

AGENDA

Ordinary meeting of the

Nelson Regional Business Sewerage Unit

Friday 28 November 2014
Commencing at 9.00am
Ruma Marama
Civic House
110 Trafalgar Street, Nelson

Membership:

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

In attendance:

M Hippolite (Iwi Representative)
P Wilson (Industry Customers Representative)

Nelson Regional Sewerage Business Unit

28 November 2014

A1276414

Page No.

Apologies

- 1. Confirmation of Order of Business**
- 2. Interests**
 - 2.1 Updates to the Interests Register
 - 2.2 Identify any conflicts of interest in the agenda
- 3. Confirmation of Minutes – 29 August 2014** **4-9**

Document number A1244806

Recommendation

THAT the minutes of the meeting of the Nelson Regional Business Sewerage Unit, held on 29 August 2014, be confirmed as a true and correct record.
- 4. Status Report** **10**

Document number A452094

Recommendation

THAT the Status Report – 28 November 2014 (A452094) be received.
- 5. General Manager’s Report** **11-15**

Document number A1269375

Recommendation

THAT the report “General Manager’s Report” (A1269375) be received.

6. The effects of biosolids application at Rabbit Island on the Waimea estuary since biosolids application started in 1996

Paul Gillespie, of Cawthron Institute will make a presentation at 9.30am

7. NRSBU Amendment to: Wastewater Asset Management Plan 2014

16-20

Document number A1272788

Recommendation

THAT the report NRSBU Amendment to: Wastewater Asset Management Plan 2014 (A1272788) and its attachment (A1270479) be received;

AND THAT the amendment of the NRSBU Wastewater Asset Management Plan to reflect the demand projections received from Tasman District Council be approved.

8. Nelson Regional Sewerage Business Unit Business Plan 2015/16

21-40

Document number A1268612

Recommendation

THAT the Nelson Regional Sewerage Business Unit Business Plan 2015/16 (A1268612) be adopted, subject to approval by Nelson City and Tasman District Councils.

Recommendation to Nelson City and Tasman District Councils

THAT the Nelson Regional Sewerage Business Unit Business Plan 2015/16 (A1268612) be approved.

9. Financial Report

41-42

Document number A1263549

Recommendation

THAT the Nelson Regional Sewerage Business Unit Financial Statement for the period ended 31 October 2014 (A1263549) be received.

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

NRSBU STATUS REPORT - 28 November 2014

No	Meeting Date	Document Number	Report Date	Report Title / Item Title	Officer	Resolution or Action	Status
A	14/03/14	A1163334 and A1552561	14/03/14	Minutes	Johan Thiant	A short report be developed quantifying the benefits to both councils of the biosolids application at Rabbit Island. That a press release will follow the circulation of the report to the two councils.	
B	14/03/14	A1163334 A1145728	14/03/14	Minutes and officer report	Johan Thiant	Biosolids and effluent discharge reports.	TDC has indicated that they continue to consider the reports submitted last year. Also item included in GM report.
C	5/07/13	1552561		Minutes of meeting	J Thiant	TDC Parks and Reserves Review/Rabbit Island Management Plan. Rough Island to be considered as potential Biosolids spraying area.	
D	5/07/13	1540469		Customer Survey 2012/13		Meetings with contributors between quarterly meetings	
E	5/07/13	1476829		Staff Report	R Kirby	Risk assessment if contributor exits the contributor agreement	
F	22/06/12		22/06/12	Minutes	J Thiant	Energy audit at pump stations	Programmed for 2015
G	14/12/12			Bell Island power supply	J Thiant	Improvement of power supply by Network Tasman	Network Tasman activity
1	31/01/14	A681693	31/01/14	Staff Report	J Thiant	<u>THAT</u> a further benchmark report be submitted to the Board in December 2014.	Report will be prepared for the meeting in March 2015.
2	23/08/13	1582359	23/08/13	Nelson Regional Sewerage Business Unit Resopurce Consent Monitoring: Discharge Permit	J Thiant	<u>AND THAT</u> the increase in suspended solids and biological oxygen demand be investigated as part of the operation and maintenance contract and a further report be submitted to the Board regarding this matter in March 2014.	Reported in March 2014. Waiting for further assessment by consent authority.
3	22/06/12	1307226	22/06/12	Bell Island Energy Audit	J Thiant	<u>AND THAT</u> the removal of the time of use meter at the dewatering building will be considered once the deferment of the thickening upgrade is confirmed; <u>AND THAT</u> the optimisation of O ₂ levels in the aeration basin will be considered as part of the waste water treatment capacity review; <u>AND THAT</u> the cost of changing the point of supply for the ponds and irrigation pump station will be investigated in order to establish the return on capital investment.	Deferred until review of secondary sludge separation completed.
4	9/03/12	1042662	9/03/12	Staff report	J Thiant	<u>AND THAT</u> the NRSBU continue supporting the tree trials and that the monitoring continues until the trees are harvested.	Ongoing
5	16/09/11	11497595	16/09/11	NRSBU BIWWTP Capacity and commissioning report	J Thiant	<u>AND THAT</u> an independent review be undertaken of the charging mechanism and user contracts once the capacity review in 2012/13 is complete;	General Manager: December 2014.
6	15/02/11	1042982	3/02/11	Bell Island Spit Restoration	J Thiant	<u>AND THAT</u> the project committee submit a progress report to the NRSBU on a Quarterly basis	Verbal report by GM.

General Manager's Report

1. Purpose of Report

To outline NRSBU operational activities over the last few months.

2. Recommendation

THAT the report "*General Manager's Report*"
(A1269375) be received.

3. Recent Actions

2014 Estuarine Impacts of the Land Disposal of Sewage Sludge on Rabbit Island

At its last meeting 29 August 2014, the NRSBU Joint Committee were informed that the "*2014 Estuarine Impacts of the Land Disposal of Sewage Sludge on Rabbit Island*" and been received.

The monitoring results indicated that, during the period April 1996 to February 2014, land application of bio-solids from the Bell Island wastewater treatment plant had not resulted in significant adverse effects to the enrichment status or contaminant levels of the Rabbit Island intertidal habitats.

The report was forwarded to the consent authority (Tasman District Council) for consideration. Following comments received from the consent authority, Dr. Paul Gillespie (Cawthron Institute) was requested to present the findings of this report to Tasman District Council environmental scientists and the Waimea Forum on behalf of the NRSBU. The power point presentation covered the period from 1996 to present. The report was well received. Dr Gillespie has been invited to present the same information to the NRSBU Joint Committee.

NRSBU has requested that the Cawthron Institute prepare a proposal through which the actual trends of effects can be tracked. This work will involve investigations at selected sites following heavy rain events. The results are expected to provide a basis for interpolation between six yearly transect investigations.

The report on coastal effects of the sewage discharge for the winter period 2014 has been received. The information in this report is consolidated into

the 5 yearly monitoring report due in just under four years time. (A copy of the report will be made available on request). The report comments that low seawater FIB (faecal coliforms and enterococci) indicate that there was no detectable contribution from the Bell Island wastewater discharges during the two sampling occasions.

Accidental Discharge Consent Application

The NRSBU needs to obtain a resource consent for accidental sewage discharges. Accidental discharge is a permitted activity in Nelson City and a prohibited activity in Tasman District. NRSBU has engaged Landmark Lyle to manage the process to obtain a resource consent for this activity.

On 22 October 2014 a stakeholder meeting was held at the Nelson City Council. Following this meeting Cawthron Institute completed the Environmental Impact study. Raymond Smith, of Ngati Huia Kaiwhkahaere, was commissioned to conduct the Cultural Health Impact study. It is expected that we will receive this in middle December 2014. The application is 90% completed and scheduled to be lodged before the 23rd of January 2015.

Revised NRSBU Wastewater Asset Management Plan

The Tasman District Council has forwarded a letter revising its demand projections over the next 10 years. This will have an impact on the NRSBU Wastewater Asset Management Plan which was adopted in August 2014. It is therefore necessary that amendments are made to accommodate this request. This is being considered under a separate report to the NRSBU Joint Committee. The net effect of this request is that there will be no growth related investment undertaken by the NRSBU over the next 10 years.

4. Contract 3458 – Operations and Maintenance

The reticulation and treatment operations have continued as normal over the last few months.

Most areas of the plant are now running smoothly with very little process changes required. Currently the process environment could be considered as stable.

The operation of the ATAD's has improved to the extent that volatile solids reduction in excess of 50% (four month average = 55%) is achieved consistently. This is compared to the target for Class A biosolids which has a limit of 38%.

Increased load demand of the ponds has resulted in decreasing loads in the activated sludge area. This has resulted in a decrease in biosolids. This trend is expected to continue through the summer. We are working to review options on decreasing the load in the activated sludge area so to reduce the demand on electricity.

Significant improvements have been observed in the activated sludge area where dissolved oxygen levels have at times increased to levels where aerators automatically turned off. However this is an inefficient use of electricity. The process management of this component of the treatment plant is rather complicated and further improvements are expected over time.

The re-commissioning of the milliscreen after its overhaul has resulted in a significant improvement in the performance of the treatment plant. It is expected that greater improvements will occur when the second milliscreen is installed and commissioned in early 2015/16.

The biosolids concentration has decreased since January 2014 until July 2014 with slight increases in August and September. Investigations by operational staff has indicated that the change is associated with a decrease in feed sludge concentration.

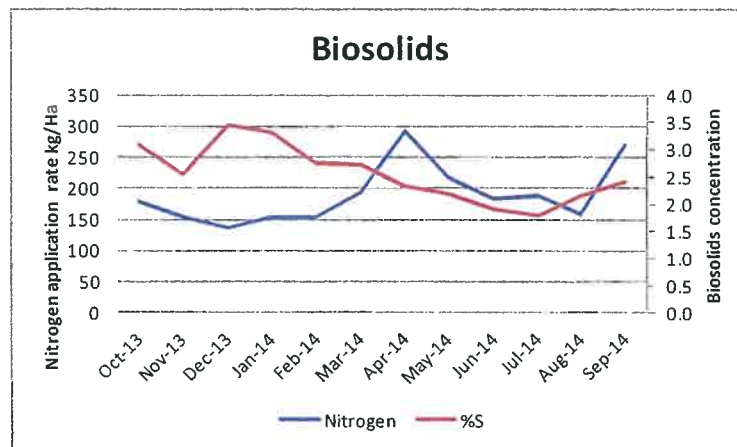


Table showing Biosolids concentration levels with time.

5. Bio-solids Contract

The NRSBU Wastewater Treatment Plant has discharged near record volumes of biosolids to Rabbit Island over the first three months of this financial year. This has now dropped significantly following improvements to the sludge processing operations and the drop in primary sludge coming in from the Nelson wastewater treatment plant following the completion of the desludging of their ponds.

It is projected that the volume of bio-solids produced at Bell Island will decrease to around the contracted lump sum cap of 26,000m³ per annum.

There is adequate capacity within the Rabbit and Bell Island pine plantations to receive the biosolids.

The workability of biosolids for application is generally well within the contracted limit. As indicated earlier the biosolids concentration has steadily declined since January 2014. Should the biosolids not be thickened sufficiently then the annual cost of bio-solids spraying will increase.

The Forestry Manager on Rabbit Island has reported that there are initiatives to increase koiwi areas (areas of human remains) on Rabbit Island. These initiatives are apparently a consequence of ground disturbance during forestry activities. While officers will keep an eye on developments around these initiatives it is not considered a risk to biosolids spraying.

6. Key Performance Indicators

The outcomes of key performance indicators for the last 3 months to 31 October 2014 are outlined as follows:

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
100% compliance	100% compliance	100% compliance	100% compliance
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
100% compliance	100% compliance	100% compliance	100% compliance
Environmental: Pipeline			
Reticulation breaks	Air valve malfunction		
100% compliance	100% compliance		
Capacity: Overloading system capacity			
Treatment & Disposal	Pump Stations		
100% compliance	100% compliance		
Reliability: Equipment failure of critical components			
Treatment & Disposal	Pump Stations	Pipelines	
100% compliance	100% compliance	100% compliance	
Responsiveness: Speed of response for emergency and urgent maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
100% compliance	100% compliance	100% compliance	
Responsiveness: Speed of response for routine and programmable maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
100% compliance	100% compliance	100% compliance	
Key customer relationships: Overall satisfaction			
Treatment & Disposal	Pump Stations	Pipelines	
100% compliance	100% compliance	100% compliance	

The compliance outcomes for the 12 months to 31st August 2014 are as follows:

i)	Resource Consent Compliance (rolling 12 month record)	
	➤ Discharge to Estuary Permit	Not achieved. A discharge occurred on 20 January 2014 that was outside consented discharge times.
	➤ Discharge to Air Permit	100% Compliance
	➤ Biosolids Disposal	100% Compliance
	➤ Discharge treated waste water to land	100% Compliance
ii)	Odour Notifications	
	➤ Past three months	Nil.
	➤ Last 12 months	Nil.
iii)	Overflows	
	➤ Past three months	Nil
	➤ Last 12 months	Nil.
iv)	Speed of response for maintenance works	
	In past three months:	
	➤ Four network/pump station call outs	
	➤ Three ATAD related call outs	
	➤ Two screening related call outs	
	➤ Two general call outs	
	➤ Response within 30 minute response requirement. Achieved.	

7. Review of Action Plan Implementation – 2013 Asset Management Plan

The following table indicates the draft time lines for the individual action items:

AP	Action	Target Date	Completion Date	Comments
Levels of Service				
1.1	Annual customer survey.	March 2014	April 2014	Completed and reported June 2014
Demand Management				
2.1	Extending/renewing the Memorandum of Understanding that expires in 2010.	2014/15		Await outcomes of review by shareholders (Nelson City Council and Tasman District Council)
2.2	Review Improvement Plan, consider and if appropriate prioritise and move to action.		Ongoing	Continuing.

NRSBU Amendment to: Wastewater Asset Management Plan 2014

1. Purpose of Report

- 1.1 To outline proposed amendments to the Wastewater Asset Management Plan 2014 as a result of revised demand projections from the Tasman District Council.

2. Recommendation

THAT the report NRSBU Amendment to: Wastewater Asset Management Plan 2014 (A1272788) and its attachment (A1270479) be received;

AND THAT the amendment of the NRSBU Wastewater Asset Management Plan to reflect the demand projections received from Tasman District Council be approved.

3. Background

- 3.1 At its last meeting on 29 August 2014, the NRSBU Joint Committee considered the Nelson Regional Sewerage Business Unit Wastewater Asset Management Plan 2014 and resolved as follows:

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

- 3.2 A letter has been received from Tasman District Council (Appended) in which it was explained that their demand projections for 2020 are now likely to only occur well after 2030.

4. Discussion

- 4.1 The NRSBU Wastewater Asset Management Plan (AMP) is based on the growth projections provided by the five contributors.
- 4.2 To meet these demand projections a regional pipeline strategy was developed.

- 4.3 Each year the NRSBU provides the previous 12 month flows and loads to contributors. Over the last few years it has become apparent that actual loads and flows are lagging behind the demand projections provided by contributors.
- 4.4 The drop in flows and loads compared to that predicted are a result of various measures implemented by the contributors. These measures are primarily focused around the management of flows and loads. Two of the contributors have implemented on site treatment measures which have reduced their loads discharged into the NRSBU system.
- 4.5 A letter has been received from TDC dated 7 October 2014 (as appended) indicating that its new flow demand indicates that original flow predictions for 2020/22 would probably not be realised until 2030. In effect this would delay the need for upgraded capacity in the pipeline reticulation until after 2030 instead of the scheduled 2020/22.
- 4.6 The NRSBU AMP now needs to be amended to reflect the advice received from Tasman District Council. It is proposed that the following projects are delayed until 2030-2032 as a result of the review:

Current	Proposed	Description of Projects	Estimate
2019/20	2029/30	Richmond Regional Pipeline (Demand dependent)	1,000,000
2020/21	2031/32	Richmond Regional Pipeline (Demand dependent)	6,500,000
2021/22	2032/33	Richmond Regional Pipeline (Demand dependent)	6,500,000

- 4.7 The change is not considered to present a significant risk to the long term strategy of the NRSBU in that a review of the Regional Pipeline Strategy is programmed for 2017/18 when demand will be reviewed in consultation with the contributors.
- 4.8 The following table presents the upgrade plan for the next LTP period.

Year	Description of Projects	Estimates
2015/16	Modification pond M5	140,000
	Upgrade odour control at Saxton	160,000
	Sludge management (Sludge storage tank)	200,000
	Desludging of ponds (Options study)	40,000
	Automation of process monitoring	110,000
	Airport pump station upgrade (2nd storm pump)	270,000
	Screen upgrade	315,000
2016/17	Modification pond M1	140,000
	Desludging oxidation ponds	200,000
	Automation of process monitoring	110,000
2017/18	Desludging oxidation ponds	1,400,000
	Regional pipeline upgrade (Review strategy)	40,000
2018/19	Treatment plant upgrade (Consent dependent)	2,500,000
2019/20	Modification facultative ponds (Consent dependent)	420,000
	Treatment plant upgrade (Consent dependent)	2,500,000
2024/25	Disposal of dried sludge	700,000

Year	Description of Projects	Estimates
2025/26	Disposal of dried sludge	700,000
	Songer street pump station upgrade (Demand dependent)	100,000
2026/27	Disposal of dried sludge	700,000
Total		\$10,745,000

5. Options

- 5.1 The NRSBU can adopt the proposed changes to the AMP.
- 5.2 The NRSBU not adopt the proposed changes to the AMP.

6. Assessment of Significance against the Council's Significance Policy

- 6.1 This decision is not considered significant for the NRSBU or for the Nelson City and Tasman District Councils.

7. Alignment with relevant Council Policy

- 7.1 The NRSBU Wastewater Asset Management Plan contributes to the Long Term Plans of both the Nelson City and Tasman District Councils.
- 7.2 The NRSBU Wastewater Asset Management Plan contributes to the development of its Business Plan. The Business Plan needs to align with the AMP and both Councils need to receive and comment on the Business Plan before the NRSBU adopts it. It needs to be adopted by the NRSBU by 1 February each year.

8. Consultation

- 8.1 The NRSBU consulted with engineering officers at both Councils during the review process.

9. Inclusion of Māori in the decision making process

- 9.1 A representative of iwi has been involved in the consideration of the AMP by the Joint Committee. Although there has not been any direct consultation with iwi on the AMP, specific items will involve direct consultation during the scoping and detail planning around the implementation of those respective projects.

10. Conclusion

- 10.1 The Tasman District Council has submitted revised demand projections. It is proposed that the NRSBU Wastewater Asset Management Plan be amended to incorporate these revised demand projections.
- 10.2 The overall impact of these proposed changes is the delay in significant investment in increased pipeline reticulation capacity to the treatment plant. This means that there is no growth related investment required by NRSBU over the next 10 years.

Richard Kirby
General Manager - NRSBU

Attachments

Attachment 1: NRSBU – Wastewater Asset Management Plan 2014 from TDC
([A1270479](#))



File: S311
jeff.cuthbertson@tasman.govt.nz
Phone: (03) 543 8438

7 October 2014

Mr Johan Thiar
Nelson City Council
P O Box 645
Nelson 7040

Hi Johan

NRSBU – Wastewater Asset Management Plan 2014

Following our recent meeting, Tasman District Council has reviewed its projections for growth and flow demand.

The new flow demand indicates that the projected flows that would instigate the need for the 2020/22 Richmond Regional Pipeline (i.e. the installation of the pipeline around the estuary to the west to join Beach Road to the NRSBU Plant) will not be needed until the early 2030 period.

I therefore suggest that this capital item of \$13,000,000 can be removed from the "Upgrade Plan – Capital Cost" schedule on page 8 of the Annual Management Plan (AMP).

Yours sincerely

Jeff Cuthbertson
Utilities Asset Manager

G:\Utilities\Wastewater\S311 Sewerage Nelson Regional Sewerage Scheme\2014.10.07 NRSBU - Wastewater Asset Management Plan 2014.docx

Tasman District Council
Email info@tasman.govt.nz
Website www.tasman.govt.nz
24 hour assistance

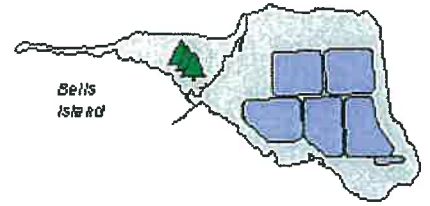
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A1270479.
PDF A1279342



BUSINESS PLAN 2015/16



NRSBU BUSINESS PLAN 2015/16

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APPENDICES

- A Board Planning/Meeting Timetable
- B Levels of Service
- C Business Improvement Plan
- D 10 Year Plan Operations, Maintenance and Capital Expenditure
- E Treatment Plant Schematic

Prepared by: Johan Thiar
Senior Asset
Engineer – Solid
Waste

Approved by: Richard Kirby
General Manager

Nelson Regional Sewerage Business Unit
Approved:

Cover photograph: Airport Pump Station Storm Pump Renewal

1. PURPOSE

The purpose of the Nelson Regional Sewerage Business Unit Business Plan 2015/16 is to detail management goals and objectives to not only deliver the wastewater collection and treatment services to the region but to also improve the effectiveness and efficiency in the delivery of those services.

2. MEMORANDUM OF UNDERSTANDING REQUIREMENTS

The Memorandum of Understanding states that the NRSBU Joint Committee ('Governing Body') shall by 1st February each year supply to the Councils (Nelson City and Tasman District Councils) a copy of its Business Plan for the management of the Nelson Regional Sewerage Business Unit and the assets [of the Authority] for the ensuing year, together with any variations to the charges proposed for that financial year.

3. INTRODUCTION

This Business Plan 2015/16 outlines the projects and initiatives to be implemented during the year. It also outlines the associated funding required and the details on the performance targets and measures.

The Business Plan is aligned with the NRSBU Strategic Plan and the NRSBU Wastewater Asset Management Plan 2014. It incorporates the business objectives and performance targets (Section 4) and the 3 year financial forecasts (Section 6). The following key pieces of information from these other documents are included in the appendices of this business plan;

Appendix B - Targeted service levels established by the Asset Management Plan;

Appendix C - Internal business improvement plan;

Appendix D - The 10 year financial plan

Appendix E - Schematic layout of the NRSBU operations.

4. MISSION STATEMENT

The NRSBU's mission statement is:

"To identify the long term wastewater processing and reticulation needs of our customers and to meet current and future needs in the most cost effective and sustainable manner."

5. STRATEGIC GOALS

The

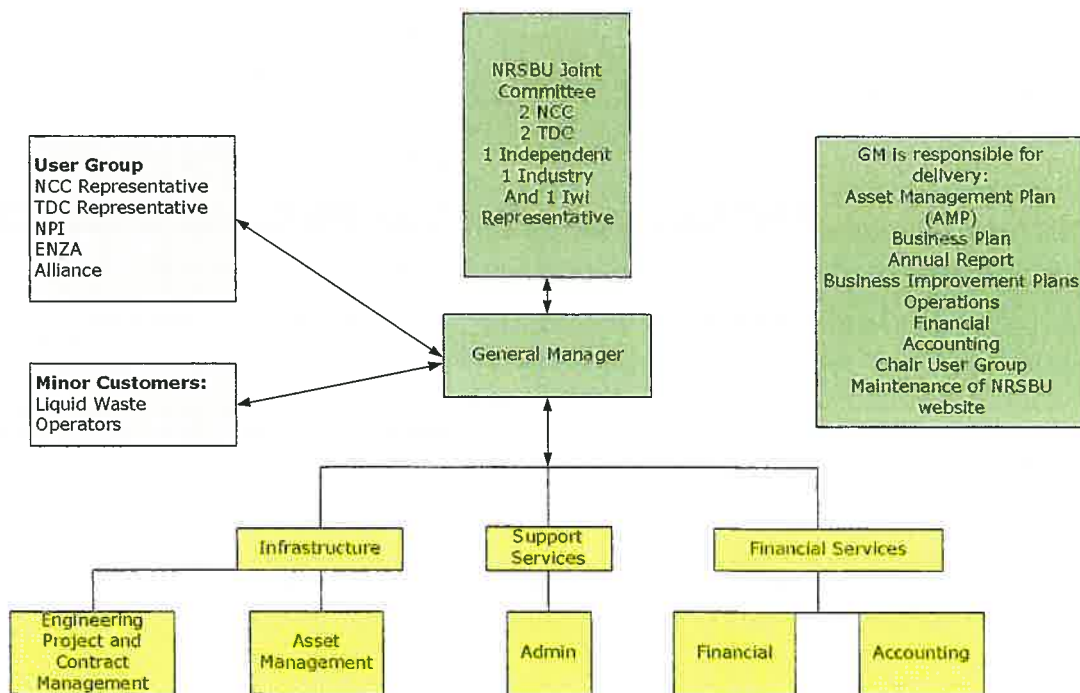
- Wastewater reticulation, treatment and disposal services meet customers' long term needs.

- The costs of wastewater reticulation, treatment and disposal services are minimised.
- Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.
- We engage the right people with the right skills and experience
- NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social and cultural impact.
- Good relationships are maintained with all stakeholders.
- All statutory obligations are met.

All strategic goals are important and no one goal will be pursued at the expense of another.

6. NRSBU STRUCTURE AND BACKGROUND

The structure of the Nelson Regional Sewerage Business Unit is as follows:



The Nelson Regional Sewerage Business Unit was established in July 2000, replacing the former Nelson Regional Sewerage Authority established in the 1970s.

Following the adoption of a new Strategic Plan in August 2013 the 2014 Wastewater Asset Management Plan was developed and adopted on 28 November 2014. A draft of the long term financial plan based on the Asset Management Plan was provided to Nelson City and Tasman District Council Engineers in October 2014 to enable them to consolidate the NRSBU long term plan into their own strategic documents.

With the completion of significant upgrade programmes over the last few years the treatment plant now has adequate capacity to treat projected loads to 2025 without further significant capital investment. A review of the biosolids produced at the plant, as well as the capacity of the Radiata pine plantations on Bell Island and Rabbit Island to

receive biosolids, has demonstrated that the land available for the disposal of biosolids is also adequate for projected loads up to 2025.

The acceptance of the risk for failure of components by the Nelson Regional Sewerage Business Unit has created contractual savings and it is considered that asset operability has improved over the duration of the contract to date. The change in risk profile will lead to some additional volatility around operation and maintenance costs but has removed any incentive for the contractor to generate profits at the cost of devaluing assets by deferring maintenance.

7. BUSINESS OBJECTIVES AND PERFORMANCE MEASURES

The objectives outlined below describe the long term aims of the business unit. Performance measure targets and dates (where they are not specified below) are set annually in the Business Plan along with performance measures for projects identified in the Asset Management Plan. Performance will be reported quarterly to the NRSBU Joint Committee and annually or six monthly, as appropriate, to the shareholding Councils.

Long Term Objectives	Key Performance Measures
<i>Wastewater reticulation, treatment and disposal services meet customers' long term needs</i>	
Sufficient reticulation, treatment and disposal capacity is available for loads received.	Loads do not exceed the capacity of the system components.
Intergenerational equity is maintained.	Loans are repaid over 30 years (the average life of the assets).
Customers are encouraged to engage with the organisation and are satisfied with the service.	All customer representatives attend at least 75% of customer meetings. Customer surveys show an average score of at least 5 out of 7 on satisfaction with services.
Levels of service are defined in all contracts and are met.	100% compliance with service level agreements by all major contractors.
<i>The cost of wastewater reticulation, treatment and disposal services are minimised</i>	
The costs of reticulation, treatment and disposal are minimised.	The operational costs of reticulation, treatment and disposal processes are maintained under the cost for these services at 30 June 2013 when adjusted by the Producer Price Index. All capital projects are delivered within budget.
The economic lives of all assets are optimised.	Three yearly independent audit of asset management practices confirms this.

Long Term Objectives	Key Performance Measures
<p>Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.</p>	<p>Demand management policy is developed by June 2015. Customer contracts are reviewed by December 2014 to ensure that charging mechanisms support the demand management policy. NCC and TDC implement their own load management policies, priorities and plans by June 2015. Combined loads do not exceed the capacity of the components of the system. Peak storm water inflows are reduced by 10% per year and that this target is reviewed annually.</p>
<p>New technology choices are well understood and are proven to be reliable, sustainable and cost effective.</p>	<p>All significant technology choices are supported by cost benefit analysis, independent peer review, energy efficiency analysis, risk analysis and, where appropriate, by other users of those technologies.</p>
<p><i>Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.</i></p>	
<p>Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.</p>	<p>No event, which impacts on agreed levels of service, occurs that has not been identified in the NRSBU risk management plans. Customer representatives review and approve the risk management plan annually and following any incidents which require activation of the plan.</p>
<p>Contingency plans adequately address emergency events.</p>	<p>Customer representatives review and approve the plans annually. Effectiveness of plans is reviewed and confirmed following incidents which require activation of the plan.</p>
<p><i>We engage the right people, with the right skills and experience.</i></p>	
<p>Those engaged with the NRSBU have the right skills, experience, and support to perform well.</p>	<p>Annual staff performance reviews include assessment of the skills and experience required in their role in NRSBU and their development needs are identified and met. Development and succession plans are in place. The Board reviews its performance at least annually. A workshop is conducted at least annually to develop the skills and industry knowledge of Board members and staff.</p>

Long Term Objectives	Key Performance Measures
Operation and maintenance manuals reflect best practice for the management of the plant and reticulation systems and are followed consistently.	An independent audit every three years confirms this.
<i>NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact</i>	
NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.	Targets are set for energy efficiency improvements by June 2015 and are reported on and reviewed annually from that date. Current capacity to utilise beneficial application of biosolids to land is sustained. Beneficial economic and environmental reuse of treated waste water is maintained or increased. Environmental, social and cultural impacts are considered in all decision making.
<i>Good relationships are maintained with all stakeholders</i>	
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	All strategic and business plans are approved by shareholders. All budget projections are met.
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	All complaints or objections are addressed promptly. All applications for resource consents are approved. Up to date information on activities and achievements is publically available. Stakeholders are identified and communication targets are set and met by June 2015.
<i>All statutory obligations are met</i>	
All statutory obligations are identified and met and are included in contracts with suppliers.	100% compliance with all statutory obligations.
All resource consent requirements are met.	100% compliance with all resource consents.

8. THREE YEAR CAPITAL EXPENDITURE FORECAST (\$'000)

Renewal Plan (\$,000)	Budget 2014/15	Projected 2014/15	2015/16	2016/17	2017/18
Miscellaneous	20	20	20	20	20
Pump Stations and Rising Mains	0	0	22	69	139
Inlet, Aeration Basin, Clarifier and Ponds	262	201	450	281	724
Solids Handling	277	277	507	521	51
Rabbit Island	0	0	98	98	0
Roads	0	0	30	30	0
Consents	0	0	0	20	215
Total =	659	661	1127	1,039	1,149

The renewal programme of NRSBU assets is developed around lifecycle and condition assessment. An iterative process is followed whereby the renewal programme is considered annually with inputs from the Operation and Maintenance operator and the review of remaining useful life of assets.

Condition assessment reports are commissioned where additional information is required to ensure optimal spend on renewals. This approach works well due to the relatively small number of different assets managed by the NRSBU.

The major components that will be considered for renewal during 2015/16 are:

- Driving mechanism on the Secondary Clarifier;
- Electrical renewal at sludge and dissolved air flotation facilities;
- Control upgrade at Activated sludge and sludge facilities.

9. NRSBU Capital Upgrade Plan (\$,000)

The following table outlines the capital upgrades proposed over the next 3 years. This is followed by a commentary outlining more detail on each of the proposals.

Year	Description of Projects	Estimated Costs
2015/16	Modification pond M5	140,000
	Upgrade odour control at Saxton	160,000
	Sludge management (Sludge Storage Tank)	200,000
	Desludging of Ponds (Option study)	40,000
	Automation of Process monitoring	110,000
	Airport pump station upgrade (2nd storm pump)	270,000
	Screen upgrade	315,000
2016/17	Modification pond M1	140,000
	Desludging oxidation ponds	200,000
	Automation of discharge monitoring	110,000
2017/18	Desludging oxidation ponds	1,400,000
	Regional pipeline upgrade (Review strategy)	40,000

Commentary on Upgrade Proposals;

Pond Improvements: To improve the quality of the treated effluent discharged to the Waimea Inlet floating curtains will be installed in maturation pond M5. The installation of the curtains in M5 will create directional flow through the pond which will result in improved treatment and removal of algae. Once the effectiveness of this improvement has been assessed it will be duplicated for M1.

Saxton Road Pump Station Carbon filter: The Saxton Road biofilter is partially located on NZTA land. In terms of the sales and purchase agreement the NRSBU has the sole responsibility for the relocation of the biofilter. The relocation will become essential once NZTA needs the land for roading purposes.

Sludge Storage Tank: The installation of a second sludge storage tank will provide improved flexibility for sludge management and allow for increased capacity to store sludge at Bell Island in the event that rain events constrain biosolids spraying activities.

Desludging of Ponds: The desludging will be carried out over two financial years. An options study will be funded in year 2015/16 to determine the most appropriate desludging process.

Process Monitoring: A thorough assessment of the value of the implementation of continuous process monitoring will be carried out following the development of the wastewater treatment plant model. If the business case is approved by the Board these improvements will be implemented in years 2015/16 and 2016/17.

Airport Pump Station: The airport pump station will be upgraded in 2015/16 through the replacement of the one of the duty pumps with a second storm pump to bring this pump station in line with the other major pump stations.

Inlet Screen: The inlet screen at Bell Island will be duplicated and the old step screen abandoned.

10. FINANCIAL PLAN

Budget Summary for 2015 to 2018

	Projection	Budget (\$'000)		
	2014/15	2015/16	2016/17	2017/18
Income				
Contributors	7,528	7,951	7,989	8,077
Interest	1	1	1	1
Other Recoveries	176	176	176	176
Total Income	7,758	7,705	8,128	8,166
Expenditure				
Operations & Maintenance	3,186	3,172	3,090	3,174
Interest	904	882	873	888
Insurance	63	63	63	63
Depreciation	1,726	1,726	1,808	1,831
Total Operating Cost	5,988	5,879	5,843	5,834
Surplus/Deficit	1,770	1,826	2,285	2,332
Use of Funds				
Loan Repayment	1,065	1,008	681	791
Renewals	661	718	1,127	1,040
Owners Distribution	1,826	2,285	2,332	2,298
Upgrades	0	1,235	450	1,440
Total	3,552	5,246	4,590	5,569
Sources of Funds				
Surplus/Deficit	1,826	2,285	2,332	2,298
Depreciation	1,726	1,726	1,808	1,831
New Loans	0	1,235	450	1,440
	3,552	5,246	4,590	5,569

LONG TERM FINANCIAL STRATEGY

The long term financial strategy (Appendix D) is a complete picture of the operations and maintenance costs and capital projects to be undertaken over the next 10 years. This strategy is based on the Nelson Regional Sewerage Business Unit Asset Management Plan 2014.

APPENDIX A

NELSON REGIONAL SEWERAGE BUSINESS UNIT JOINT COMMITTEE PLANNING/MEETING TIMETABLE 2015-16

Date	Activity	Papers required
August 2015 Board meeting	Review draft Annual Report and Financial Statement.	Draft annual report and financial statement.
September 2015	Deliver annual financial statement to Councils.	Financial Statement.
December 2015 Board meeting	Review board planning/meeting timetable. Adopt draft business plan for presentation to JSC. Review and update Interests Register. Adopt business continuity plan.	Planning/meeting timetable. Business Plan. Interests Register. Draft business continuity plan.
February/March 2016 Joint Shareholders' Committee meeting	Present Annual Report.	Annual Report.
March 2016 Board meeting	Review board performance Review governance policy Review Demand Management Plan Receive report on Contingency Plan review by customer representatives. Receive report on Risk Management review by	Checklist for board effectiveness. Governance Policy Draft Demand Management Plan. Report on Contingency Plan review by customer representatives. Report on Risk Management review by

Date	Activity	Papers required
	customer representatives.	customer representatives.
March 2016 Joint Shareholders' Committee meeting	Present Business Plan to Joint Shareholders Committee meeting.	Business Plan.
April 2016 Board Workshop	Update on waste industry changes and trends Lunch or dinner with Board	Guest Speaker
June 2016 Board meeting	Review customer satisfaction survey results Annual review of Strategic Plan Adopt Energy Conservation Plan Review Audit Management Report	Customer survey report. Strategic plan. Energy Conservation Programme.

APPENDIX B

LEVELS OF SERVICE

The following levels of service are included in the Nelson Regional Sewerage Business Unit Asset Management Plan 2012-15 and compliance demonstrates progress towards achieving the Strategic Goals:

ENVIRONMENTAL	Category	Level of Service
Treatment & Disposal	RMA Consent - Wastewater Discharge to Coastal Marine Area	100% compliance with consent conditions
	RMA Consent - Discharge of Contaminants to Air.	100% compliance with consent conditions
	RMA Consent - Discharge of Contaminants to Land	100% compliance with consent conditions
	Equipment Failure of critical components within the treatment and disposal system.	No equipment failures that impact on compliance with resource consent conditions.
Pump Stations	Odour complaints from pump stations	No odour complaints originating from pump stations
	Pump station wet weather overflows	No overflow events occurring for the contracted contributor flows
	Pump station overflows resulting from power failure	No overflow events occurring
	Pump station overflows resulting from mechanical failure.	No overflow events occurring
Pipelines	Reticulation Breaks	No reticulation breaks.
	Air valve malfunctions	No air valve malfunctions that result in overflows

CAPACITY		Category	Level of Service
Treatment & Disposal		Overloading capacity system	Treatment and disposal up to all contracted loads and flows
Pump Stations		Overloading capacity system	No overflows for all pump stations for the contributor flows
RELIABILITY		Category	Level of Service
Treatment & Disposal		Equipment failure of critical components	No equipment failures that lead to non-compliance with resource consent conditions
Pump Stations			
Pipelines			

RESPONSIVENESS		Category	Level of Service
Treatment & Disposal		Speed of response for emergency and urgent maintenance works	Achievement of response times specified in the maintenance contract
Pump Stations			
Pipelines		Speed of response for routine and programmable maintenance works	Achievement of response times specified in the maintenance contract
KEY CUSTOMER RELATIONSHIPS		Category	Level of Service
Treatment & Disposal		Customer satisfaction	Agreed levels of service provided to all Customers
Pump Stations			
Pipelines			Robust charging structure is in place

Appendix C

BUSINESS IMPROVEMENT PLAN

This section describes initiatives to improve the efficiency and effectiveness of the Business Unit and is based on the Nelson Regional Sewerage Business Unit Strategic Plan.

IP	Description	Resource Requirements	Progress
IP-1	Review manuals annually.	In-house	Part of O&M contract.
IP-2	Consolidate all natural disaster information and review 3 yearly.	In-house	On-going.
IP-3	Internal benchmarking carried out annually.	In-house	Annually.
IP-4	Review risk of contributors leaving NRSBU.	In-house	Annually.
IP-5	Review capacity of treatment components.	In house, O&M contractor and consultants.	Annually.
IP-6	Programme for pipe inspections.	In-house.	2015/16
IP-7	Annual review of contractor performance.	In-house.	Annually.
IP-8	Screen upgrade.	O&M contractor.	2015/16.
IP-9	Review secondary sludge separation.	In-house and O&M contractor.	2015/16.
IP-10	Construction second sludge storage tank.	NCC projects team.	2015/16
IP-11	Develop sludge removal programme.	In-house and O&M contractor.	2015/16
IP-12	Review effluent discharge management.	In-house.	2015/16
IP-13	Renewal of effluent discharge permit	In-house and contractors.	2015/16/17

APPENDIX D

10 YEAR PLANS

OPERATIONS, MAINTENANCE AND CAPITAL EXPENDITURE

**NELSON REGIONAL SEWERAGE BUSINESS UNIT
12 Year Operations and Maintenance Plan (\$,000)**

Operational item	1	2	3	4	5	6	7	8	9	10	11	12
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Total Management	258	258	278	258	258	278	258	258	278	258	258	258
Total Financial	873	888	954	1058	1093	1033	976	920	881	871	853	818
Depreciation	1808	1831	1890	1990	2107	2107	2107	2107	2107	2107	2107	2107
Total Electricity	824	824	824	844	844	844	844	844	844	844	844	844
TP Maintenance	942	967	967	967	967	967	967	967	967	967	967	967
PS & RM Maintenance	227	227	227	227	227	227	227	227	227	227	227	227
Total Monitoring	111	152	109	94	139	112	171	92	109	94	109	182
Consultancy	75	75	75	50	50	50	50	50	50	50	50	50
Insurance	63	63	63	63	63	63	63	63	63	63	63	63
Rates & Rental	32	32	32	32	32	32	32	32	32	32	32	32
Water Charges	22	22	22	22	22	22	22	22	22	22	22	22
Forestry and spit restoration	8	25	8	26	20	8	8	8	8	8	8	8
Biosolids Disposal	570	570	570	570	570	570	570	570	570	570	570	570
Telephone/Computers	21	21	21	21	21	21	21	21	21	21	21	21
Total Expenses	5834	5956	6040	6223	6413	6334	6316	6181	6179	6134	6131	6169

**NELSON REGIONAL SEWERAGE BUSINESS UNIT
12 Year Renewal Plan (\$,000)**

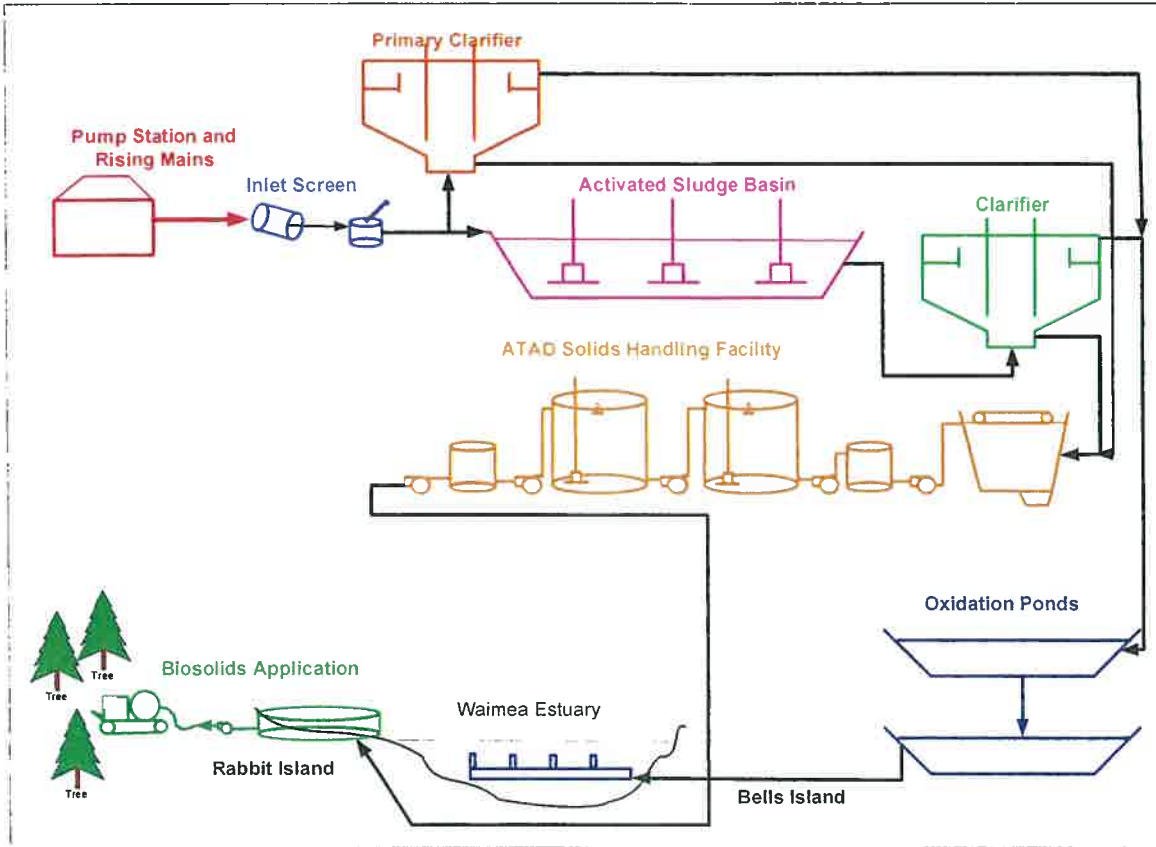
Renewal category	1	2	3	4	5	6	7	8	9	10	11	12
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Miscellaneous	20	20	20	20	20	20	20	20	20	20	20	0
Pump Stations and Rising Mains	22	69	139	258	72	0	173	406	22	78	232	34
Inlet, Aeration Basin, Clarifier and Ponds	450	281	724	260	256	247	563	30	0	0	215	9
Solids Handling	507	521	51	526	757	1894	768	719	1	1	1346	1
Rabbit Island	98	98	0	46	8	46	32	11	0	22	0	0
Roads	30	30	0	0	0	0	0	0	0	0	0	0
Beach road septage reception	0	0	0	0	66	0	0	0	0	0	0	0
Consents	0	20	215	0	301	0	0	0	0	0	0	0
Total renewals	1127	1040	1149	1049	1081	1107	1057	1186	1042	1121	1013	844

Note: A more detailed reviews of expected life of solids handling facilities are likely to affect the renewal programme.

Year	Description of Projects	Estimated Costs
2015/16	Modification pond M5	140,000
	Upgrade odour control at Saxton	160,000
	Sludge management (Sludge Storage Tank)	200,000
	Desludging of Ponds (Option study)	40,000
	Automation of Process monitoring	110,000
	Airport pump station upgrade (2 nd storm pump)	270,000
	Screen upgrade	315,000
2016/17	Modification pond M1	140,000
	Desludging oxidation ponds	200,000
	Automation of discharge monitoring	110,000
2017/18	Desludging oxidation ponds	1,400,000
	Regional pipeline upgrade (Review strategy)	40,000
2018/19	Modification pond F3	140,000
	Treatment Plant Upgrade (Consent dependent)	2,500,000
2019/20	Modification Facultative Pond (Consent dependent)s	420,000
	Treatment Plant Upgrade (Consent dependent)	2,500,000
2024/25	Disposal of dried sludge	700,000
2025/26	Songer street upgrade (Demand dependent)	100,000
	Disposal of dried sludge	700,000
2026/27	Disposal of dried sludge	700,000
2029/30	Richmond Regional Pipeline (Demand dependent)	1,000,000
2030/31	Activated sludge management (2 nd Secondary clarifier)	2,800,000
2031/32	Richmond Regional Pipeline (Demand dependent)	6,500,000
2032/33	Richmond Regional Pipeline (Demand dependent)	6,500,000
	Total	\$27,685,000

APPENDIX E

BELL ISLAND TREATMENT PLANT SCHEMATIC



**Nelson Regional Sewerage Business Unit
Financial Report**

Income Account for the period to **31st October 2014**

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2014/15 Budget		YTD Variation
						YTD	Annual	
Income								
Contributions Fixed	371,243	386,900	1,484,973	96	32	1,547,700	4,643,000	62,727
Contributions Variable	213,122	234,100	796,219	85	28	936,300	2,809,000	140,081
Other Recoveries	13,536	14,800	54,412	92	31	59,300	178,000	4,888
Interest	62	80	92	31	9	300	1,000	208
Forestry Income	-	830	-			3,300	10,000	
Revaluation Derivative Instruments	-		-					
Total Income	597,963	636,710	2,335,696	92	31	2,546,900	7,641,000	207,904
Less Expenses								
Management	14,593	19,700	71,842	92	31	78,300	235,000	6,458
Electricity	59,889	63,450	296,226	117	39	254,200	762,700	(42,026)
Contract Maintenance	54,226	65,400	252,104	96	32	261,400	784,200	9,296
Reactive and Proactive Maintenance	114,918	32,150	356,278	277	92	128,500	385,500	(227,778)
Monitoring	5,983	10,000	22,411	57	19	39,500	118,600	17,089
Consultancy	8,586	4,200	16,486	99	33	16,700	50,000	214
Insurance	5,023	4,900	20,090	102	34	19,700	59,000	(390)
Sundry	7,017	6,150	26,180	96	32	27,300	82,000	1,120
Biosolids Disposal	47,230	43,250	282,848	163	54	173,300	520,000	(109,548)
Operating & Maintenance Expenses	317,466	249,200	1,344,465	135	45	998,900	2,997,000	(345,565)
Financial	73,427	68,650	296,090	108	36	274,700	824,000	(21,390)
Depreciation	145,348	164,500	581,395	88	29	658,000	1,974,000	76,605
Total Expenses	536,241	482,350	2,221,950	115	38	1,931,600	5,795,000	- 290,350
Net Income before Rebate	61,723	154,360	113,746	18	6	615,300	1,846,000	498,254
Owners rebate	0	0	0					
Net Income after rebate	61,723	154,360	113,746			615,300	1,846,000	498,254
Capital Expenditure								
Renewals	10,079	59,900	80,542			239,670	719,000	
New Capital Expenditure	15,102	-	37,962			-	-	
Total Capital Expenditure	25,181	59,900	118,504			239,670	719,000	

Nelson Regional Sewerage Business Unit

Balance Sheet as at 31st October 2014

	Current	Last Month	June 2013
Equity			
Opening Equity (July)	37,137,636	37,137,636	36,229,451
Plus Net Income YTD	113,746	52,023	(323,397)
Plus Revaluation	0	0	1,231,581
Closing Equity	<u>37,251,381</u>	<u>37,189,659</u>	<u>37,137,636</u>
Contingency Reserve	100,000	100,000	100,000
	<u>37,351,381</u>	<u>37,289,659</u>	<u>37,237,636</u>
Which was Invested as follows -			
Current Assets			
Bank	389,771	284,825	44,983
Debtors	30,100	31,051	178,100
NCC Current account	0	0	317,468
Total Current Assets	<u>419,871</u>	<u>315,875</u>	<u>540,551</u>
Fixed Assets	54,865,117	54,985,284	55,328,008
Current Liabilities			
Creditors	(189,704)	(115,032)	(199,467)
NCC Loan	0	0	0
TDC Current Account	(977,248)	(977,248)	(800,691)
NCC Current account	(766,654)	(919,220)	(1,430,765)
Total Current Liabilities	<u>(1,933,606)</u>	<u>(2,011,500)</u>	<u>(2,430,923)</u>
Term Liabilities	(16,000,000)	(16,000,000)	(16,200,000)
Derivative Financial Instruments	0	0	0
	<u>37,351,381</u>	<u>37,289,659</u>	<u>37,237,636</u>