Valley did not accept the hazardous material due to not meeting conditions it would likely be taken to Christchurch. He noted that the 1,600 tonnes of hazardous material from TDC did not include HAIL site material.

There were concerns raised in relation to different types of contaminated materials being accepted in the future which could mean operational changes at York Valley, however Mr Louverdis suggested that contaminated materials would already be within the landfill pre HAIL identification as there was no way of knowing whether the waste was from a HAIL site or not, and that the landfill had been accepting this criteria for 6 or 7 years without to his knowledge, adverse effects, and if there were changes it would be identified through monitoring.

Mr Louverdis explained that the leachate system adjoined the sewer which had a control valve for 11 litres per second, at the moment the flow was 0.4 litres per second. He said that if it increased to more than 11 litres per second it would go into a designated leachate

containment area, however if it exceeded the holding tank such as during a storm event it would end up in the York Stream.

In response to a question, Mr Louverdis said that there was the potential to increase the volumes of methane harvested from the landfill which was currently being directed to the hospital, who had indicated their enthusiasm about receiving an increase in volume. This would require further investigation and costing.

Attendance: Councillor Copeland left the meeting at 12.02pm

Group Manager Corporate Services, Nikki Harrison explained that the book value for the proposed rate of return was \$6.6 million and that within the Deloitte report they included the new road and weighbridge. She advised that Council did not have a business valuation.

Mr Louverdis informed councillors that the airspace does have a commercial value and could be linked to the resource consent, however this was irrelevant as the decision was not to consider a rate of return and only a 60-40 split with TDC.

In response to a question, Mr Louverdis said that there was no discussion with TDC about them investing capital, and that Council purely went for NCC ownership so that control of the landfill remained with NCC. He informed councillors that the current York Valley resource consent would expire in 2034, giving 20 years remaining life, and that if NCC solely continued to use the landfill at current projections there was enough space until 2046. This was dependent on securing consent or an extension past 2034, giving 32 years airspace. Doubling waste would reduce this to 16 years (2030). He noted that the current consent was due to lapse before the airspace was used up (2034 compared to 2046).

In response to a question, Ms Harrison said that the financial modelling conducted by Deloitte was an estimation of \$14 million for a new landfill was used as a scenario, the proposal was that any additional revenue from a joint proposal would be used to pay debt which was the most efficient way and then reborrow in the future.

There were discussions that if the proposal were to go ahead then the next steps would need to be considered quickly, however it was suggested that there was adequate time for planning.

Ms Harrison advised that surplus funds from the landfill would pay off debt and that the costs around investigation and joint future options would come from the landfill account prior to surplus funds, and that it would be jointly funded however each council would borrow individually to fund the new landfill.

Attendance: The meeting adjourned for lunch at 12.31pm and resumed at 1.05pm. During this time Councillor Acland left the meeting.

Her Worship the Mayor advised councillors to go through the agenda and consider the submissions as to whether they support or not prior to the next meeting.

Resolved

THAT the meeting adjourn and reconvene at 9.00am on Friday 10th October 2014

Her Worship the Mayor/Matheson

Carried

The meeting adjourned for the day at 1.07pm

Minutes of a reconvened meeting of the Nelson City Council to deliberate on submissions to the draft Regional Landfill Proposal

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

On Thursday 20 November 2014, commencing at 3.13pm

Present: Her Worship the Mayor, R Reese, Councillors L Acland, I Barker, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson, G Noonan, T Skinner and M Ward

In Attendance: Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Group Manager Community Services (C Ward), Eddie Powick, Johan Thiart, Manager Operation (Shane Davies), Manager Administration (P Langley), and Administration Adviser (F O'Brien)

Apology: Councillor P Rainey

10. Further Information on Submissions on the Proposal for the Implementation of a Regional Landfill

Document number A1271948

Chief Executive, Clare Hadley, presented the report. Mrs Hadley explained that the terms of the agreement with Tasman stated that when the York Valley ceased functioning then Eves Valley would reciprocate in accepting Nelson waste which was not explicit in the original document. Mrs Hadley clarified that previous objections from Gibbons Holdings Ltd around rate payer value in York Valley Landfill would therefore be withdrawn if this mirror-image agreement took place.

It was discussed that the letter from Tasman District Council (TDC) clarifying that the Memorandum of Understanding should be amended to include this offer. It was advised that this be a sealed agreement by both Councils. It was noted that TDC had invited Council to collaborate on waste management and recycling.

Councillors supported the proposal's benefits such as waste minimisation through an individual landfill, and the possibility of decreased truck movements and improved waste management.

In response to a question regarding past concerns such as added noise, traffic, and dust, Group Manager Infrastructure, Alec Louverdis clarified that these issues would continue to be monitored and it was clarified that residents would be kept informed.

Her Worship the Mayor advised that in light of section 83(3) of the Local Government Act 2002 which states a local authority before making a decision, may consider, comment from any person in respect of the proposal or any views on the proposal, or both.

On this basis Her Worship the Mayor proposed the following recommendation.

Resolved

THAT the public forum item presented by Mr Kris Renwick at Council on 20 November 2014 be received as a late submission to be considered within Council's deliberations on the proposal for the implementation of a regional landfill.

Her Worship the Mayor/Noonan

Carried

The final decision would be made at an additional meeting, anticipated to take place on 4 December 2014.

Resolved

THAT the report Further Information on Submissions on the Proposal for the Implementation of a Regional Landfill (A1271948) be received;

Matheson/Davy

Carried

Resolved

AND THAT the Memorandum of Understanding (A1222544) be amended to incorporate Tasman District Council's offer of future provision of a landfill, and the receipt of Nelson

waste at that landfill on the same provisions as will exist for Tasman District at York Valley;

AND THAT Council note further discussions will take place with Tasman District Council on the future of the waste management activity, and whether this lends itself to a private/public sector partnership;

AND THAT consideration is given to the appointment of a third party to ensure veracity of the 'open book' accounting approach, and to provide transparency and confidence to the public on the arrangements.

Ward/Matheson

Carried

There being no further business the meeting ended at 4.03pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date