

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

**Friday 20 June 2014
Commencing at 1:00pm
Council Chamber
Civic House
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)

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Receipt of Independent Chairperson Resignation

3. Election of Interim Chairperson

Recommendation

THAT _____ be elected interim Chairperson of the Nelson Regional Sewerage Business Unit until such a time as a permanent replacement has been made.

4. Confirmation of Minutes – 14 March 2014 6-12

Document number A1163334

Recommendation

THAT the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 14 March 2014, be confirmed as a true and correct record.

5. Status Report –20 June 2014 13-14

Document number A452094

Recommendation

THAT the Status Report – 20 June 2014 (A452094) be received.

6. Checklist (Board Work Plan)

Meeting Date	Activity	Papers required	Status
14 March 2014 Board meeting	Review board planning/meeting schedule. Review and update of Interest Register.	Planning meeting schedule. Interest Register.	
4 April 2014 Joint Shareholders Meeting	Present Business Plan and Annual Report to Joint Shareholders Committee.	2014/15 Business Plan. 2012/13 Annual Report.	Report and documentation forwarded to NCC admin team.
June 2014 Board meeting	Consider Business Continuity Plan. Review customer satisfaction survey results. Annual Review of Strategic Plan	Draft Business Continuity Plan. Customer satisfaction report. NRSBU strategic plan.	

7. General Manager's Report

15-21

Document number A1203249

Recommendation

THAT the General Manager's Report (A1203249) be received.

8. Financial Report

22-23

Document number A1111020

Recommendation

THAT the Nelson Regional Sewerage Business Unit Financial Statement for the period ended 30 April 2014 (A1111020) be received.

9. Review of Strategic Plan 2013-2016 24-27

Document number A1203715

THAT the Nelson Regional Sewerage Business Unit Strategic Plan 2013-2016 (A1203715) be approved.

10. Nelson Regional Sewerage Business Unit Business Continuity Plan 28-44

Document number A1203712

THAT the Nelson Regional Sewerage Business Unit Business Continuity Plan (A1203712) be received.

PUBLIC EXCLUDED BUSINESS

11. Exclusion of the Public

Recommendation

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	<p>Nelson Regional Sewerage Business Unit – Public Excluded – 14 March 2014</p> <p>These minutes confirm the minutes of 14 March 2014 and also contain information regarding:</p> <ul style="list-style-type: none"> Chairperson's 	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons

	Report, including information relating to actions taken by Council officers.		
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12. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Minutes of a meeting of the Nelson Regional Sewerage Business Unit

Held in Ruma Marama, Civic House, Trafalgar Street, Nelson

On Friday 14 March 2014, commencing at 8.34am

Present: D Hiser (Independent), 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), Senior Asset Engineer – Solid Waste (J Thiart), Management Accountant (A Bishop), and Administration Adviser (L Canton)

1. Apologies

There were no apologies.

2. Interests

It was noted that forms would be issued for members to update their interests.

3. Public Excluded late item

Document number A1154048, tabled document refers.

The Chairperson tabled a memo advising that there would be a verbal Chairperson's report as a public excluded late item. She explained that a procedural resolution was required before the joint committee could consider this item. A correction was noted to the recommendation, substituting 'minor item' for 'major item'.

Resolved

THAT the public excluded item regarding Chairperson's Report be considered at this meeting as a minor item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the NRSBU Joint Committee to be updated on the matter in a timely fashion.

Hiser/Dowler

Carried

4. Confirmation of Minutes – 31 January 2014

Document number A1139620, agenda pages 5-12 refer.

It was noted that item 7.2 contained a duplicate and should be deleted.

It was agreed that the 28 November 2014 meeting be moved to 9am start.

Resolved

THAT the minutes of a meeting of the Nelson Regional Sewerage Business Unit, held on 31 January 2014, as amended, be confirmed as a true and correct record.

Shaw/Higgins

Carried

5. Status report

Senior Asset Engineer – Solid Waste, Johan Thiart, presented the report. In response to a question, he advised that the Group Manager Infrastructure had advised it was not appropriate for Nelmac to meet with the Joint Committee.

Concern was expressed that the Joint Committee was responsible for ensuring the Nelson Regional Sewerage Business Unit (NRSBU) ran smoothly on behalf of two councils, and it was difficult to meet this responsibility if the Joint Committee did not have a full understanding of the performance and operations of its contractors.

In response to a further question, Mr Thiart explained that he had been instructed that in the future he was to provide only technical advice, rather than management advice, to the Joint Committee. He added that, as an employee of Nelson City Council (NCC), the advice he provided to the Joint Committee must be based on NCC's perspective rather than on an independent perspective.

Members noted that until this point, they had been satisfied that impartial advice had been provided by officers assigned to the NRSBU and, as a Joint Committee of both Councils, impartial advice was required going forward. It was agreed that the matter would be discussed further during the public excluded Chairperson's Report.

Resolved

THAT the Status Report – 14 March 2014 (A452094) be received.

Dowler/Shaw

Carried

6. Checklist (Board Work Plan)

In response to a question, Mr Thairt confirmed that the June items were proceeding on time.

7. Staff Report – 14 March 2014

Document number A1145728, agenda pages 15-20 refer.

Resolved

***THAT the Staff Report – 14 March 2014
(A1145728) be received.***

Shaw/Higgins

Carried

7.1 Item 1.1 - NRSBU 2014/15 Business Plan

The Joint Committee noted that NCC's legal adviser had advised NCC that the distribution of surpluses as set out in the 2014/15 Business Plan was in order. It was confirmed that NCC's legal adviser could not provide legal advice to the NRSBU.

It was further noted that the NRSBU did not currently have an independent legal adviser. It was noted that the Memorandum of Understanding (MOU) allowed the Joint Committee to allocate funds to securing independent advice if necessary, but that neither Mr Thiart nor Ms Hiser had the authority to do so without a resolution of the Joint Committee.

7.2 Item 1.2 - Biosolids Discharge Permit Report/Effluent Discharge Permit Assessment Report

Mr Thiart provided a verbal update, explaining that individual outliers in heavy metals had been found during testing for the reports. He added there were elevated levels of naturally occurring nickel in the area due to the influence of the Dun Mountain belt, which exceeded the levels allowable under the Resource Consent. Mr Thiart said he had since provided additional information to the consenting authority, and that while the individual sample showed an issue, composite sample results did not.

Mr Thiart said he would discuss the possibility of a variation to the consent with the consenting authority, to allow test results to be based on composite samples, noting that there were no health issues associated.

7.3 Item 3 - Operations and Maintenance Contract

It was noted that as the Joint Committee was primarily responsible for the Bell Island operation and required a more detailed explanation that

Nelmac has met all of the requirements of its contract for this period. Mr Thiart agreed to provide this to the next meeting.

7.4 Item 4 - Biosolids Contract

Mr Thiart explained the intended terms of the biosolids spraying contract that was about to be tendered.

It was agreed that the Joint Committee did not need to see the structure of the contract, but that it should be informed of the outcome of the tender process so that it could resolve to enter into a contract.

7.5 Item 5 - Level of Service

In response to questions, Mr Thiart advised that there was no conclusive answer on the cause of the breach of consent that occurred when treated effluent was discharged outside the allocated discharge period on 20 January 2014, but that a process was now in place to prevent a recurrence.

It was suggested that the incident did not align with the Staff Report that contractors were performing as required under their contract. Members noted that this was a non-compliance that should be reported on in relation to the operator's performance.

It was also noted that the contractor had not notified the District Health Board and iwi as was required under a breach of a Resource Consent.

7.6 Item 6 - 2012 Action Plan Implementation

With regard to line 4.3 'Internal review of customer charging model', it was noted that Alliance had handed back capacity under the Trade Waste agreement in error and that this capacity had been taken up by the two Councils. Mr Thiart was talking with the two councils to confirm whether they were willing to reverse this change.

7.7 Item 8 - General

The Joint Committee expressed discomfort at covering the costs of Mr Wilks' attendance at the biosolids conference. They noted that such activities would normally be part of an individual's professional development and at their own cost. However, it was also suggested that there was some benefit to the two councils in having the sustainable practices of the NRSBU publicised and it was therefore appropriate to make some contribution.

Resolved

THAT the NRSBU contribute \$1,000 to the Rabbit Island Forest Manager, Mr Wilks' costs of attending the biosolids conference in April 2014.

Shaw/Copeland

Carried

8. Financial Report

Document number A1111020, agenda pages 21-22 refer.

Management Accountant, Andrew Bishop presented the report. He highlighted the reduction in fixed contributions, which he said was due to the valuation being lower than anticipated, and Alliance's reduction in fixed charges.

Resolved

THAT the Nelson Regional Sewerage Business Unit Financial Statement for the Period Ended 31 January 2014 (A1111020) be received.

Dowler/Shaw

Carried

9. Cawthron Institute Report – Coastal Effects of the Bell Island Regional Sewerage Discharge: July 2013 Mussel Monitoring Survey

Document number A683969, agenda pages 23-40 refer.

Mr Thiart explained that this report was produced on regular basis under the resource consent for discharge to the estuary. He noted that the report showed no adverse effects from the discharge of effluent to the estuary.

Resolved

THAT the Cawthron Institute Report – Coastal Effects of the Bell Island Regional Sewerage Discharge: July 2013 Mussel Monitoring Survey (A683969) be received.

Hiser/Copeland

Carried

10. Scion Research Report – 2013 Annual Report on the Biosolids Research Trial at Rabbit Island

Document number A1150622, agenda pages 41-69 refer.

The Joint Committee noted that the report indicated there were benefits in the application of biosolids at Rabbit Island.

In response to questions about the possible negative effects of biosolids spraying, Mr Thiart said that the main issue was the longevity associated with heavy metals, which could be accelerated by acidification of the soil, and this was being closely monitored.

It was suggested that it may be useful for the Joint Committee to develop a short report quantifying the benefits to both councils of biosolids application at Rabbit Island. It was further suggested that the outcome of the report be the subject of a press release or story in Live Nelson.

Resolved

THAT the Scion research Report – 2013 Annual Report on the Biosolids Research Trial at Rabbit Island (A1150622) be received.

Copeland/Dowler

Carried

Attendance: The meeting adjourned for morning tea from 10.14am to 10.29am.

11. Exclusion of the Public

Resolved

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:

General subject of the matter to be considered	Reason for passing this resolution in relation to the matter	Particular interests protected (where applicable)
Chairperson's Report This is a verbal update from the Chairperson. It will comprise an update	Section 48(1)(a) The public conduct of this matter would be likely to	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(a) To protect the privacy of natural persons

<p>on recent discussions between the Chairperson and the Mayors and Chief Executives of Nelson City Council and Tasman District Council regarding actions taken by a Nelson City Council officer.</p>	<p>result in disclosure of information for which good reason exists under section 7</p>	
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Hiser/Copeland

Carried

The meeting went into public excluded session at 10.30am and resumed in public session at 11.22am.

12. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Higgins/Shaw

Carried

There being no further business the meeting ended at 11.22am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

NRSBU STATUS REPORT - 20 June 2014

No	Meeting Date	Document Number	Report Date	Report Title / Item Title	Officer	Resolution or Action	Status
A	14/03/14	A1163334	14/03/14	Minutes	Richard Kirby	Delegated authority to approve the letting of work to contractors exceeding \$10,000.	General Manager appointed and he needs to work through delegated authority issues with NelsonCity Council
B	14/03/14	A1163334	14/03/14	Minutes		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.	
C	14/03/14	A1163334 A1145728	14/03/14	Minutes and officer report	Johan Thiar	Biosolids and effluent discharge reports.	TDC has indicated that they continue to consider the reports submitted last year.
D	14/03/14	A1163334 A1145728	14/03/14	Minutes and officer report	Johan Thiar	Feedback on progress with pre-contract deliverables	In officer report
E	14/03/14	A1163334 A1145728	14/03/14	Minutes and officer report	Johan Thiar	Alliance request to have the capacity that was handed back to the NRSBU and then shared by the two Councils.	In officer report
F	31/01/14	A452094	31/01/2014	Staff report	J Thiar	Arrange to meet Bell Island Restoration group on site	Restoration group confirmed that the will forward suitable dates
G	5/07/13	1552561		Minutes of meeting	J Thiar	TDC Parks and Reserves Review/Rabbit Island Management Plan. Rough Island to be considered as potential Biosolids spraying area.	
H	5/07/13	1552561		Minutes of meeting	J Thiar	Cost/Benefit of sludge disposal compared to disposal to landfill	
I	5/07/13	1540469		Customer Survey 2012/13	J Thiar	Meetings with contributors between quarterly meetings	
J	5/07/13	1476829		Staff Report	J Thiar	Risk assessment if contributor exits the contributor agreement	
K	22/06/12		22/06/12	Minutes	J Thiar	Energy audit at pump stations	Programmed for 2015
L	14/12/12			Bell Island power supply	J Thiar	Improvement of power supply by Network Tasman	Network Tasman activity
M	15/03/13				J Thiar	Sludge survey 2013/14. Facultative ponds.	Reported in NRSBU Long Term Strategy
1	31/01/14	A681693	31/01/14	Staff Report	J Thiar A Bishop	<u>THAT</u> a further benchmark report be submitted to the Board in December 2014. <u>THAT</u> a report on the implications of the changes to the accounting standards for public benefit entities be prepared for the consideration of the Board	
2	23/08/13	1582359	23/08/13	Nelson Regional Sewerage Business Unit Resopurce Consent Monitoring: Discharge Permit	J Thiar	<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	15/03/13	682846V29	15/03/13	Major Projects Report	J Thiar	<u>AND THAT</u> the review of the management processes at the plant be deferred until the new Operations and Management contract has been in place for sufficient time for the new contractor to become thoroughly familiar with the plant.	
4	22/06/12	1307226	22/06/12	Bell Island Energy Audit	J Thiar	<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;	Deferred until we know have clarity on bringing belt thickener on line to divert secondary sludge from DAF.

						AND THAT the optimisation of O ₂ levels in the aeration basin will be considered as part of the waste water treatment capacity review; AND THAT 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.	
5	9/03/12	1042662	9/03/12	Staff report	J Thiar	AND THAT the NRSBU continue supporting the tree trials and that the monitoring continues until the trees are harvested.	Ongoing
6	16/09/11	11497595	16/09/11	NRSBU BIWWTP Capacity and commissioning report	J Thiar	AND THAT an independent review be undertaken of the charging mechanism and user contracts once the capacity review in 2012/13 is complete;	Capacity review to follow the development of the Treatment Plant Model as part of O&M contract. Model expected to be completed by June 2014.
7	15/02/11	1042982	3/02/11	Bell Island Spit Restoration	J Thiar	AND THAT the project committee submit a progress report to the NRSBU on a Quarterly basis	Next report due 30 June 2014

General Manager's Report

1. Purpose of Report

- 1.1 To update the Joint Committee on operational aspects of the Nelson Regional Sewerage Business Unit.

2. Recommendation

THAT the report General Manager's Report (A1203249) be received.

3. Recent Actions

- 3.1 Richard Kirby was appointed General Manager of the NRSBU mid April 2014.
- 3.2 The General Manager initially visited Nelson/Tasman area in late April 2014 to meet with the various stakeholders of the NRSBU. These were;
- Chief Executives and Executive Staff at both Tasman District Council and Nelson City Council;
 - Donna Hiser, Chairperson NRSBU;
 - Industrial Users – Terry Kreft (Alliance), Philip Wilson (NPI) and Clayton McIntyre (ENZA);
 - NRSBU Joint Committee (informal meeting);
 - NELMAC Chief Executive, Contracts Manager and Plant Manager;
 - NCC Staff on trade waste charges, contractual details and financial position of NRSBU.
- 3.3 The General Manager met with senior and contract management staff from both NCC and NELMAC on 21 May 2014. The General Manager gave an overview of the NRSBU expectations in the delivery of the Operation and Maintenance Contract 3458. He has also met with the Engineer to the Contract (Alec Louverdis) and will continue to work with him to ensure that the contractual requirements of NELMAC are met.

- 3.4 The March 2014 Shellfish Monitoring Report confirms that there continues to be no evidence of adverse effects related to the Bell Island wastewater discharge. (A report will be e-mailed to members who are interested to review the report)

4. Contract 3458 – Operations and Maintenance

- 4.1 The Engineer to the Contract is currently working through issues between NELMAC and NCC operational staff with respect to data management and he has requested feedback from both parties no later than 5pm Friday 6 June 2014. However a favourable outcome is anticipated.
- 4.2 Work carried out by NELMAC has demonstrated that the activated sludge area at Bell Island can probably be bypassed for the greater part of the year without any impact on the quality of the effluent. This will be confirmed once the model build process is completed.

5. Health and Safety

- 5.1 There have been eight Health and Safety inductions and 226 visitors to the Bell Island site over the past three months.
- 5.2 No further Health and Safety incidents are outstanding.

6. Biosolids Contract

- 6.1 The tender evaluation for the bio-solids spraying contract is underway and a report will be forwarded to the General Manager in due course. There is no risk to the provisions of ongoing services as the existing contractor is also the only contractor in the evaluation. Further negotiations are however required to firm up the price.
- 6.2 There is adequate capacity within the Rabbit and Bell Island pine plantations to receive biosolids.
- 6.3 The workability of biosolids for application is generally well within the contracted limit.
- 6.4 It is projected that 27,500m³ of biosolids will be applied during the year. (Long term average biosolids applied = 25,000m³)

7. Customer Survey

- 7.1 The customer survey is carried out annually based on a set of questions developed in 2007:

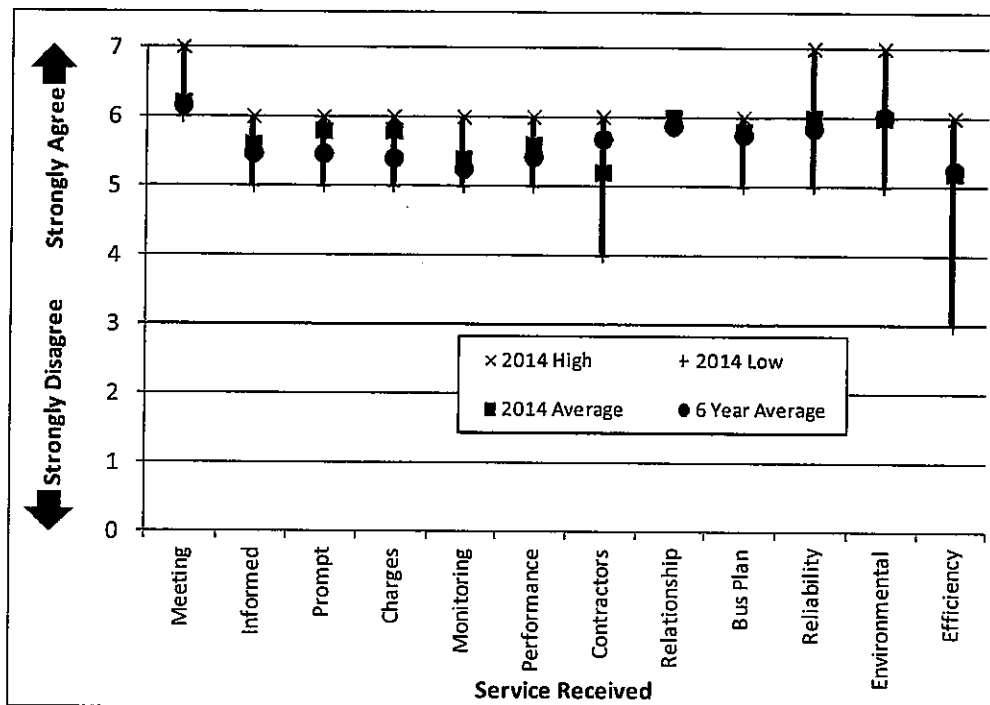


Figure 7.1 Customer satisfaction

- 7.2 The survey results show that customer satisfaction is being maintained at a reasonable level.
- 7.3 The following table presents specific comments received from contributor representatives:

Comments
In the last year what have we done well?
Maintained a continuous, reliable service.
Excellent service and feedback, including time for us to bed in our new system.
Challenging standard operations to seek improvements.
No particularly major issues for us this year in terms of operations.
Investigated how to reduce costs and kept us informed.
Reduced costs.
In the last year what didn't we do well?
Can't think of anything major. NRSBU is a very good operator.
Large profits going back to owners, when the NRSBU was set up, it was to make a margin over cost of capital only.
Overflow events.
What can we do to improve our service in the future?
Service is already very good. Timely, reliable and professional.
Service is great.
Continue to look at all aspects of the business to improve efficiencies and reduce costs.
Cost effective treatment is still going to be key for us.

Are there any other qualities you think are desirable and how does the business unit rate on those?
Openness, honesty and integrity should be encouraged. Rating 5/7.
Any other comments?
NRSBU represents excellent value to the District's ratepayers. Feedback is good, operations are transparent and customers are treated equally and fairly.
The NRSBU provides an essential service and should be run on a cost neutral basis – it should not be seeking a profit.
A review of the charging mechanism and treatment capacity should be undertaken/negotiated.

8. Key Performance Indicators

8.1 The outcomes of key performance indicators for the last 3 months to 30 April 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
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
Environmental: Pipeline			
Reticulation breaks	Air valve malfunction		
Capacity: Overloading system capacity			
Treatment & Disposal	Pump Stations		
Reliability: Equipment failure of critical components			
Treatment & Disposal	Pump Stations	Pipelines	
Responsiveness: Speed of response for emergency and urgent maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
Responsiveness: Speed of response for routine and programmable maintenance works			
Treatment & Disposal	Pump Stations	Pipelines	
Key customer relationships: Overall satisfaction			
Treatment & Disposal	Pump Stations	Pipelines	

8.2 The compliance outcomes for the 12 months to 30th April 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	
	29 call-outs were recorded over the past three months	
	➤ Response within 30 minute response requirement. Achieved.	

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

9.1 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 action 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.
2.3	Flow and load analyses.	July 2014		Programmed for July 2014.

AP	Action	Target Date	Completion Date	Comments
Risk Management				
3.1	Carry out a risk assessment at component level and maintain risk schedules.	December 2013	June 2014	Operational risk review completed in September 2013. This will be reviewed as part of the development of the Operation and Maintenance Manual forming part of the Operation and Maintenance contract let to NELMAC and is due by 30 June 2014
3.2	Annual calibration. (Flow meters)	June 2014		Programmed for June 2014
3.3	Emergency spillage contingency plans and alarms procedures reviewed.	March 2014	March 2014	Completed as part of the NCC Emergency Procedures Manual.
Financial				
4.1	Valuation.	August 2013	September 2013	Internal valuation completed.
4.2	Business Continuity Plan updated.	June 2014	June 2014	Drafted and presented June 2014.
4.3	Internal review of customer charging model.	June 2014	September 2014	
Asset Management				
5.1	Review Asset Management Plan.	June 2014	June 2014	Draft programmed for June 2014.
5.2	Renewal programme review.	June 2014	June 2014	To be considered during strategy workshop programmed for 25 June 2014.
5.3	Treatment Plant Capacity Review.	August 2014	August 2014	To be considered during strategy workshop programmed for 25 June 2014.
General				
6.1	Board Workshop.	July 2014	July 2014	Long Term Renewal Strategy and Draft Asset Management Plan.

10. Financial

- 10.1 The updated operation and maintenance costs to 30 April 2014 are outlined under separate agenda item.
- 10.2 The cost of power used is lower than budget and result mainly from lower power consumption during the time that the aeration basin was off line for maintenance work.

Treatment Plant power usage kWh/day

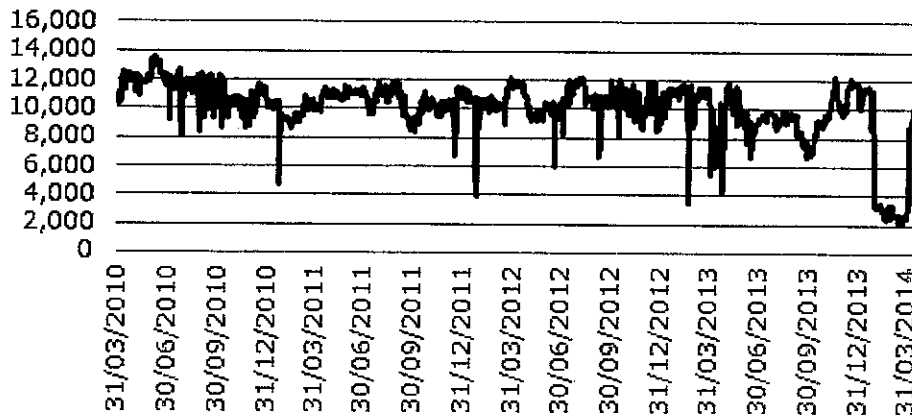


Figure 10.2 Treatment plant power usage.

11. Conclusion

- 11.1 The two Councils are presently undertaking preliminary work towards the development of their Long Term Plans 2015-2025 (LTPs). In order to ensure that the NRSBU requirements are catered for in both LTPs it is proposed that a strategy day be held on Wednesday 25 June 2014 to review the current NRSBU Long Term Plan. The focus is largely on the potential growth/decline in wastewater pumping, treatment and disposal needs over the next 30 years.
- 11.2 The NRSBU Strategic Plan provides the framework for the review of the NRSBU Long Term Plan and is being reviewed as a separate item on this agenda.

R J Kirby
General Manager NRSBU

Attachments

None

No supporting information follows.

**Nelson Regional Sewerage Business Unit
Financial Report**

Income Account for the period to 30th April 2014

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2013/14 Budget		YTD Variation
						YTD	Annual	
Income								
Contributions Fixed	359,559	389,200	3,595,592	92	77	3,891,700	4,670,000	296,108
Contributions Variable	253,880	295,200	2,780,662	94	79	2,951,700	3,542,000	171,038
Other Recoveries	15,493	14,700	154,380	105	87	147,500	177,000	(6,880)
Interest	46	80	248	31	25	800	1,000	552
Forestry Income	-	830	-			8,300	10,000	
Revaluation Derivative Instruments	-		-					
Total Income	628,978	700,010	6,530,882	93	78	7,000,000	8,400,000	460,818
Less Expenses								
Management	13,507	13,500	170,676	126	105	135,000	162,000	(35,676)
Electricity	68,041	62,850	558,760	89	74	628,300	754,000	69,540
Contract Maintenance	55,960	125,000	711,392	57	47	1,249,400	1,499,300	538,008
General Maintenance	76,964	11,000	533,352	477	398	111,700	134,000	(421,652)
Project Maintenance	-	11,350	0	0	0	113,100	135,700	113,100
Monitoring	5,286	14,000	116,289	84	70	139,200	167,000	22,911
Consultancy	-	6,300	14,373	23	19	62,500	75,000	48,127
Insurance	5,009	5,000	50,087	100	83	50,000	60,000	(87)
Sundry	2,590	5,950	68,137	114	95	60,000	72,000	(8,137)
Biosolids Disposal	40,231	43,250	418,182	97	80	433,300	520,000	15,118
Operating & Maintenance Expenses	267,589	298,200	2,641,247	89	74	2,982,500	3,579,000	341,253
Financial	64,573	75,650	682,766	90	75	756,700	908,000	73,934
Depreciation	145,779	167,000	1,457,783	87	73	1,670,000	2,004,000	212,217
Total Expenses	477,940	540,850	4,781,796	88	74	5,409,200	6,491,000	627,404
Net Income before Rebate	151,037	159,160	1,749,086	110	92	1,590,800	1,909,000	(166,586)
Owners rebate	0		0					
Net Income after rebate	151,037	159,160	1,749,086			1,590,800	1,909,000	(166,586)
Capital Expenditure								
Renewals	0	48,800	200,926			487,500	585,000	
New Capital Expenditure	0	-	690,273			-	-	
Total Capital Expenditure	0	48,800	891,199			487,500	585,000	

Nelson Regional Sewerage Business Unit

Balance Sheet as at 30th April 2014

	Current	Last Month	June 2013
Equity			
Opening Equity (July)	36,229,451	36,229,451	35,587,766
Plus Net Income YTD	1,749,086	1,598,049	317,653
Plus Revaluation	0	0	324,032
Closing Equity	<u>37,978,537</u>	<u>37,827,500</u>	<u>36,229,451</u>
Contingency Reserve	100,000	100,000	100,000
	<u>38,078,537</u>	<u>37,927,500</u>	<u>36,329,451</u>
Which was Invested as follows -			
Current Assets			
Bank	98,686	170,408	52,516
Debtors	23,872	- 28,879	185,914
NCC Current account	352,776	324,449	0
Total Current Assets	<u>475,333</u>	<u>523,735</u>	<u>238,431</u>
Fixed Assets	54,226,885	54,372,664	54,793,469
Current Liabilities			
Creditors	(83,533)	(28,751)	(123,873)
TDC Current Account	0	0	(613,214)
NCC Current account	0	0	(1,825,214)
Total Current Liabilities	<u>(83,533)</u>	<u>(28,751)</u>	<u>(2,562,301)</u>
Term Liabilities	(16,800,000)	(17,200,000)	(16,400,000)
Derivative Financial Instruments	259,852	259,852	259,852
	<u>38,078,537</u>	<u>37,927,500</u>	<u>36,329,451</u>

**NELSON REGIONAL SEWERAGE BUSINESS UNIT
STRATEGIC PLAN 2013-2016**

1. 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."

2. Strategic Goals

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

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

3. Strategic Objectives and Performance Measures

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

1. Wastewater reticulation, treatment and disposal services meet customers' long term needs	
Long Term Objectives	Key Performance Measures
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.
2. The cost of wastewater reticulation, treatment and disposal services are minimised	
Objectives	Key Performance Measure
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.
Customers understand the benefits of demand management and the costs, risks and environmental implications of increasing demand.	Demand management policy is developed by June 2014. 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 2014. 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.
New technology choices are well understood and are proven to be reliable, sustainable and cost effective.	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.

3. Risks associated with the services provided are identified and mitigated to a level agreed with customers and owners.	
Objectives	Key Performance Measures
Risk management plans include all significant health and safety, environmental, cultural, social, economic and contractual risks.	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.
Contingency plans adequately address emergency events.	Customer representatives review and approve the plans annually. Effectiveness of plans is reviewed and confirmed following incidents which require activation of the plan.
4. We engage the right people, with the right skills and experience.	
Objectives	Key Performance Measures
Those engaged with the NRSBU have the right skills, experience, and support to perform well.	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.
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.

5. NRSBU operates sustainably and endeavours to remedy or mitigate any identified adverse environmental, social or cultural impact	
Objectives	Key Performance Measures
NRSBU minimises adverse environmental, social and cultural impacts where this is economically viable.	<p>Targets are set for energy efficiency improvements by June 2014 and are reported on and reviewed annually from that date.</p> <p>Current capacity to utilise beneficial application of biosolids to land is sustained.</p> <p>Beneficial economic and environmental reuse of treated waste water is maintained or increased.</p> <p>Environmental, social and cultural impacts are considered in all decision making.</p>
6. Good relationships are maintained with all stakeholders	
Objectives	Key Performance Measures
Shareholders are satisfied with the strategic direction and the economic performance of the business unit.	<p>All strategic and business plans are approved by shareholders.</p> <p>All budget projections are met.</p>
Good relationships are maintained with all stakeholders including owners, iwi, customers, contractors, neighbours, and the wider community.	<p>All complaints or objections are addressed promptly.</p> <p>All applications for resource consents are approved.</p> <p>Up to date information on activities and achievements is publically available.</p> <p>Stakeholders are identified and communication targets are set and met by June 2014.</p>
7. All statutory obligations are met	
Objectives	Key Performance Measures
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.

Draft**Nelson Regional Sewerage Business Unit****Business Continuity Plan****1. Overview**

The business continuity plan consist of two phases

- Emergency Response: Describes how to deal with a crisis that presents immediate threats to life, critical physical assets or pollution of the environment (sewage spill).
- Business recovery: Describes how to restore normal business operations following an emergency event or disruption of services.

2. Emergency Response Plan

NRSBU emergency response is fully integrated with the Nelson City Council Emergency Response Procedures and forms part of all contracted services. **(Appendix 3)**

The emergency procedures are applicable to situations where there is an immediate threat to the safety of the public, personnel, critical assets, or if the civil emergency services are involved.

In the event of a serious emergency the priorities are:

1. Protecting human health and welfare
2. Minimisation of the emergency situation
3. Elimination of the threat or of harmful factors
4. Restoration of critical services

2.1. Emergency Process

This section covers:

- The identification of an emergency situation
- The Emergency Response Team Roles and Responsibilities
- The initial assessment of potential business impacts
- The project management tasks required to deal with the situation

2.1.1. Identification of Emergency Situation

An Emergency situation may be declared if any of the following criteria are satisfied:

- There is an actual or potential threat to human safety
- There is an actual or potential threat to critical assets
- A civil emergency has been declared

2.1.2. Emergency Response Team Roles and Responsibilities

The first person on the scene of an emergency will act as the Emergency Response Coordinator until relieved by a more senior person.

Responsibilities for the first person on scene are:

- Taking personal protective measures
- Notify supervisory staff
- Take steps to minimise any threat to health and safety
- Coordinate further response until relieved by a more senior person
- Complete emergency response checklist, as follows;

Emergency Response Checklist	Date and time
------------------------------	---------------

- Are you comfortable with your own safety?
- Is the site secure?
- Any injuries? Contact 111!
- Has the operation and maintenance contractor been notified
- Has NCC emergency response been notified
- Has the NRSBU contract supervisor been notified
- Has the General Manager been notified
- Has the site been handed over to a more senior person

Emergency Response Checklist

The Emergency Response Coordinator will act in accordance with the Nelson City Council Emergency Procedures.

The Nelson Regional Sewerage Business Unit representative (General Manager or delegated officer) will liaise with the Emergency Response Coordinator and inform the NRSBU Chair (Through cellular phone contact), Board members (By e-mail) and Contributor Representatives of events as soon as possible but within the first six hours of any emergency event declared by the Nelson City Council Emergency Response Coordinator.

2.1.3. Involvement of Emergency Services

Emergency services will be mobilised by the Nelson City Councils Emergency Response Coordinator.

2.1.4. Assess Potential Business Impact of the Emergency

The NRSBU Response Coordinator will continuously assess the likely impact of the Emergency event on the business. Assessments should include consideration of:

- The extent of the damage
- The impact on operations
- The likely time to recover
- The availability of resources to respond

Where the emergency situation takes the form of a widespread emergency the NRSBU representative coordinator must in liaison with the NRSBU chair (or any Board member where the Chair is not available) determine whether it is required to mobilise resources not required by Emergency Services to assist the NRSBU with emergency response.

2.2. Notification and Reporting during emergency response

This section covers notification and reporting procedures for an Emergency situation.

2.2.1. Mobilising the emergency response team

The responsibility for coordinating an Emergency situation rests with the Nelson City Council Emergency Response Coordinator.

2.2.2. Notification to Key Staff and the Board

During the Emergency Response key staff (including contractors) and the Board should be kept apprised of developments and how these may affect their own areas of responsibility.

2.2.3. Notifying Families and Next-of Kin

If the emergency event has resulted in a situation, which would cause concern to a staff member's immediate family it will be necessary to notify their immediate family members urgently. In these situations the respective employer shall be asked to contact the next-of-kin.

2.2.4. Handling Media during the Emergency Response

All media statements regarding NRSBU business activities will be approved by the Board Chair or, in the chair's absence, another Board member.

2.2.5. Maintaining Event Log during Emergency Response

A log of all key events and decisions should be maintained during the Emergency Response by the NRSBU representative. This rolling log will be circulated to the Chair daily for the duration of the event and the recovery phase.

2.2.6. Emergency Response Report

At the completion of the Emergency Response the NRSBU representative should document the situation, review the response with contractors and submit a report to the Board.

3. Business Recovery Plan

The Business Recovery Plan covers the procedures to follow in a Business Continuity situation following the resolution of immediate Emergency Procedures.

The Business Recovery procedures are applicable to situations where there is no immediate or present threat to the safety of the public or staff, critical assets, and the Civil Emergency Services are not involved.

3.1. Accountability, Roles, responsibility and authority

3.1.1. The Role of the NRSBU Board

The Board will be responsible for:

- The oversight of the Risk Management Policy
- Ensuring that a Business Continuity Plan is in place
- Ensuring that there are adequate resources available to implement the plan
- Approving expenditure and ratifying any undertakings or commitments required to achieve the restoration of operational services outside the normal delegations to the NRSBU representative.

3.1.2. The Role of the NRSBU representative

The NRSBU representative is accountable to the Board for:

- Developing Business Continuity strategies and plans that reflect the Board's risk management policies
- Testing, exercising and auditing the Business Continuity Plans on a regular basis
- Identifying issues and threats that may impact on the Business Continuity environment and capability

The role of the NRSBU representative is to:

- Coordinate the business continuity efforts of employees, contractors and others so as to recover the functionality and support for the NRSBU activities as quickly as possible
- Coordinate activities aimed at identifying the impact of any event, mitigating the impact, and recovering services
- Coordinate communications
- The Business Continuity Team is authorised to take whatever actions are considered necessary and reasonable to restore the operational functioning of the critical activities in the event of a Business Continuity situation.

Following the recovery the NRSBU representative will prepare a briefing report for the Board, which will:

- Outline the event
- Identify the causes
- Recommend any measures to prevent or mitigate the effects of future events
- Detail all unauthorised commitments which have been made
- Highlight lessons learned.

3.1.3. Business Continuity Management Team

As the recovery process gets underway, it is imperative that each of the recovery teams remain in close communication and strive to work together to complete the recovery as expediently as possible.

The Business Continuity Team will be composed of:

1. NRSBU Representative
2. NRSBU Board Chair
3. Operation and Maintenance contract project manager (As required)
4. Utility Supervisor (As required)
5. Business accountant (As required)
6. Administrative support (As required)

7. Information Technology Representative (As required)

The role of the Business Continuity Team will be to:

- Establish what has happened
- Assess the impact
- Identify and prioritise actions required
- Resolve conflicts of interest
- Regain control and re-establish normal operations.

The Team is responsible for the following tasks:

- Make the decision to activate the Business Continuity Plan
- Provide authority for recovery to proceed
- Manage and control the response
- Make decisions regards press release, where appropriate
- Make decisions on communications
- Provide regular updates to the Board, owners, customers, the press and other stakeholders
- Maintain records of events, expenditure and any inadequacies found in the recovery plan for future reference.

3.2. Activating the Business Recovery Plan

The NRSBU representative sets the plan into motion. Early steps to take are as follows:

- The NRSBU representative retrieves the current Business Continuity Plan and make this available at the recovery initiation meeting
- The NRSBU representative coordinates the recovery initiation meeting
- The meeting briefly reviews the Business Recovery Plan, delegates specific responsibilities and decides on the requirements for communication (Including media releases)
- Set a follow up meeting schedule

The team immediately initiates the process recovery and record activities in a rolling log.

3.3. Business Recovery Process

This section provides an overview of the broad steps involved in the Business Recovery process.

3.3.1. Assess Extent of Damage and Business Impact

In all Business Continuity situations it is important to assess the situation as far as possible and endeavour to discover the full extent to the problem.

This plan presents a number of recovery strategies and suggested responses relating to a range of interruption scenarios impacting upon the activities of the NRSBU. Note that these strategies and responses may need to be altered or changed to suit the particular circumstances encountered at the time.

3.3.2. Prepare a Specific Recovery Plan

Following assessment of the extent and business impact of the event a specific recovery plan should be developed. This plan should aim to recover minimal functions as a priority and then restoration of normal service levels where possible.

Business Continuity Events provide examples covering the most likely events and recovery strategies. **(Appendix 1)**

Recovery planning is best approached using formal project techniques and disciplines. The recovery steps and activities should be identified in priority sequence, responsibilities and resources should be allocated and time frames established. A critical path should be identified so as to determine how long the recovery is expected to take.

Where suppliers and vendors are required to supply goods or services as part of the recovery process then these activities will need to be identified and documented in the plan.

The tasks to be achieved should be listed together with an estimate of when each task is expected to be completed. It should also contain information on resources and related information including:

- Milestones
- Dependencies
- Critical Path
- Progress reporting frequencies

The Recovery Plan will activate the recovery process and will activate the various people involved.

The TEAM are to be fully briefed on the extent of the recovery operation and activities they are expected to carry out. The impact of each of their tasks on the critical path must also be communicated.

3.3.3. Monitor Progress

The NRSBU representative should maintain close oversight of the progress of the recovery activities to ensure that any issues are

identified early and remedial actions taken so as to minimise impacts on the Recovery Plan.

It is important that each task is adequately resourced and that the time frames are estimated as accurately as possible.

Team members are to escalate issues to the NRSBU representative as soon as it appears likely that they may impact on recovery timeframes or milestones.

3.3.4. Keeping People Informed

Keeping people informed is one of the most important activities in a Business Continuity situation. Communications should be aimed at controlling rumours as well as maintaining contact with media, stakeholders, vendors and the public.

See section 3.5 for communications policy

3.3.5. Conduct Review and Prepare Report

Once the organisation has transitioned back to normal operations the NRSBU representative will prepare a report for consideration at the next scheduled Board meeting. The report should contain information on the disruptive event, who was notified and when, actions taken together with outcomes from those actions and any changes that need to be made for the future.

The report should detail any decisions made or expenditures incurred in excess of normal delegated authorities and contain an assessment of the impact of the event on current and future business operations.

3.4. Notification, invocation and escalation

3.4.1. Invocation Process

The Business Continuity Plan will be invoked when an event occurs that has severely impacted or is likely to impact the operational functionality of the NRSBU.

This process will be invoked by the NRSBU representative by advising the Board, staff, owner representatives and contractors that a Business Continuity situation exists.

3.4.2. Notification process

The method used to notify Board members, stakeholders and contractors of the event will depend on the nature of the event.

3.5. Communications

Communication management is needed to minimise rumours, maintain contact with the media, owner representatives, emergency services, vendors, the public and affected stakeholders.

The communication policy comprises:

- All Staff members, contractor management and Board members will have access to names, phone numbers, non-work-related e-mail contacts, and physical addresses of other Board members, staff (Including operation and maintenance contractor) and legal advisor;
- In addition, each Board and staff member will have a copy of this disaster recovery plan (Information will also be available in electronic format);
- The NRSBU representative will generally act as the "hub" for all communications;
- In the event of a crisis situation all communications with external parties will be coordinated through the NRSBU representative or Board Chair

Make use of the technologies available to manage communications as effectively as possible while ensuring that staff members are able to focus on recovery. Effective use of messages posted on the NRSBU website (www.nrsbu.govt.nz) and voice mail can alleviate stress and panic while leaving recovery staff free to focus on the task(s) at hand.

It is important to avoid overloading critical personnel with phone calls and e-mails. Responsibility for dealing with phone calls and e-mails will be assigned to Administrative Support. Administrative support shall be obtained from the Nelson City Council or if necessary from the Tasman District Councils.

3.5.1. Staff and Board members

Early messages should provide information on:

- The nature of situation;
- The current level of control;
- The restoration plans;
- Ensuring respective personnel know what they must do;
- What communications can be expected.

Later messages should provide information on:

- Status update;
- Advice on termination of crisis.

3.5.2. Shareholder representatives

Provide advice that Business Continuity situation has arisen and then when the situation is stabilised or resolved with interim updates depending on the timeframes involved.

3.5.3. Contributor representatives

Provide advice that Business Continuity situation has arisen and then when the situation is stabilised or resolved with interims updates depending on the timeframes involved.

3.5.4. Sources of funding

Notify insurers through the Insurance Broker as soon as possible.

3.5.5. Media

The media play an important role in disseminating information to the public. Great care must be taken in managing contacts with the media to avoid the spread of misinformation and rumours. The NCC communication manager will be responsible for preparing press releases and regularly speaking with the media following approval by the NRSBU representative or Board Chair.

3.5.6. Suppliers and Vendors

Ask suppliers and vendors for flexibility and understanding if required. They may be able to provide resources to assist in managing the situation. Supplier and vendor contact details shall be obtained from either Nelson City or Tasman District Councils.

3.5.7. Method of communication

Communication should be via, face to face meetings, telephone, e-mail and voice messages.

3.6. Equipment Protection and salvage

This section contains information on procedures to be used immediately following an event to preserve and protect resources.

3.6.1. Damage Assessment

The initial damage assessment is intended to establish the extent of damage to critical hardware and the facility that houses it. The primary goal is to determine where the recovery should take place and what hardware must be ordered immediately.

A realistic approach should be taken in estimating the time required to repair or replace damaged or lost resources. Take into

consideration cases where one repair cannot begin until another step is completed. Estimates for repair time should include ordering, shipping, installation and testing. Estimated costs should be recorded.

3.6.2. Inventory

As soon as practical a complete inventory of all salvageable equipment must be taken, along with estimates about when the equipment will be ready for use and the cost.

This inventory list should be delivered to the TEAM who will determine which items from the Business Continuity supplies must be procured to begin building the recovery.

Vendor contact details shall be obtained from either the Nelson City or Tasman District Council vendor lists

4. Post Emergency Event and Business Recovery Debrief

When the business recovery has largely been completed and the operational aspects of the NRSBU have returned to business as usual, the NRSBU Representative may decide to convene a debrief meeting with those involved in both the emergency response and the business recovery. The two Council owners and affected contributors may also be invited to attend. The debrief meeting will largely focus on;

- Reviewing key aspects of the event that impacted on the NRSBU activities;
- Reviewing the response in respect of timing and content to determine lessons for the future and where adjustments to processes need to be considered;
- Reviewing the business recovery aspects to determine lessons for the future and where adjustments to processes need to be considered.

Appendix 1 – Typical Disruption Events

Nelson Regional Sewerage Business Unit			
No.	Business continuity disruption event	Mitigation	Responsibility
1	Operational failure (Toxic contaminants discharged to Bell Island, infrastructure failure)	Operating Manuals substantially complete and reporting requirements in place to ensure contractors comply with requirements.	TEAM
2	Overflows	Redundancy	NCC Emergency Procedures Manual, Section 9 spillage. Appendix XXX
3	Adverse publicity	Co-ordinated communication programme	TEAM
4	Contaminants inadvertently discharged to Bell Island that affect treatment processes.	Contamination response,	Contractor
5	Fire	Operation and Maintenance Contractor Emergency Management Plan	TEAM
6	Large scale asset failure due to a naturally occurring event resulting in prolonged and substantial loss of service to NRSBU in isolation	Redundancy.	TEAM
7	Large scale asset failure due to a naturally occurring event resulting in prolonged and substantial loss of service to wide region.	Ensure Lifelines Plan recommendations implemented that includes having a high level of risk reduction, readiness, response and recovery during and following Civil Defence	Regional emergency management. TEAM
8	Opportunity for corruption of data/operational systems.	Security and administration system implemented. Computer systems are updated daily, duplicated off site and in CLOUD. NCC IT	TEAM
9	Legislative requirements not understood	High level of understanding by NRSBU Representative of legislative requirements. Easy access to legal advice.	TEAM
10	Accountabilities not clear	Performance reporting on a regular basis to NRSBU Board	NRSBU representative
11	Information in peoples heads or inappropriate recording of information	Ensure Managers and Contractors document and appropriately file everything that is relevant. The areas of Risk Demand, Asset Management, Renewals, Capital expenditure, Environmental	Utilities team.
12	Inadequate attention to staff succession	Implement good staff/management succession plan and document procedures	Board
13	Do not have a good health and safety culture	NRSBU health and safety procedures are implemented and relevant. Reported to Board in quarterly staff report.	Utilities team.
14	Legal claims for not meeting health and safety obligations	Health and Safety manuals up to date and are effectively managed.	Utilities team.
15	NRSBU faces legal action or cannot carry out its activities because it does not have legal right to cross a	NRSBU has up-to-date record of easements and has established policy for processes to be followed when easements are required.	NRSBU representative.
16	Dissatisfaction of customers from odors and not being able to swim at local beaches	Long term Strategy integrated into the Business Plan with a high level of acceptance by the Board	TEAM
17	Excess discharge from contributors exceeds the capacity of treatment plant	Excess discharge penalty cost as detailed in the in the individual agreements for disposal are set at a rate that actively discourages excess discharge from contributors	NRSBU Representative
18	Inability to repair assets within reasonable time	As-builts are kept up to-date and record promptly.	NRSBU Representative
19	Failure of critical assets resulting in environmental damage or not meeting service levels	Criticality assessment of assets has been carried out and all assets considered critical	TEAM
20	NCC or TDC faces legal action because wastewater assets have not been designated in the District plan	Designations are appropriate.	NRSBU Representative

Appendix 2 - Checklist

BCM Checklist	Yes	No
Have we documented the project objectives?		
Have we gained management commitment to the objectives of the project?		
Has a clear understanding of the business objectives of the organisation been gained and documented?		
Have we defined the scope of BCM and any limitations?		
Is the scope of the BCM properly coordinated to take into considerations the organisation's objectives and other risk management objectives?		
Are any assumptions made in the scope properly documented?		
Are the members of the BCM project team appropriately defined and documented?		
Are internal audit recommendations regarding BCM being properly followed up?		
Has a project plan with key deliverables and milestones been developed and documented?		
Has responsibility for project tasks been developed for the project?		
Has the project plan been formally approved by the General Manager?		
Has independent review of the BCM process been undertaken?		
Is there a process in place for review of the BCM process?		
Has a business impact analysis been carried out in order to identify critical processes, resources and the maximum acceptable outages of each?		
Have options for strategy alternatives been documented?		
Is the chosen recovery strategy cost effective and within the agreed maximum acceptable outage?		
Are backup processing and off-site storage considerations reviewed for appropriateness?		
Has the plan been implemented in respect of the strategy requirements?		
Are procedures in place to review the plan on a periodic basis?		
Are the people involved in the recovery process clearly defined?		
Has a regular training and testing regime been accepted by line and management?		
Are there any major organisational changes that could impact on the current or future BCM activities?		

Appendix 3 – NCC Emergency Response Procedures

SECTION 9 SPILLAGE

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9.1 OIL SPILLAGE

On receipt of complaint or notification the switchboard operator or after hours operator notifies:

- a. Environmental Health Officers Ph 546 0200
- b. Nelmac 546 0910
- c. In case of possible fire hazard - Fire Service 546 2100

Environmental Health Officer

As per Oil Spill Contingency Plan held by Stephen Lawrence. 546 0351 or 027 229 3394

Nelmac

- a. Reports to Environmental Health Officer by phone before taking action.
- b. Assists with equipment to be used, ie
 - sandbags
 - straw
 - 3M oil sorbent material
 - submersible pumps
 - 200L drums
- c. To liaise with Health Officers on site.
- d. Isolate source of spill and remove or contain the source.

9.2 CHEMICAL SPILLAGE

On receipt of complaint or notification the switchboard operator or after hours operator notifies

- Emergency Ph 111
- Fire Service Ph 548-1589
- Environmental Health Officers Ph 546 0200
- Nelmac Ph 546-0910
- Nelson/Marlborough Health - Health Protection Office Ph 546-1800
- Department of Conservation Office Ph 546 9335
 - Andrew Baxter Ph 546 3172 After Hours
 - Motueka Duty Officer 027 248 9793

Environmental Health Officers

Investigate spillage and health effects and disposal of material.

Nelmac

- a. Provide sandbags or Zetter inflatable bags for blocking of stormwater inlets to prevent entry of chemicals.
- b. Provide assistance to fire service - provision of sand or absorbent materials as required.

9.3 EMERGENCY SEWAGE OVERFLOW CONTINGENCY PLAN FOR NELSON CITY COUNCIL (NCC) AND NELSON REGIONAL SEWAGE BUSINESS UNIT (NRSBU)

1. Introduction

The following process is to apply to all spillages as a result of pump station malfunctions, pipeline breakages, power outages and wet weather overflows.

1. An automatic alarm system is maintained at all pump stations (sent automatically to NCC during working hours or Call Care after hours).
2. A problem outside of a pump station (e.g. a broken pipe) will not trigger the automatic alarm. Once reported to Council or Call Care the following procedure shall apply:
 - a. For NCC infrastructure – The following staff are to be contacted immediately:
 - Utilities Manager (Howard Schuppan)
 - Nelmac duty operator
 - Lindsay Bell (Nelmac)
 - Executive Manager Network Services (Alec Louverdis)
 - b. For NRSBU infrastructure – The following staff are to be contacted immediately:
 - EOL duty operator
 - NRSBU Asset Manager (Johan Thiant)

An alarm system at Bells Island control building monitors the operation of the outfall gate; any malfunction will result in the Sewage Treatment Operator responding as outlined below. The NRSBU Asset Manager will notify EIL/District Resource Analyst (as appropriate) of any discharges.

3. The Utilities Manager/NRSBU Asset Manager must mobilise all necessary staff, machinery and materials needed to repair the fault and restrict public access to the affected area.
4. The Utilities Manager/NRSBU Asset Manager will be responsible for ensuring that the Nelson Marlborough District Health Board – Public Health Service (PHS) pro-forma (see appendix at the end of this section) is filled out and saved into Tardis.
5. Collaboration with other parties:
 - a. Dry weather spill
 - i) The following people will be contacted for all dry weather spills and the pro-forma forwarded on as a matter of urgency to enable decisions to be made.
 - EIL duty operator
 - The Public Health Service (on-call Health Protection Officer), who will liaise with the Medical Officer of Health as appropriate.
 - ii) All iwi will be contacted as a courtesy to advise of the spill – the contact list is attached at the end of this section, but it is better to use the list available on Council intranet which should be current.
 - iii) A courtesy call is to be placed through to MAF, TDC, Plant and Food Research and DoC advising of the spill (see attached list).
 - iv) The next step will be for the PHS, Executive Managers (or their delegates) and EIL to collaboratively decide on measures to be implemented following a risk assessment of the situation.

- v) Should a ban (swimming or shellfish collection) be deemed appropriate, public warning signage will be erected by Nelmac and a statement released to the media by Council (pro-forma – see blue Section 11 Emergency Generators).
 - vi) Should any water testing be required then it will be the responsibility of the Monitoring and Research Business Unit (Paul Sheldon) to make sure that these are undertaken.
No ban is to be lifted before discussing with EIL, Executive Managers (or their delegates), Monitoring and Research Business Unit and the PHS. Lifting of bans will be undertaken by a standard Council media release.
- b. Wet weather spill
- i) Extreme wet weather may contribute to either localised or area wide spillages (and across many multiple locations). All multiple overflows are treated as one event.
 - ii) EIL and the PHS (on-call HPO) will be advised of the situation. It is very difficult to quantify the volume released in a wet weather flow event but in any case again collaboratively the three parties will discuss what measures will be required, if any, along with any associated Council media statement and signage.
 - iii) Again, out of courtesy, iwi, MAF, TDC, Plant and Food Research and DoC are to be contacted and advised of the situation.
 - iv) The policy with respect to media, as detailed above, will apply.
6. Once the fault (in the case of a broken pipe) has been repaired, Nelmac/EOL (as appropriate) will be responsible for ensuring the affected areas (including beaches in the case of a wet weather overflow) are cleaned up.
7. A register of all discharge events will be kept by the NCC, recording time, date, duration and cause of the discharge.