Notice is given that an ordinary meeting of the Nelson-Tasman Regional Landfill Business Unit will be held on:

Date:	**Friday 9 March 2018**
Time:	**9.30 am**
Meeting Room:	**Ruma Marama**
Venue:	**Nelson City Council**
	110 Trafalgar Street
	Nelson

Nelson-Tasman Regional Landfill Business Unit

AGENDA

MEMBERSHIP

Members	Cr S Walker
	Cr S Bryant
	Cr C M Maling
	Cr I Barker

(Quorum 3 members)

Contact Telephone: 03 543 8524
Email: robyn.scherer@tasman.govt.nz
Website: www.tasman.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.

AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation
That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 PUBLIC FORUM

5 CONFIRMATION OF MINUTES

That the minutes of the Nelson-Tasman Regional Landfill Business Unit meeting held on Friday, 8 December 2017, be confirmed as a true and correct record of the meeting.

6 PRESENTATIONS

Nil

7 REPORTS

7 REPORTS

7.1 GENERAL MANAGER'S UPDATE

Information Only - No Decision Required

Report To:	Nelson-Tasman Regional Landfill Business Unit
Meeting Date:	9 March 2018
Report Author:	Jeff Robinson, Senior Project Manager
Report Number:	NTRLBU18-03-01

1 Summary

1.1 This is the three monthly General Manager's Update report.

2 Draft Resolution

That the Nelson-Tasman Regional Landfill Business Unit receives the General Manager's Update report.

3 Purpose of the Report

3.1 This report provides the three-monthly update on activity for the Nelson-Tasman Regional Landfill Business Unit.

4 Landfill Compliance

York Valley Landfill Resource Consents

Consent No.	Consent Type	Performance	Risk levy
RM975261-A	Water permit to divert stormwater	Stormwater systems reinstated	3
RM975261-B	Water permit to dam stormwater	Not applicable	
RM975261-C	Water permit to take leachate and groundwater	Not applicable	
RM975261-D	Discharge consent to discharge leachate into ground	Compliant. If leachate exceeds capacity the excess leachate is retained in storage tank and released later. Or it can be removed from storage tank by means of tankers.	2
RM975261-E	Discharge consent to discharge contaminated stormwater to the York Stream	Comply with consent conditions. However, during heavy rain events there are incidental discharges. One of which is being investigated by EIL. RLBU probably needs to work towards improving the quality of storm water discharges.	3
RM975261-F	Discharge consent to discharge contaminated landfill gases and contaminants into air	Comply. Robust system in place.	3
RM975261-G	Discharge consent to discharge contaminants in stormwater	While we are complying with the consent conditions improvements can be implemented to decrease the discharge of contaminants to natural streams.	1
RM975261-H	Land disturbance consent to carry out site works	Perform to the level of service in the Landfill Management Plan.	2

Eves Valley Landfill Resource Consents

Consent No.	Consent Type	Performance	Risk
NN970122V2	Discharge to land	Landfill practically closed. Receives no further waste.	1
NN970123	Discharge to air	Not compliant. Gas venting not capped off for phase one.	3
NN970272V1	Discharge to air	Receives occasional complaint. Expected this will be mitigated once the landfill is capped.	3
NN970271V2	Discharge to water	Not compliant, during heavy rain event	4

5 Health and Safety

5.1 The contractors conduct health and safety meetings with staff on a weekly basis and these proceedings are recorded in the minutes of the weekly toolbox meetings. These issues are considered at monthly contract meetings.

5.2 Risks identified are investigated and procedures and projects developed to mitigate the risks. Further information is included in a later section in this report.

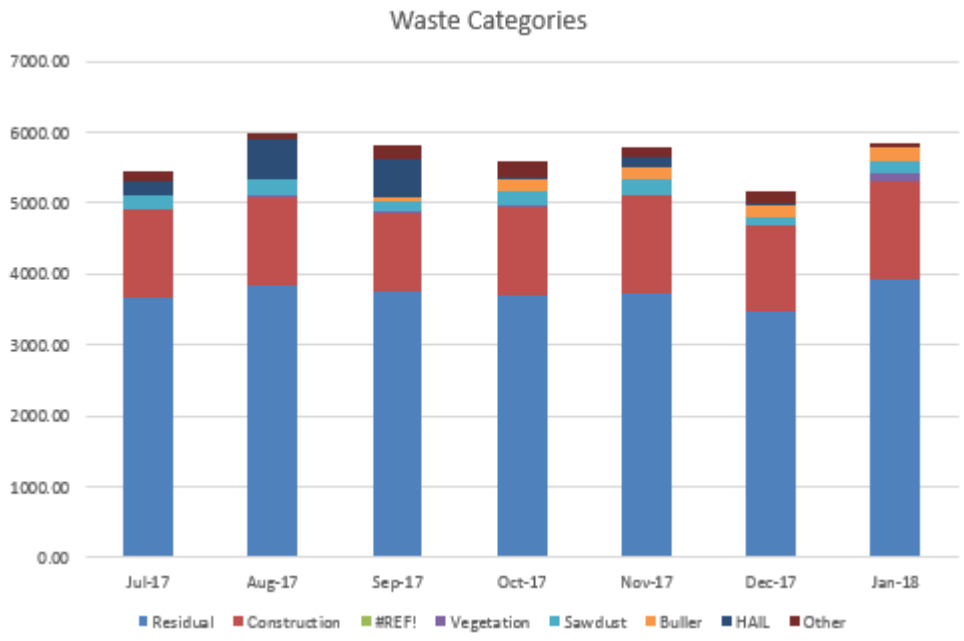
6 Operations Report

Finance report on trading to date

6.1 Attachment 1 is the financial report up to the end of January 2018. The Management Accountant will speak to the report.

6.2 Landfill O&M and key projects

6.2.1 Record of landfill disposal tonnages – The following chart shows monthly tonnages and types of waste disposed at York Valley from July 2017**.**

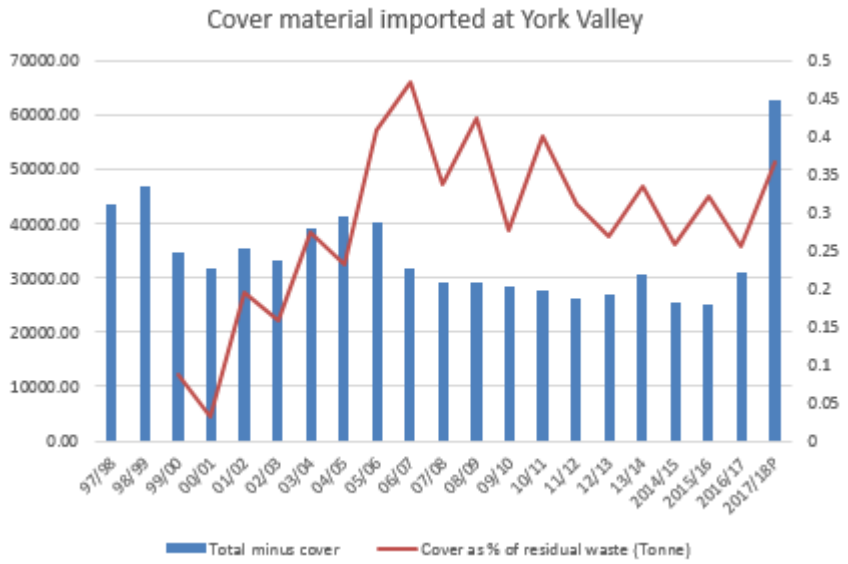


6.2.2 Tonnages of waste are tracking well above estimates and income is expected to exceed projections by a significant amount ($600,000 to $700,000).

6.2.3 Since September 2017, the Buller waste has been recorded as a separate waste category.

6.2.4 It is very apparent that the tonnages of waste material from HAIL sites are variable. Construction waste, demolition waste and contaminated soil from HAIL sites are project related and it is apparent why it is difficult to predict the tonnages with any measure of accuracy. Increases in these types of waste result in the variance between estimated income and actual income. It is considered best practice to continue to follow a conservative approach when estimating landfill income.

6.3 Management of Cover material



6.3.1 The current policy around acceptance of cover material is reflected in Report 5495 (Attachment 2). The current protocols were implemented by Nelson City Council and are as follows:

<u>THAT</u> sawdust not be used as cover material;

<u>AND THAT</u> clean fill be used as cover material at York Valley, accepted at no charge at the discretion of either the Group Manager Infrastructure or Manager Operations;

<u>AND THAT</u> accurate records of clean fill be collated and reported annually to the Manager Quality Assurance.

6.3.2 The previous Manager Operations at Nelson City Council delegated the authority to manage and report the procurement of cover material to the landfill supervisor. It is considered best practice to have a formalised process in place as a fraud prevention measure. With the establishment of the RLBU we will change the protocols to:

6.3.2.1 The General Manager (NTRLBU) replaces the Manager Operations in the role of authoriser and the tonnages, origin and authorisation of loads will be reported to the Joint Committee at quarterly meetings.

6.3.2.2 The management of cover material is a challenge internationally. We want to use the minimum amount of clean fill to cover the refuse and we do not wish to compete with privately operated clean fill landfills within the region (**Attachment 3**).

6.3.3 Cover material is also mined on site as was the general practice at Eves Valley.

6.3.4 We are about to develop a new joint landfill O&M tender document and the use of and management of cover material will need to clear. We propose that we use the tender development as an opportunity to review the current policy on the use of cover material acceptance criteria and amend the protocols accordingly.

7 February Storm Event – York Valley

7.1 A risk assessment carried out following the most recent storm event has identified that some of the trees along the landfill access road pose a risk to road users during high wind events. We will put in place a practice to close the landfill during heavy wind events until trees that pose a health and safety risk to road users are removed. Expenditure associated with this work was not budgeted for and we will need to consider deferring discretionary expenditure items to allow us to stay within budget.

7.2 During the most recent heavy rain event the lay-flat hoses that are used to divert stormwater away the landfill working face areas and front face were overwhelmed. This resulted in rapid erosion of areas around the lay-flat hoses and silt deposits around the land fill entrance area and the weighbridge. A layer of silt was deposited under the weighbridge and affected the scales of the weighbridge.

7.3 An evaluation of the weighbridge has shown that the event did not affect the accuracy of the weighbridge and only moved the zero point. The weighbridge will be calibrated during March 2018.

7.4 The stormwater system has been reinstated.

7.5 During recovery work the contractor flushed the silt accumulated under the weighbridge onto the road and into the York stream. The actions of flushing the silt into the storm water system is deemed to have contravened the landfill consent conditions and Nelson City Council are investigating the actions. The landfill supervisor has reviewed the incident with the contractor and procedures are being developed to prevent the reoccurrence of similar events/actions in future.

7.6 The generator installed to ensure business continuity at the landfill weighbridge in the event of power supply disruptions is expected to be fully operational before the end of March 2018. We continually review our budgets and where the remaining budget is not adequate to fund budgeted discretionary capital works these projects will be deferred to the next financial year.

7.7 The cost of the project is not expected to exceed $10,000.

8 Combined Landfill Operations and Maintenance – New Tender

8.1 We are currently working on a strategy to procure a new landfill operations contract for the management of York and Eves Valley. Our target date is to have a new contract in place by the end of August 2018.

8.2 The current operations contractors support and have agreed to the decision to bring forward the finish dates of their contracts.

9 Eves Valley Landfill

9.1 The management of leachate at Eves Valley during heavy rain events has in the past exposed RLBU contractors to potentially follow response procedures that could be a high risk to the Health and Safety of the operators. The key risk is the crossing of the Eves Valley Stream causeway to check the landfill during storm events. A consequence of these checks has been to request tankers to pump out excess leachate – but this requires crossing the causeway.

9.2 In order to improve the management of these risks alternative operations procedures have been investigated and we have agreed to:

- Tanker operators are not to cross the causeway (ford) on the access road when it is flooded.
- The leachate pump system will be modified to better manage potential leachate overflows. The current practice is to pump the leachate into the storm water detention pond when the leachate system is inundated and then pump the diluted leachate back into the leachate pond after the event. The overflow from the storm water detention pond discharges to a natural stream. The capping of the landfill may decrease the leachate volumes generated at Eves Valley during rain events to such an extent that the current leachate management capacity is adequate. Contingency planning has been initiated to consider the development of an emergency storage facility on site that can be used to divert leachate to during these events and prevent the discharge of landfill leachate into the stream.
- Establish an alternative (four wheel drive vehicle access) access to the landfill when access is deemed too risky. The owner of the property next to the Eves Valley landfill has agreed to allow access to RLBU contractors during storm events. The RLBU will be required to fund the improvements and maintenance to the existing track. An alternative route is being investigated and a decision will be made once the financial implications are known.

Capping of Eves Valley

9.3 The project to cap Eves Valley has started. It is anticipated that the odour vents will be capped before the end of March 2018. The advice at present is that this work will likely prevent odours from escaping the landfill causing a nuisance to neighbours living down-wind of the landfill.

9.4 A project has been identified to review the management of fugitive landfill gasses at the previously capped landfill areas.

10 Waste-to-Energy Plant in Buller

10.1 Nelson City Council and Tasman District Council entered into an agreement in 2017 with Waste Energy WC Limited (WEWC) through which this company will enter into discussions for the diversion of waste from Nelson City Council and Tasman District Council transfer stations and landfill to supply waste to WEWC. The agreement sets out the framework how

parties will consult, engage and work with each other. Entering into a future agreement is at the discretion of the parties signed up to the agreement. (Copy of Heads of Agreement is appended – **Attachment 4**)

10.2 This project has reached a new level of interest in that the project appears to have the backing of central government who announced that they will provide a financial contribution to the value of $350,000 funded from the Provincial Growth Fund to assess the feasibility of establishing a waste-to-energy plant in the Buller District.

"Waste-to-energy plant

The Provincial Growth Fund will provide $350,000 to assess the feasibility of establishing a waste-to-energy plant in the Buller District near Westport.

The waste-to-energy facility could substantially reduce the amount of waste going to landfills in the South Island by as much as 350,000 tonnes, or 50 per cent per year.

"The proposed waste-to-energy facility could be a key driver for economic development on the West Coast, with numerous environmental and commercial spinoffs for industries throughout the region," says Mr Jones.

"The facility would also provide energy for new industries on the West Coast, such as a proposed 40 hectare hydroponic glasshouse horticulture operation that would be powered by the energy, hot water and CO_2 from the waste-to-energy plant.

"The project will contribute to a number of outcomes including mitigating and adapting to climate change.

"The Buller District and the West Coast region would benefit from 50 new jobs at the waste-to-energy plant, with a further 240 jobs estimated to be created by the glasshouse operation.

"Government agencies will continue to work with the West Coast on this project to understand the implications on the environment and economy of the Coast" Mr Jones says."

10.3 One can expect that at least some of the funding will be used to independently peer review the feasibility study. Advice at this point continues to be to wait until we have access to an independent feasibility report of the project.

11 Landfill Asset Management Plan

11.1 We have been working with Stantec to develop a landfill asset management plan (AMP). A workshop to consider the draft AMP is scheduled for 16 March 2018. To bring Committee members up to speed in preparation for the workshop we have an item on today's agenda to explain briefly how the project fits together and what drives it.

11.2 Both the York Valley and Eves Valley landfills were previously included in the respective Council's Solid Waste Activity Management Plans. These landfills are now excluded from the Council's AMP and form the basis of our (joint) AMP. The plan is broadly based on the long term strategy issues considered by the joint committee at their meeting in December 2017.

11.3 The plan is structured as follows:

Section 1 Introduction - why a plan is needed; sets out background information; goals and objectives of asset ownership and principles of core and advanced asset management.

Section 2 Levels of Service – what is provided; outlines customer expectation, links to strategic and corporate goals, legislative requirements, and current and desired levels of service.

Section 3 Future Demand – planning for the future: outlines demand drivers and forecasts, impact on the assets, demand management plan and asset programmes to meet demand.

Section 4 Lifecycle Management Plan – how the service is provided: contains plans for operations and maintenance, renewals/replacement, creation/acquisition/augmentation, and disposal.

Section 5 Risk Management – dealing with uncertainty: describes critical assets, risk assessment and infrastructure resilience approach.

Section 6 Financial Summary – what it will cost and how to pay for it: outlines the funding strategy, valuation forecasts, key assumptions made in financial forecasts and the reliability and confidence of forecasts.

Section 7 Asset Management Practices: contains details of the Accounting/ Financial, Geographical Information System, Information Flow, and Asset Management Systems.

Section 8 Plan Improvement and Monitoring – how to improve: provides details on an improvement programme, monitoring and review procedures and proposed performance measures.

Our Assets

11.4 The landfill assets remain in the ownership of the two councils but are managed independently by the RLBU. The RLBU manages the following assets at the York Valley landfill:

Gully 1 (which has between 13.7 and 15.3 years of airspace available)

- land, resource consents and designation;
- leachate collection system, including stone drains, and gravity main;
- stormwater collection and settling ponds, including cut-off drains;
- gas collection system, including stone chimney vents;
- pavements including sealed and unsealed roadways;
- weighbridge and kiosk;
- vehicle wheel wash;
- signs, fencing, and landscaping.

11.5 Nelson City Council continues the management and operation of Gully 3 and Gully 4.

11.6 The RLBU manages the following assets at the Eves Valley landfill:

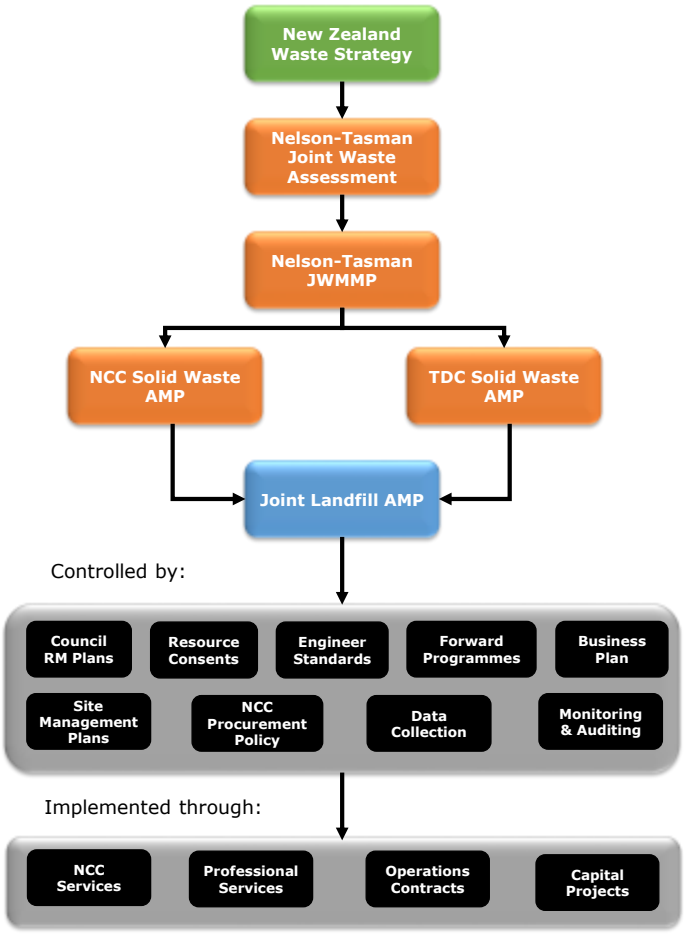
- land, resource consents and designation;

- 20m^3 water tank and supply lines (connected to the Redwood Valley Rural Water Supply);
- hazardous waste store;
- leachate collection system, including stone drains, pump station and rising main (to Brightwater);
- stormwater collection and settling pond, including cut-off drains;
- gas venting system, including stone chimney vents;
- pavements including sealed and unsealed roadways;
- signs, fencing, and landscaping.

11.7 Eves Valley fundamentally consist of two closed landfill cells and the capacity to develop a third "cell" (Stage 3) with an estimated capacity of nearly 2,000,000m^3 (or nearly 80% of the capacity around 71% of the estimated capacity of current phase at York Valley).

11.8 Tasman District Council continues the management and operation of the land to the south of the landfill.

11.9 The linkages to other Council activities are shown in the following diagram:



11.10 **Attachment 5** includes the Level of Service Targets for the Landfill.

11.11 The initial list of issues that we seek discussion and direction on from the joint committee (in no order) is:

- Eves Valley Odour Management – lessons learnt from York Valley
- Fees and Charges
- Information from WasteMINZ Local Government Forum and the Waste Levy
- Costs related to the Emissions Trading Scheme
- Current assets at the landfill – have we the right mix of ownership of assets versus plant owned by our contractors
- The best model of procuring services
- Waste-to-Energy project tin Buller
- Sludge disposal

12 Business Plan

12.1 Following our December 2017 meeting a copy of our Draft Business Plan was forwarded to both Councils:

- To provide financial information for use in their Long Term Community planning and consultation process.
- To provide feedback on the draft plan to allow the RLBU to finalise the draft into a final Business Plan.

12.2 We are still waiting for feedback and propose that:

- We assume that the feedback (when received) will not result in a significant revision and therefore we will use the plan as though it is final.
- That we receive feedback from both Councils and consider whether any changes are required following the adoption of the Nelson Tasman Waste Management and Minimisation Plan and then formally finalise the draft at our June 2018 meeting.

13 Attachments

Nelson Tasman Regional Landfill Business Unit
Financial Report
Income Account for the period to 31st January 2018

	Actual Month	Budget Month	Actual YTD	% YTD	% Year	2017/18 Budget YTD	2017/18 Budget Annual	YTD Variation
Income								
Landfill Fees	695,842	605,878	4,625,461	109%	64%	4,241,146	7,270,535	384,315
Other recoveries	3,692	4,757	26,775	80%	47%	33,302	57,090	(6,527)
Interest	6,864	7,702	48,048	89%	52%	53,911	92,418	(5,863)
Total Income	706,398	618,337	4,700,284	109%	63%	4,328,359	7,420,043	371,925
Less Expenses								
Staff time	16,704	19,586	139,798	102%	59%	137,093	235,015	2,705
York Valley Expenses	248,203	209,998	1,733,758	115%	67%	1,507,342	2,584,013	226,416
Eves Valley Expenses	25,808	20,947	138,481	94%	55%	146,633	251,371	(8,152)
Aftercare provision	6,759	5,337	47,313	127%	74%	37,360	64,046	9,953
Aftercare Value adjustment	-	-	890,567			700,893	700,893	189,674
Eves Valley Aftercare	30,388	51,203	45,529	13%	7%	358,423	614,439	(312,894)
Interest	-	774	-	0%	0%	5,421	9,293	(5,421)
Aftercare cost funding	(30,388)	(64,042)	(45,529)	10%	6%	(448,291)	(768,499)	402,762
Total Expenses	297,474	243,803	2,949,918	121%	80%	2,444,874	3,690,571	505,044
Net Surplus before levy	408,924	374,534	1,750,367	93%	47%	1,883,485	3,729,472	(133,118)
Local Disposal Levy	319,271	319,270	2,234,896	100%	58%	2,234,896	3,831,250	(0)
Net Surplus (Deficit) after Levy	89,653	55,264	(484,529)			(351,411)	(101,778)	(133,118)

Nelson Tasman Regional Landfill Business Unit

Balance Sheet as at 31st January 2018

	Current	Last Month	1 July 2017
Equity			
Contributed Equity 1 July	8,805,257	8,805,257	8,805,257
Plus Net Income	(484,529)	(574,182)	
Closing Equity	8,320,728	8,231,074	8,805,257
Which was invested as follows -			
Current Assets			
NCC Current Account	1,005,416	1,209,012	-
Debtors	- 3,884	3,270	-
NZETS units	1,526,000	885,500	692,000
Total Current Assets	2,527,532	2,097,782	692,000
Fixed Assets	8,055,782	8,077,345	8,113,257
Investments	3,284,539	3,277,675	3,236,491
Total Assets	13,867,854	13,452,802	12,041,748
Less Liabilites			
Current Liabilities			
Sundry Crediotrs	1,418,284	1,069,257	-
NCC Current Account			
Total Current Liabilities	1,418,284	1,069,257	-
Term Liabilities	4,128,842	4,152,471	3,236,491
Net Assets	8,320,728	8,231,074	8,805,257

Nelson City Council
te kaunihera o whakatū

~~19~~ February ~~2018~~ 22 February 2016

Memo to: Senior Leadership Team

Memo from: Peter Anderson
Manager Operations

Subject: Solid Waste York Valley Landfill: Authorisation of discounts (Sawdust and Cover material)

1. Purpose

1.1 To advise SLT of the process to be adopted for managing cover material (sawdust and clean-fill) at York Valley and authorisation of discounts.

2. Recommendation

THAT sawdust not be used as cover material;

AND THAT clean fill be used as cover material at York Valley, accepted at no charge at the discretion of either the Group Manager Infrastructure or Manager Operations;

AND THAT accurate records of clean fill be collated and reported annually to the Manager Quality Assurance.

3. Background

3.1 There is currently no clear and authorised process to accept cover material at the landfill - other than material from HAIL sites at discounted charges.

3.2 Existing processes allowing discounted rates for clean-fill and sawdust to be used for operational purposes (daily cover, intermediate cover and final cover) were deemed to be an issue needing to be resolved following the most recent internal audit.

R5495 1

4. The Issue

4.1 Cover material is essential to control wind-blown litter, fire, odour, moisture, vermin and to minimise rainfall infiltration which reduces leachate production. It serves as a road base, supports vegetation growth and ensures good volumes of methane production.

The landfill daily cover process

4.2 Refuse is covered daily with a minimum of 150mm compacted material. The general practice established at York Valley consists of a layer of sawdust and a layer of clean-fill/cover material.

4.3 In accordance with the Landfill Management Plan sawdust, clean-fill or cover material, mined on site, can be used.

Future of sawdust

4.4 The consideration of whether sawdust should continue to be used as cover material is timely.

4.5 At landfills where landfill gas is harvested the general expert view is that the acceptance of sawdust should be avoided where possible as it will result in a decrease in the generation of methane in a landfill.

4.6 A number of landfills do not use sawdust as cover (Bluegum Landfill – Marlborough, Rotorua Landfill, Butlers Landfill – Westland District).

4.7 The need for sawdust then as a cover material is less important than clean fill material.

4.8 Whilst sawdust is still a viable cover material there is good reason to not continue to use this. There are other uses of sawdust including use as a component of composting in sustainable farming practices.

4.9 Sawdust does have the benefit of soaking up liquids to dry out wet areas at landfills and the use of sawdust in these situations will continue as good operational practice.

5. Operation protocol going forward

5.1 It is recommended that clean fill be used as the choice for cover material and that sawdust be accepted as a waste material and charged at the normal landfill charge.

5.2 Historically NCC has been able to fill the requirement for cover material from development projects around the city. The offer of clean fill material for use as cover material at York Valley has generally exceeded the requirements for cover material at York Valley.

5.3 The process of accepting clean fill at no charge should be managed in a transparent way and it is proposed that accurate records be kept of

all clean fill contributors and reported annually to the Manager Quality Assurance.

Attachments

Nil

28-Feb-18

Summary by Customer Name
for period 1 Jul 17 to 28 Feb 18
for Product 19

Name	Weigh Count	Docket Count	Net Weight	Amount
Allan Hahn Contracting	239	239	3,771,880 Kg	$0.00
Asphalt & General	27	27	261,120 Kg	$0.00
Bays Bobcat & Diggers	9	9	59,140 Kg	$0.00
Berkett Contracting (2016) Ltd	11	11	110,880 Kg	$0.00
Ching Contracting Ltd	201	201	1,947,260 Kg	$0.00
Clare Contracting Ltd	20	20	227,460 Kg	$0.00
Dowie Contracting Limited	1	1	11,700 Kg	$0.00
Downer New Zealand Ltd	480	480	5,570,100 Kg	$0.00
Duane Whiting Contractors	416	416	4,121,560 Kg	$0.00
Envirowaste Services Ltd	85	85	292,820 Kg	$0.00
Fulton Hogan Ltd - Nelson	530	530	9,965,700 Kg	$0.00
IMB Construction Ltd	6	6	9,300 Kg	$0.00
J C Contracting (NZ) Ltd	5	5	9,300 Kg	$0.00
J Lewis Building Ltd	5	5	8,720 Kg	$0.00
Jackson Plumbing	1	1	5,900 Kg	$0.00
Nelmac Ltd	89	89	233,780 Kg	$0.00
Rod Thomson Contracting Ltd	8	8	81,520 Kg	$0.00
Tasman Civil Contracting	1	1	9,340 Kg	$0.00
Ultraspec 2013 Ltd	5	5	10,440 Kg	$0.00
Waste Management NZ Limited	46	46	103,240 Kg	$0.00
Grand Total:	**2,185**	**2,185**	**26,811,160 Kg**	**$0.00**

Page 1 of 1

HEADS OF AGREEMENT

BETWEEN

Nelson City Council (hereinafter referred to as "NCC") and **Waste Energy WC Ltd** (hereinafter referred to as "WEWC")

BACKGROUND:

A. WEWC is a registered New Zealand company with intellectual property, expertise and capability in 'Waste to Energy' waste management systems, through which landfill and other waste can be converted into electricity and other forms of energy.

B. 'Waste' referred to in this agreement is Municipal Waste (MSW), Commercial Waste, E Waste (any Electronic equipment), Tanalised timber, tyres, sewage sludge, organic waste and any other waste that can be processed though the proposed plant.

C. WEWC wishes to engage with NCC in discussions for the **diversion of waste** from NCC's transfer stations and landfill to supply waste to WEWC's proposed Waste to Energy Processing Plant to be located in an appropriate site on the West Coast (the "Proposal").

D. WEWC and NCC acknowledge that the Proposal, if given effect to, has potential benefits for each of them and they both agree to establish a consultation process to engage in discussions and negotiations around the Proposal to establish the most appropriate outcome for both parties.

E. Ultimately, if agreed, the parties will give effect to the Proposal by entering into formal legal arrangements for NCC to divert and dispose of their waste through the Waste to Energy plant proposed for Westport.

F. The parties enter into this heads of agreement to set out a framework for how they will consult, engage and work with each other to further the Proposal.

TERMS OF ENGAGEMENT:

Nature of this heads of agreement

1. This heads of agreement commences on the date that both parties have signed it and continues until either party gives written notice to the other that it wishes to bring this heads of agreement to an end.

2. This heads of agreement is not intended to be, and is not, a legally binding contract or agreement except for the obligations expressed in clauses 7 to 9 inclusive (which obligations relate to intellectual property and confidential information and are legally binding and enforceable).

3. NCC accepts that WEWC intends to discuss the acquisition of waste from transfer stations and landfills operated by other local authorities with those authorities and to that extend the nature of the Proposal is not exclusive to NCC.

4. Nothing in this heads of agreement obliges either party to enter into any formal binding legal document or documents to give effect to the Proposal.

Feasibility of the Proposal and further discussions

5. WEWC intends, at its own cost, to undertake a feasibility investigation into the Proposal, which investigation may include, without limitation, the financial feasibility of the Proposal and the need to, and likelihood of, obtaining any consents, permissions or authorities to implement the Proposal.

6. As part of its feasibility and discussions with NCC:

   (a) NCC and WEWC agree to enter into consultation to confirm volumes and types of local waste that will be available from NCC;

   (b) NCC and WEWC will agree an appropriate fee rate to be paid to WEWC by NCC as the waste is diverted from NCC transfer stations or landfills;

   (c) WEWC does not want to disrupt the current waste collection of NCC's contractors' contracts and will propose WEWC's diversion operation will be after the waste has passed over the Transfer Station or Landfill weighbridge after recycling has been carried out;

   (d) WEWC's objective with this consultation is to agree to fee terms with NCC where there will be no increase in what the current fees are now for NCC disposal of the waste with the exception of planned NCC fee increases and those applied by Government;

   (e) Fee increases will be discussed and included in the final contract however any increase in this fee will most likely only be linked to CPI annual adjustment;

   (f) WEWC will discuss options for Shredder/Baler/Wrapping system to be installed at NCC's transfer station or landfill where applicable. All costs associated with this option will be attributed to WEWC;

   (g) WEWC will be responsible for all freight of waste from NCC's transfer station or landfill to the Waste to Energy plant;

   (h) The waste types WEWC are interested in are MSW, Commercial Waste, E Waste, Tanalised timber waste, tyres, sewage sludge, organic waste and any other waste that can be processed though the proposed plant;

   (i) WEWC propose some differing fees for specific wastes such as tyres and toxic waste; and

   (j) WEWC and NCC will discuss a rebate system where options are considered for community support projects funded by rebates on volumes and Calorific values of waste.

Intellectual Property

7. Each party shall continue to hold the rights, title and interests of that party's IP and nothing in this heads of agreement shall in any way operate to, or be construed as, granting one party any rights, title or interest in the other party's IP. Without limiting the above, NCC acknowledges that NCC shall have no right, title or interest in any IP owned by or developed by or for WEWC associated with the Proposal.

8. For the purposes of this heads of agreement "IP" includes both in New Zealand and throughout the world, all intellectual property rights, including without limitation subsisting or relating to any designs, drawings, documents, procedures, techniques, specifications, data, calculations, ideas, reports, patents, copyright, discovery, trade secret, know-how, computer software, confidential information and any business, technical or service information.

Confidentiality

9. The parties shall each keep this heads of agreement, the Proposal, all discussions relating to them, the fact of their existence and that such discussions having taken place, and all related information and matters and all information provided by one party to the other for the consideration of the Proposal ("Confidential Information") strictly confidential between the parties, and shall not disclose such Confidential Information to any other person, other than where:

   (a) disclosure is reasonably required to professional advisers or directors and shareholders of a party to enable that party to meet its obligations under this heads of agreement;

   (b) disclosure is required by law;

   (c) the matter disclosed is already in the public domain otherwise than as a consequence of an earlier breach of confidentiality by a party; or

   (d) both parties have given their prior written consent.

10. The parties' obligations under clauses 7 to 9 inclusive above shall remain binding on the parties following the expiry or termination of this heads of agreement for any reason.

Signed for and on behalf of:

Nelson City Council

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Chief Executive

Date: 11 July 2017

Waste Energy WC Limited

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Chairman of the Board

Attachment 5 – Nelson Tasman Regional Landfill Business Unit - Levels of Service

Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target
SOLID WASTE DISPOSAL - NTRLBU will provide a landfill for waste disposal					
Health Environment Education	Impacts	All landfill activities, facilities and services comply with resource consent conditions, site management plans and appropriate legislative requirements.	Compliance with resource consents All requests responded to in compliance with Councils' customer service policies	Number of non-compliances Customer relationship management (CRM) analyses	0 3 Days
		Adequate landfill airspace available to ensure future sustainability of solid waste disposal.	Available landfill space that has been consented Available landfill space that has been developed	Years of available consented landfill space Years of available developed landfill space	5 Years 2 Years
	Costs	Cost effective and sustainable landfill services available.	No rates required to support landfill activities	User Pays %	100%
	Demand	NTRLBU operational contracts require minimum standards of waste compaction to maximise landfill capacity. Landfills are open at convenient times.	Waste compaction density exceeds minimum target level Hours and days that the landfill is available for disposal	Surveyed compaction Opening hours specified	> 0.8t/m^3 100%

Related Community Outcomes	Strategic Themes	Levels Of Service	Performance Indicators	Method of Measurement	Target
	Health and Safety	Landfill activity provided in a safe manner and pose no health and safety risks to nearby residents.	No reported incidences of injury or illness attributable to use of facilities.	Complaints and incident forms.	0
	Quality	Good quality customer service	Customers are content with the services offered.	Customer satisfaction survey	85%
		Inquiries received through the Councils' service request system addressed within 24 hours	All requests responded to in compliance with Council customer service policy	Service request response time	90% in 24 hours