



5th April 2013

NOTICE OF EXTRAORDINARY MEETING OF THE COUNCIL

will be held at
RIVERINA WATER COUNTY COUNCIL CHAMBERS,
91 HAMMOND AVENUE, WAGGA WAGGA

on

WEDNESDAY, 10TH APRIL 2013 commencing at 1.30 pm

Preceded by Workshop commencing at 10.30 am

considering the following:

1. Draft Developer Servicing Plan
2. Capital Works Program for next 4 years
3. Consideration of scenarios for water charges for next 4 years

Lunch will be provided

Yours faithfully

A handwritten signature in black ink, appearing to read "G J Haley", written in a cursive style.

G J Haley
GENERAL MANAGER



*** AGENDA ***

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DIRECTOR OF ENGINEERING'S REPORT TO THE COUNCIL

5th April 2013

The Chairperson and Councillors:

1. DEVELOPMENT SERVICING PLAN

RECOMMENDATIONS:

1. That the Draft Development Servicing Plan be received.
2. That the development servicing charge as recommended in the report be adopted for exhibition, being \$4800 per equivalent tenement (ET) for residential development throughout all urban areas of Riverina Water County Council.
3. That the 2005 NSW Water Directorate Section 64 Determination of Equivalent Tenement Guidelines, or its successor, be used to calculate ET figures for all developments other than standard residential lots and that in applying these a Local ET/Standard ET factor of 0.7 be adopted.
4. That 3.8 kilolitres per day per ET be used when determining charges based on estimated water use.
5. That the Draft DSP be placed on exhibition for six weeks in accordance with the NSW Office of Water Guidelines.

Developer charges are a requirement of new developments and enabled under Section 64 of the Local Government Act 1993. Riverina Water apply these in accordance with NSW Office of Water Guidelines, the 2005 NSW Water Directorate Section 64 Determination of Equivalent Tenement Guidelines and our prevailing Operational Plans. The existing Development Servicing Plan (DSP) was adopted in 2004 and since then has been adjusted incrementally for inflation.

Consultants HydroScience are engaged to make a new five year DSP. The methodology is in accordance with Developer Charges Guidelines for Water Supply, Sewerage and Stormwater (2002). The document is to be registered with the NSW Office of Water. In addition, the methodology for calculating non-residential ET's, in accordance with NSW Water Directorate Guidelines, is included in the plan.

The plan is based on Councils completed strategic documents, including Integrated Water Cycle Management Detailed Strategy, Strategic Business Plan and Resourcing Strategy for Water

Supply and Asset Management Plan. The plan is based on costs of infrastructure constructed between 1970 and 2040, and the capacity to serve development.

Riverina Water have very peaky summer demands which are being addressed by demand management measures. However substantial investment is required to both replace and augment capacity to meet future summer peaks, particularly the Wagga Water Treatment Plant and the Southern Trunk Main.

The determination of the development servicing charge for the different systems has found a wide range of figures, with the Wagga Wagga and Southern Trunk system yielding the lowest charge of \$4,800 per equivalent tenement (ET). The NSW Office of Water Guidelines allow the lowest calculated charge to be adopted across the water utility service area. A uniform charge achieves equity. The shortfall in the rural areas is recognised as a cross-subsidy and equates to water sales of \$10 per assessment per annum. This is explained in Section 8.4 of the report regarding cross-subsidy. The recommended uniform figure of \$4,800 is a significant increase to our current charge of \$3,800 per ET.

The charge is determined considering other contributions towards capital works. For example only the mains extensions that are not directly funded by developers or customers are included. This excludes reticulation mains, services and meters. Also future capital works which are not for growth are excluded. This excludes over \$100m expenditure over the next 30 years on asset replacements and system improvements.

The NSW Water Directorate Guidelines set out the appropriate ET determination for a range of commercial and industrial developments. The Guidelines require a factor to be adopted for non-residential ET calculations. This factor is due to the guidelines being based on annual residential usage of 230 kl per annum to ascertain relativity between residential and non-residential developments. Due to the relatively high residential water use in our area, this factor, (Local ET/Standard ET), reduces standard non-residential charges by a factor of 0.7 when deriving RWCC local ET's for non-residential developments. Prior to 2013/14 the factor was determined at 0.6 and the overall change to non-residential Section 64 charges is an increase of 47.3%.

The Draft DSP applies the 2005 NSW Water Directorate Guidelines. If these change in the 5 year life of the DSP, the recommendation allows for successor guidelines to apply.

A workshop will precede the extraordinary meeting of Council to present and discuss the Draft DSP. Copies of the document will be made available at the workshop. A representative from HydroScience will make a presentation on the Draft DSP and participate in the discussion.

2. SHORTLIST OF CONSULTANTS FOR THE CONCEPT DESIGN OF THE WAGGA WAGGA WATER TREATMENT PLANT

RECOMMENDATION: That Council consider the report "Shortlist of Consultants for the Concept Design of the Wagga Wagga Water Treatment Plant", whilst the meeting is closed to the public, as it relates to commercial information the disclosure of which would prejudice the commercial position of the person who supplied it, as prescribed by Section 10A(2)(c) of the Local Government Act 1993.



Graeme J. Haley
GENERAL MANAGER