

Horowhenua Refuse Disposal

Update on process

16 December 2020

Overview

- Introductions
- Background
- Proposed approach
- Recommendations

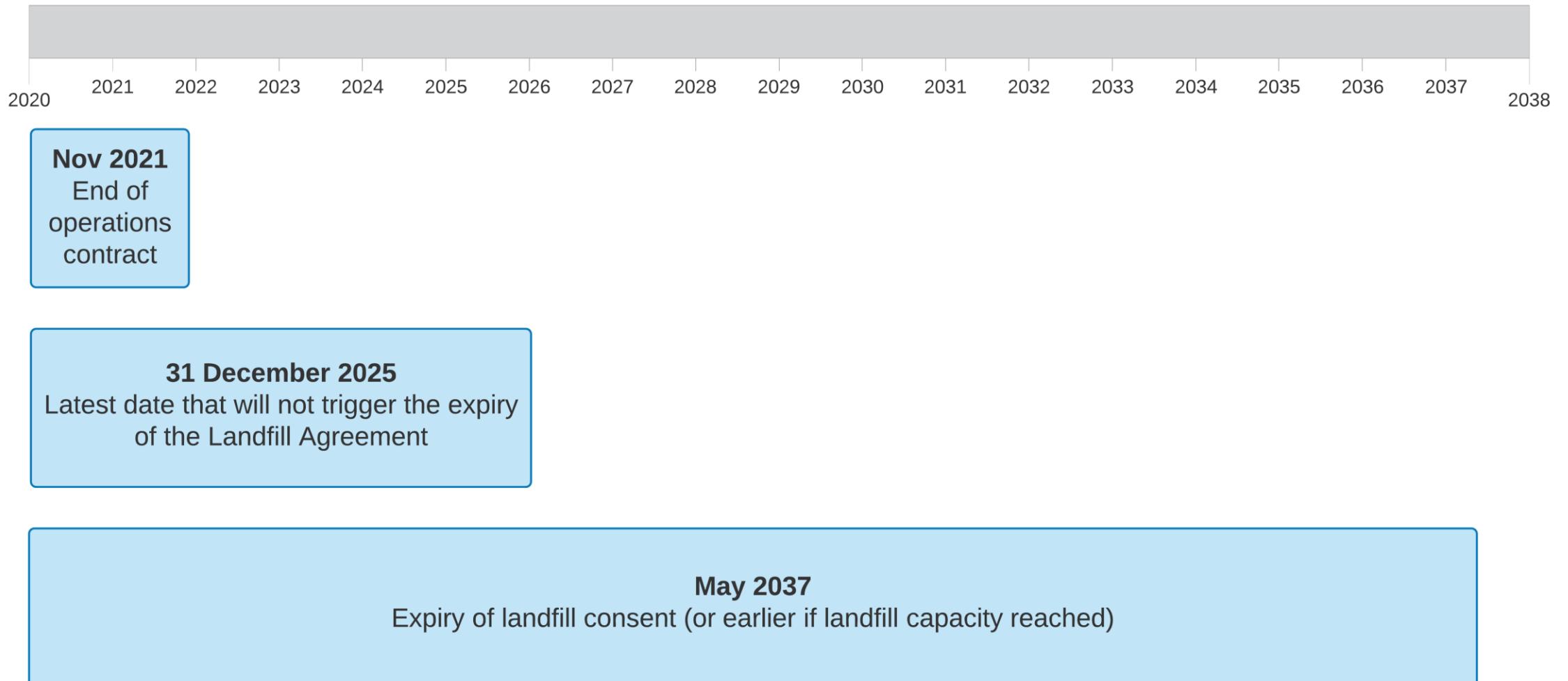
History

- Levin landfill consents granted in 2002 for a 35 year period expiring in 2037
- MidWest Disposals currently hold a landfill operations contract expiring November 2021
- There has been significant concern in the community about the continuing operations of the landfill
- Resource consents for the landfill reviewed in 2015 by Horizons, with the Decision appealed to the Environment Court by HEKA along with Ngāti Pareraukawa and a number of community associations

Levin Landfill Agreement

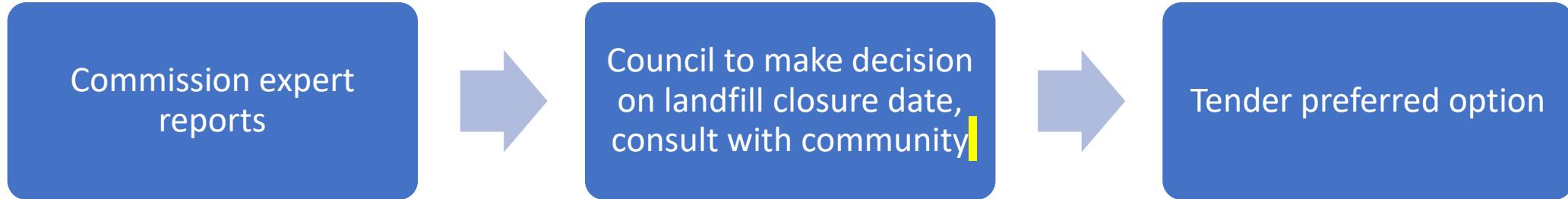
- Under the Landfill Agreement, HDC's Chief Executive is required to recommend to Council a closure date of, at the latest, 31 December 2025
- The final closure date remains a matter for Councillors to determine in accordance with the LGA, however if a date beyond 31 December 2025 is chosen, the Landfill Agreement will expire

Landfill – potential closure dates



Original process for deciding on closure date

- The process proposed in early 2020 was as follows:



- This process could have seen a decision made on landfill closure in late 2020 but, on further analysis, a number of issues became apparent that would make this process relatively risky

Issues with the original process

- The original process has a number of issues that need resolving before Council is in a position to make an informed decision:
 - What are the impacts on Council and the community apart from landfill operational finances?
 - How are the community concerns, economic, social and cultural impacts reflected in Council's decision?
 - What options does Council have to improve its long term position?
 - How are the financial aspects to be accurately forecast when the current solid waste disposal market is so uncertain?
 - If the option chosen requires an SCP, what does Council do if the actual costs are materially different to the forecast costs that were the basis of consultation?

Decision on future of the landfill

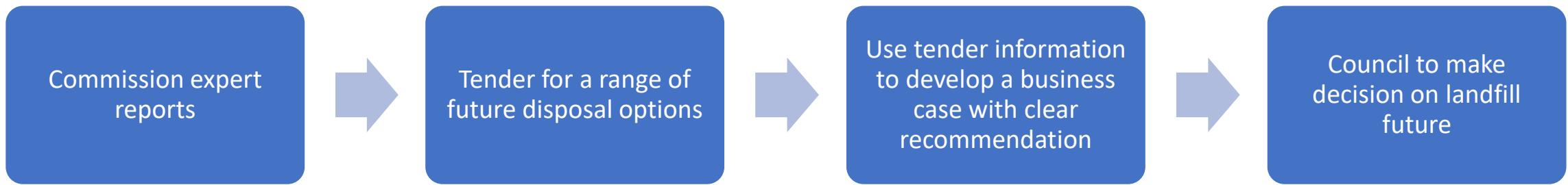
- Tonkin & Taylor's workshops regarding future options for the landfill were primarily based on the operational cost optimisation of HDC's refuse disposal
- This type of analysis will generally be governed by the cost of and revenue generated by operating the Levin landfill compared to the cost of disposing at another facility. The higher the cost of the other facility the more likely the financial outcomes will point to keeping the Levin landfill open longer
- This process was put on hold by the CEO to determine whether a Business Case should be prepared for the landfill and its operations that included examining wider aspects that affect Council and the community

Decision on future of the landfill

- The current pricing structure of regional landfills appears to be highly dependent on the other options available to the users
- In our experience we have seen disposal prices vary by more than 200% for the same landfill
- If the Council makes a decision about closure before seeking contractually bound third party disposal options the financial analysis will need to include a conservative rate for third party disposal
- The proposal of undertaking a competitive process before the business case is completed is therefore in the community's and Council's best interests
- This however produces a longer programme to reach a decision on the future of the landfill

Proposed revised process

- The proposed revised process is as follows:



The benefits of this are:

- Actual financial data will allow Council to know the financial implications of each option
- Incorporation of well-being impacts e.g. cultural, social, environmental and economic
- More flexibility for the waste industry to propose innovative solutions
- More robust information to feed into SCP process
- However a decision on landfill closure will need to be delayed until approximately September 2021, which would result in an approximately three month delay to the earliest closure date

Proposed revised process - details

- Registration of Interest (completed)
- Section 17A review (underway; incorporating other councils in the region)
- Request for Proposals
- Four well-beings analysis
- Business Case
- Council decision on preferred closure date
- Special Consultative Procedure
- Final Council decision on landfill closure date
- Contract award