



Hastings District Council

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OPEN MINUTES

OMARUNUI REFUSE LANDFILL JOINT COMMITTEE

Meeting Date: **Friday, 5 October 2018**

**Minutes of a Meeting of the Omarunui Refuse Landfill Joint Committee
held on 5 October 2018 at 1.00pm**

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HASTINGS DISTRICT COUNCIL

MINUTES OF A MEETING OF THE OMARUNUI REFUSE LANDFILL JOINT COMMITTEE HELD IN THE COUNCIL CHAMBER, GROUND FLOOR, CIVIC ADMINISTRATION BUILDING, LYNDON ROAD EAST, HASTINGS ON FRIDAY, 5 OCTOBER 2018 AT 1.00PM

PRESENT: Councillor Heaps
Councillors Lawson and Nixon (HDC)
Councillors Dallimore (Deputy Chair) and Tapine (NCC)

IN ATTENDANCE: Waste and Data Services Manager (Mr M Jarvis)
Chief Financial Officer (Mr B Allan)
Waste Minimisation Officer (Mr A Atkins)
Management Accountant (Mr J Tieman)
Health and Safety Manager (Mrs J Kuzman)
Senior Health and Safety Co-ordinator (Mrs N Bass)
General Counsel (Mr S Smith)
Committee Secretary (Mrs C Hunt)

1. APOLOGIES

Councillor Heaps/Councillor Nixon

That an apology for absence from Councillor Redstone be accepted.

CARRIED

Leave of Absence had previously been granted to Councillor Kerr.

2. CONFLICTS OF INTEREST

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES

Councillor Heaps/Councillor Tapine

That the minutes of the Omarunui Refuse Landfill Joint Committee Meeting held Friday 24 November 2017, including while the public were excluded be confirmed as a true and correct record and be adopted.

CARRIED

4. HEALTH AND SAFETY REPORT

(Document 18/127)

It was noted that the Health and Safety Report was from 1 January to 30 June 2018 and not 31 July 2018 as stated in the Agenda Report.

Officers confirmed that personal risk assessments were undertaken with duration of approximately 5 minutes using phone/device, with no paperwork involved unless no coverage.

Council's Health and Safety legal obligations were met to ensure compliance and were not excessively over compliant.

Councillor Heaps/Councillor Dallimore

A) That the report of the Senior Health & Safety Co-ordinator titled "Health and Safety Report" dated 5/10/2018 be received.

CARRIED

5. ANNUAL REVIEW OF HEDGING STRATEGY FOR LANDFILL CARBON EMISSIONS

(Document 18/841)

The Management Accountant, Mr Tieman advised that the purpose was to obtain a decision from the Committee on the hedging strategy for carbon emissions at the Omarunui Landfill.

Mr Tieman recommended that the Committee approve the signing of a forward contract to fix the price of New Zealand Units (NZU) for the 2020 calendar year at 100% cover along with additional cover for 2021 at 80% and 2022 at 60%.

The landfill currently had three forward contracts in place to purchase a total of NZU 187,458 over the next two years (May 2019 and May 2020). There was a carry-over balance from the 2017 calendar year of 32 NZU which could be used to offset any shortfall in 2018.

The option of signing a forward contract provided the least risk to the Landfill and also allowed the Committee to set gate prices with certainty.

The Emissions Trading Scheme (ETS) levy collected would cover the forward contract and was consistent with Omarunui Refuse Landfill Joint Committee hedging strategy.

Mr Tieman advised that extending the forward cover out to years 4 and 5 at 80% and 60% respectively, allowed the landfill to secure price certainty. The rationale for securing 80% in year 4 and 60% in year 5 was the difficulty of estimating tonnes this far out.

Councillor Heaps/Councillor Dallimore

A) That the report of the Management Accountant titled "Annual Review of Hedging Strategy For Landfill Carbon Emissions" dated 5/10/2018 be received.

B) That the Landfill Committee approve the forward purchase contract for 107,100 New Zealand Units currently estimated at around \$2,934,540 to fix the price of NZUs for the calendar year 2020, 85,680 NZU at around \$2,424,744 for calendar year 2021 and 64,260 NZU at around \$1,886,031 for 2022. The Chief Executive

(Hastings District Council) be authorised to approve the nature of the contract and to execute the necessary contracts.

- C) That it be noted that the actual cost of the extension of the forward purchase contract can only be firmly established when the order is placed in the market.**
- D) That the hedging strategy be reviewed annually.**

CARRIED

6. OMARUNUI JOINT LANDFILL ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2018

(Document 18/)

The Waste and Data Services Manager, Mr Jarvis advised that the purpose of the report was to update and inform the Committee on the physical performance aspects of the Omarunui Landfill for the 2017/2018 financial year and provide a commentary on other significant events and impacts.

The overall tonnage was 15% higher than estimate, with Napier City 5% above estimate, Hastings District 10% above estimate, commercial 14% above estimate and special 51% above estimate.

The Landfill reported a surplus of \$3,266,186 for the financial year ended 30 June 2018. The surplus of \$3,266,186 was \$1,644,483 above budget and was 27% more than estimated due to the increased volumes of waste received at the site.

The forest harvest was completed in August 2017 with total revenue of \$1,644,574 and expenditure of \$163,488. The net revenue of \$1,481,086 was distributed to the shareholding Councils minus \$120,000 which was transferred to a reserve to cover the replanting and maintenance costs.

Mr Jarvis advised that from 2011 through to 2016 landfill waste volumes were static at around the 72,000 tonnes mark. However, there was sharp increase in the 2016/17 year and the annual waste volume increased by 9,500 tonnes. After that jump the upward trend has levelled off somewhat and only a modest increase of 1,200 tonnes was recorded last financial year.

The Joint Waste Management and Minimisation Plan has been adopted by both Councils.

Councillor Lawson/Councillor Dallimore

- A) That the report of the Waste and Data Services Manager titled “Omarunui Joint Landfill Annual Report for the year ending 30 June 2018” dated 5/10/2018 be received.**
- B) That the unaudited Omarunui Joint Landfill Financial Statements for the year ended 30 June 2018 and Attachment 1 (CG-14-27-00032) of the Agenda Report be received.**

CARRIED

7. ADDITIONAL BUSINESS ITEMS

There were no additional business items.

8. EXTRAORDINARY BUSINESS ITEMS

There were no extraordinary business items.

The meeting closed at 2.20pm

Confirmed:

Chairman:

Date: