

CARTER BROS ENG PL
 13 Adrienne St Raglan 2795
 Lot 214 DP 776787
 5631-94010-2

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Water consumption 2003-04

30
 590 kl

350.82
 893.19
 542.37
 254.6 %

OLD
 NEW
 CHANGE
 INCREASE

CARTER BROS ENG P/L
 Hampton Park Rd Kelso 2795
 Lot 3 DP 877326
 1508-01998-9

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Large water meter connection for Fire Hose reel purposes only Water consumption 2003-04

70
 416 kl

740.73
 1475.81
 735.08
 199.2 %

OLD
 NEW
 CHANGE
 INCREASE

WE IR & RW CARTER
 6 Littlebourne St Kelso
 Lot 6 DP 714297
 2662-44000-3

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Large water meter connection for Fire Hose reel purposes only Water consumption 2003-04

90
 257 kl

481.8
 2014.44
 1532.64
 418.1 %

OLD
 NEW
 CHANGE
 INCREASE

WE IR & RW CARTER
 10 Littlebourne St Kelso 2795
 Lot 4 DP 714297
 2662-43000-4

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Large water meter connection for Fire Hose reel purposes only Water consumption 2003-04
 The water system on this property has been broken, which reflects in the usage. This will change

90
 173 kl

351.35
 1295.74
 944.39
 368.8 %

OLD
 NEW
 CHANGE
 INCREASE

WE IR & RW CARTER
 15 Adrienne St Raglan 2795
 Lot 213 DP 776787
 5631-93000-4

We are being charged for a water meter that exists on the footpath at this property. The meter was installed by Council for use by the public. We request a refund on all monies wrongly charged to date.

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Large water meter connection for Fire Hose reel purposes only Water consumption 2003-04

60
 367 kl

350.82
 2528.5
 2177.68
 720.7 %

OLD
 NEW
 CHANGE
 INCREASE

WE IR & RW CARTER
 11 Adrienne St Raglan 2795
 Lot 215 DP 776787
 5631-94020-1

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
 Large water meter connection for Fire Hose reel purposes only Water consumption 2003-04

80
 154 kl

350.82
 1281.66
 930.84
 365.3 %

OLD
 NEW
 CHANGE
 INCREASE

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COMMENTS

PROPERTY LOCATION, DESCRIPTION & ASSESSMENT NUMBER

PROPERTY LOCATION, DESCRIPTION & ASSESSMENT NUMBER	COMMENTS	80	367 ki	OLD	NEW	CHANGE	INCREASE
PREFABRICATED BUILDINGS P/L 369 Stewart St Lot 2 DP 270264 52444-00000-5	This property is a Community Title subdivision. We need to know the nature of the sharing of the water costs with Highland Pine (and how we may divide the metering in the future) if that is the only way to fix this anomaly. Large water meter connection for Fire Hose reel purposes only. We estimate the SDF on 03-04 consumption, taking into account landscaping watering.	80	367 ki	4490.26	7569.85	3079.59	168.6 %
PREFABRICATED BUILDINGS P/L Stewart St Mitchell 2795 Lot 2 DP 110042 4383-100000-7	This land is vacant. It does not have sewerage available to it as it is isolated and without easements to it through any surrounding property for that purpose. (Water or Sewerage) We have made enquiries at the Planning dept and been told that building on the Lot is not permissible probably for that reason. <i>We do wonder what this property may be used for. Perhaps Council may have some suggestion.</i>	0 ki					
COVEPORT P/L 1 Adrienne St Raglan 2795 Lot 31 DP 870672 50338-00000-8	Large water meter connection for Fire Hose reel purposes only. Water consumption 2003-04	0 ki					
COVEPORT P/L 5 Zagreb St Kelso 2795 Lot 21 DP 884404 50340-00000-4	We estimate the SDF on 03-04 consumption, taking into account landscaping watering. Large water meter connection for Fire Hose reel purposes only.	70	556 ki	884.94	2236	1351.06	252.7 %
CARTER BROS ENG P/L 3 Toronto St Kelso 2795 Lot 8 DP 1007537 4727-25000-5	We estimate the SDF on 03-04 consumption, taking into account landscaping watering. Large water meter connection for Fire Hose reel purposes only.	70	280 ki	1311.02	4877.68	3566.66	372.1 %
	We estimate the SDF on 03-04 consumption, taking into account landscaping watering. Large water meter connection for Fire Hose reel purposes only.	40	394 ki	350.82	1039.6	688.78	296.3 %

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WR & I CARTER
9 Adrienne St Raglan 2795
Lot 1 DP 845853
5631-94210-8

OLD 241.86
NEW 2106.32
CHANGE 1864.46
INCREASE 870.9 %

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
Water consumption 2003-04
Large water meter connection for Fire Hose reel purposes only.

70
381 kl

RW & I CARTER
2 Littlebourne St Kelso 2795
Lot 5 DP 714297
2662-45000-2

OLD 550.63
NEW 4288.62
CHANGE 3737.99
INCREASE 778.9 %

We estimate the SDF on 03-04 consumption, taking into account landscaping watering.
Water consumption 2003-04
Large water meter connection for Fire Hose reel purposes only.
Watering of the large landscaped area and footpath has caused large water usage.
No doubt water use here will be revised.

8
3203 kl

TOTAL INCREASE \$ 21151.54

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5 November 2004

Mr Ray Carter
Director
Carter Bros Engineering Pty Ltd.
3 Toronto Street
KELSO NSW 2795

Dear Mr Carter 

Implementation of Best Practice Sewer Charges

Receipt of your letter dated 6 September 2004, received by Council on 11 October 2004, is acknowledged.

Your reiteration of your objection to using actual water meter connection sizes in the calculation of sewer access charges is noted.

In respect to your concerns, Council applied the specific guidelines regarding non-residential sewerage charges prepared by the Department of Land and Water Conservation (DLWC). These guidelines were provided to all NSW Local Water Utilities to facilitate the introduction of best-practice pricing. You will note the highlighted section states "The sewerage access charges should be proportional to the square of the size of the water supply service connection to reflect the load that can be place on the sewerage system".

In answer to item 3 of your letter it is advised that Trade Waste Charges are currently under review by Council. Best Practice guidelines will be used in this review. These guidelines do suggest a "volumetric" trade waste charge for a certain group of dischargers.

As specifically requested please also find **attached** the following:

- City Treasurer's Report to Council – 20/8/2003
- City Treasurer's Report to Council – 25/2/2004
- Discussion Forum Slides 26/11/2003
- Details of Councillor's Working Party 10/4/2004

Council acknowledges that it has received your list that outlines how each of your properties has been affected. Council resolved various options to hopefully diminish these effects. Council requires your specific instruction as to which option(s) you wish to avail yourself of, and for which property. As previously supplied the options available are:

- (a) Engineering Staff be made available to provide on-site preliminary assessment and consultation;
- (b) That Finance Staff be made available to explain the principles of best-practice pricing;

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Mr Ray Carter
5 November 2004

- (c) That Council provides a Hydraulic Engineer in the first year of best-practice sewer pricing to assess requests for downsizing and rationalizing of meters;
- (d) That the cost of downsizing or removing meters be met by Council;
- (e) That nominal sizing of meters is not used for calculating access charges due to the common practice of using fire hose reels;
- (f) That no community service obligation be provided for non-rateable properties as most of these are state government bodies (e.g. schools, hospitals) and by doing so it will re-introduce cross-subsidies that will result in Council not meeting the Best Practice Guidelines;
- (g) That if it is determined by the Chief Financial Officer that the increase in sewer prices (including trade waste fees) is substantial and would create financial pressures, an agreement may be entered into to introduce the charges over a three year period. This will be done by individual application.
- (h) carry out a review of Sewerage Discharge Factors. This review will be carried out on request by Council's Engineering Department provided that sufficient information is given to warrant that review. In the first year of best-practice sewer pricing any adjustment will be effective from 1 July 2004. Reviews requested in following years that result in an adjustment from the date of the initial request

Thank you for your attention to this matter.

Yours faithfully



Kath Knowles
ADMINISTRATOR

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A list of sewer discharge factors (SDFs) is included on page 93 in Appendix D as a guide for LWUs. Where an LWU has more accurate information for specific customers, it should use that information.

4.2.2 Non-residential

Non-Residential sewerage bills should be not less than the residential sewerage bill and should be based on a cost-reflective two-part tariff with an annual access charge and a uniform sewer usage charge/kL. The sewerage access charge should be proportional to the square of the size of the water supply service connection to reflect the load that can be placed on the sewerage system and the sewer usage charge/kL should apply for the estimated volume discharged to the sewerage system.

The volume discharged to the sewerage system can be estimated using the customer's total water consumption multiplied by a sewer discharge factor (see above).

The sewerage bill for a non-residential customer would be:

$$B = SDF \times (AC + C \times UC)$$

Where:	B	=	Annual non-residential sewerage bill (\$)
	C	=	Customer's water annual consumption (kL)
	AC	=	$\left(AC_{20} \times \frac{D^2}{400} \right)$
	D	=	Water supply service connection size (mm)
	SDF	=	Sewer discharge factor
	UC	=	Sewer usage charge (\$/kL).

As with water supply pricing, the sewer usage charge is a key element in best-practice pricing and should be based on the long-run marginal cost of the business. The sewerage long-run marginal cost can be reasonably estimated as 100% to 150% of the LWU's operating cost/kL^{22,23}. As the State-wide median operating cost²² (OMA) is 82 c/kL, this would indicate a typical sewer usage charge of 82 c/kL to 123 c/kL.

The present sewer usage charges and the operating cost/kL (OMA) for a number of NSW water utilities are shown on page 89 of Appendix C.

²² 2000/01 NSW Water Supply and Sewerage Performance Comparisons Report (Tables 2, 12), Department of Land Water and Conservation, NSW Local Government and Shires Associations, NSW

²³ LWUs should carefully estimate their projected future sewerage operating cost/kL along similar lines to that indicated in footnote 11 on page 9 for the projected water supply operating cost/kL.



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2 IMPLEMENTATION OF BEST PRACTICE SEWER PRICING (26.00010) - Item prepared by Bob Roach

Recommendation: That Council act in accordance with the recommendation contained in the report.

Report: As Council is aware, it has introduced Best Practice sewer charging and following an investigation there are two organisations that currently will be financially disadvantaged with the introduction of the new sewer charging model.

- (a) The Scots School - with the introduction of the new sewer charges, The Scots School will receive an increase from \$3410 to \$11,514 (estimate). This represents an increase of \$8,104 per annum.
- (b) Bathurst Showground Trust - will receive an increase from \$2,964 to \$3,995 (estimate). This represents an increase of \$1,031 per annum.

Council in its model allowed for an initial 3 year period for any of the financially disadvantaged organisations.

Recommendation: That Council allow both the Bathurst Showground Trust and The Scots School to introduce the increased charges over the three year period.

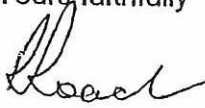
Financial Implications

The cost to Council for The Scots School would be:
Year 1: \$4052, Year 2: \$2662, Year 3: \$1310

The cost to Council for Bathurst Showground Trust would be:
Year 1: \$515, Year 2: \$343, Year 3: \$172

The Sewer Fund has sufficient reserves to fund these increases in each of the three years as outlined above.

Yours, faithfully



R Roach
CHIEF FINANCIAL OFFICER

- (m) Item 2 IMPLEMENTATION OF BEST PRACTICE SEWER PRICING
(26.00010)
MOVED: Administrator K Knowles

That Council act in accordance with the recommendation contained in the report.

Carters

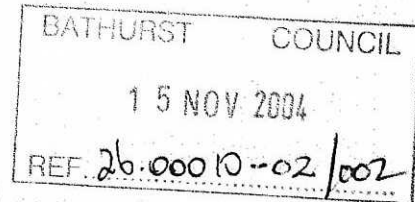
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12/11/04

Ms Kath Knowles
Administrator

Cc The General Manager
Mr David Sherley



Bathurst Regional Council
Dear Ms Knowles and Mr Sherley

In regard to proposed Access Charges. BRC Ref.TD:AL:26.00010/065 and Councils reply dated 5 November 2004.

Thank you for your reply. I address the main points raised in your letter, copy attached.

In the third paragraph of your letter you draw my attention to the guideline given to BRC by the DLWC for use by NSW Local Water Utilities.

It is noted that you claim that "... Council applied the specific guidelines regarding non-residential sewerage charges....".

The specific quotation that you highlight and quote from the DLWC document states in 4.2.2 "The sewerage Access charges should be proportional to the square of the size of the water supply service connection (D_{sq}) to reflect the load that can be placed on the sewerage system" (note that your quotation is incomplete. See below)

Well may you claim to have used this specific instruction but you have not.

Upon extrapolation the formula that you have used is :-

$B = (C \times SDF \times UC) + AC$. This formula does not contain any mention of the "square of the size of the water supply service"

While it is acknowledged that Council volunteered a copy of Best-Practice Management of Water Supply and Sewerage Guidelines from DEUS, it is disappointing that only now has one page of the document, Sewerage and Trade

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Waste Pricing Guidelines from the Dept of Land Water Conservation , that contains instruction that Council now claims to have specifically followed, has been forwarded.

It is noted that the “square of the size of the water supply service” (D_{sq}) is contained within the same clause 4.2.2 and that is :-

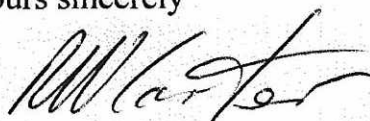
$$B = SDF \times (AC + C \times UC)$$

Where $AC = (AC_{20} \times D_{sq} / 400)$ note again that D_{sq} is contained within the formula advised by DLWC **and not within Councils formula.**

The portion of the sentence that you do not use in your quotation continues “and the sewer usage charge /kl should apply for the estimated volume discharged to the sewerage system” This statement from DLWC supports the guidelines from DEUS which state (as I have pointed out many times to you), that in regard to Sewerage and Trade Waste Pricing “Annual non-residential sewerage access charge reflective of customers peak load on the system” and also that in regard to Water Supply Pricing “Annual access charges reflective of customer’s demands on the system” In other words, Council claims (wrongly) to have applied the first portion of this sentence and has ignored the second portion which now reveals and supports the contention of many businesses in Bathurst that the Sewer Access charge is **supposed to reflect the genuine use of the sewer system.**

These are serious matters and should be resolved immediately as the application of Councils formula allows for increases in water rates of up to and over 1000% as against the use of the formula advised by DLWC actual decreases in the rates applied to commercial premises as one would expect where User Pays is properly applied.

Yours sincerely



Ray Carter
Director

Mobile Phone 0407 258882
Fax 6332 3185

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26.00010/068



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TO [REDACTED]
COMPANY DEUS
FROM [REDACTED]
FILE 26.00010

FAX No. 8281 7451
DATE 25/10/04
TOTAL PAGES 3
(including cover)

MESSAGE

Dear

I refer to your discussion with Amanda Linklater this afternoon, in which you requested a copy of Council's letter of September to Mr Ray Carter.

A copy of the letter follows this page and I will ask Bob Roach to telephone you on his return from Annual Leave this Wednesday.

Yours faithfully

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