

4. REFUSE (TRANSFER) STATION UPGRADES

Officer responsible City Water & Waste Manager	Author Mike Stockwell, City Water & Waste Manager DDI 371 1332
--	--

The purpose of this report is to resolve who will fund the modifications to Territorial Local Authorities (TLA's) refuse (transfer) stations necessary to match them to the Kate Valley refuse transport system.

BACKGROUND

As stated in the Transwaste Canterbury Ltd (TCL) joint venture Memorandum of Understanding, the eight shareholders (Waimakariri, Hurunui, Christchurch, Banks Peninsula, Selwyn, Ashburton, City and District Councils, Waste Management and Envirowaste Ltd) have contractually committed their waste volumes to the new Regional Landfill for 20 years after it opens.

Ownership of the waste transfers from the territorial local authorities to Transwaste at the point it passes into the transport vehicles. Transport of the waste from refuse stations to landfill is the responsibility of TCL who have contracted this operation to the commercial partners i.e. Canterbury Waste Services Ltd (CWS i.e. Waste Management and Envirowaste Ltd).

COMPATIBILITY OF REFUSE STATIONS WITH REFUSE TRANSPORT SYSTEM

The Memorandum of Understanding Clause 6.5 (b) states that the funding of modifications to the partners refuse stations shall be subject to agreement being reached between the 'Parties', (note here 'Parties' means the 6 territorial local authorities and 2 commercial shareholders). It is understood that the current situation with territorial local authorities' refuse stations is as follows:

Christchurch City Council existing three refuse stations

- Require modification, work to be tendered later in 2002.

Waimakariri

- Already compatible, does not require modification.

Selwyn

- New refuse station will use Hooklift trucks and skeleton trailers to be compatible with CWS system.

Ashburton

- Already compatible, does not require modification.

Hurunui

- Special arrangement with CWS.

Banks Peninsula

- Barrys Bay requires modification. Currently awaiting report from CWS.

FUNDING OF MODIFICATIONS

The most straightforward arrangement for funding refuse station modifications is for each territorial local authority to fund its own requirements. Though not formally agreed, this arrangement has always been tacitly understood by the parties in all discussions to date. Whilst an agreement could perhaps be mounted that Transwaste should fund some of these costs, at the end of the day 50% of Transwaste funding comes from the territorial local authorities anyway. Also any extra costs that Transwaste incurs (for this or anything else) will reduce the dividends paid to territorial local authority shareholders. Associated with this it is more equitable if each territorial local authority does not have to pay directly or indirectly for another territorial local authority modifications. Finally if Transwaste were to fund any modifications then presumably they would want a say in the operation of the refuse stations which is not something the territorial local authorities are likely to want. For all of these reasons it is considered most appropriate that territorial local authority shareholders fund their own refuse stations modifications.

Recommendation: That it be confirmed that territorial local authorities fund their own refuse station modifications.

Chairman's

Recommendation: That the above recommendation be adopted.