

President: Peter Sargent



Secretary: Loretta Blake
BATHURST REGIONAL COUNCIL
13 MAR 2008
REF. 26-00010-03/020

12 March 2008

Cr Paul Toole
Mayor
Bathurst Regional Council
Private Mail Bag 17
Bathurst NSW 2795

CC: Mr. David Sherley, General Manager, Bathurst Regional Council

Dear Cr Toole

Re: Sewer Access Charge

Recently one of our members raised some questions relating to the Sewer Access Charges. I am aware that there has been previous correspondence between the Council and Bathurst Business Chamber on this issue, however it appears a couple of issues remain unresolved.

The issues raised relate to an excerpt from the Chief Financial Officers Report to the Council meeting 21/07/2004 at page 19, containing recommended strategies from DEUS as follows:

"Base sewerage access charges on the peak load the discharger places on the sewerage system. Such dischargers should therefore have the option of providing for Council's consideration, an expert report to establish the peak load in equivalent tenements (ET's) their operations place on the sewerage system. In the absence of such a report, the Council can determine the access charge on the basis of the square of the service connection size times the discharge factor. This is the method adopted by Council."

We note your letter to the Chamber dated 20 June 2006 cites resolutions made by Council on 21 July 2004 to assist in the implementation of user-pays sewerage. However, I note in these resolutions there is no specific mention of any steps taken to advise businesses of the option available to them to have an expert report prepared which establishes their actual peak load, and have their charges adjusted accordingly. Further, I understand that letters providing usage charge estimates were issued to businesses who would experience an increase of greater than \$100 per annum, however it is not clear if this option was explained to businesses addressed by that letter.

We therefore respectfully request your specific response to the following questions on behalf of our membership:

DCSF - R
Mayor
GM

President: Peter Sargent



Secretary: Loretta Blake

1. Was the option to have an expert report prepared which establishes the actual peak load on the sewer advertised/communicated to the business community prior to or during the implementation of the user-pays sewerage system?
2. If so, what specific methods were used to ensure the information was received by businesses affected?
3. If not, will Bathurst Regional Council write to businesses advising them of the availability of this option?
4. Have any businesses already taken up this option and had an expert prepare a report establishing their actual peak load, if so how many?

We thank you in anticipation of your specific responses to these questions, which will assist us to more adequately respond to questions posed by our membership in relation to this issue.

Yours sincerely

A handwritten signature in black ink, appearing to read "P. Sargent", is written over a horizontal line.

Peter Sargent
President
Bathurst Business Chamber

PO Box 293, Bathurst NSW 2795
Telephone: 02 6332 4522 Facsimile: 02 6332 2125
Email: bathurstchamber@belindas.com.au
ABN 38 778 619 246

2

Rec

BATHURST REGIONAL COUNCIL



26.00010-03/021

Civic Centre Telephone 02 6333 6111
Cnr Russell & William Sts Facsimile 02 6331 7211
Private Mail Bag 17 council@bathurst.nsw.gov.au
Bathurst NSW 2795 www.bathurst.nsw.gov.au

26 March 2008

Mr Peter Sargent
President
Bathurst Business Chamber
PO Box 293
BATHURST NSW 2795

Dear Mr Sargent

Sewer Access Charges

I refer to your letter dated 12 March 2008, in which you raise matters relating to sewer access charges.

As you are aware, this matter has been under consideration since the introduction of these charges back in 2004. Council received many reports and advice in relation to the introduction of sewer access charges.

Information contained within your letter is correct in that Council did determine the access charge applicable to sewer access.

In relation to your fourth paragraph, I wish to advise that Council wrote to all businesses within Bathurst to advise them of the Sewerage Discharge Factor (SDF) that would be applicable to their business and to advise them that if they were dissatisfied with the percentage placed on their business they needed to advise Council and a review of this SDF would occur.

Many businesses took up this option and every business was individually categorised and any necessary adjustments were made.

In reply to the four questions raised I wish to advise the following.

- 1) Council elected to determine the access charge based on the square of the service connection size x the discharge factor method.
2) Council wrote to all businesses and advised them of their proposed SDF and advised of the appeals process.
3) Council wrote to all businesses advising them of the SDF.
4) Many businesses took up the option for a review of their SDF and the appropriate adjustments have been made.

Reference: RR:AL:26.00010-03/020
Enquiries: Mr Bob Roach (02) 6333 6257
U:\Amanda\Letters\rr-business chamber.doc


3

2

Bathurst Business Chamber
26 March 2008

Thank you for your enquiry and Council is only too happy to assist further should you require additional information.

Yours faithfully

Paul Toole 
MAYOR OF BATHURST

Reference: RR:AL:26.00010-03/020
Enquiries: Mr Bob Roach (02) 6333 6257

4

Message

Message Header

From: narelle heness/bathurstcc@bathurstcc
To: wendy macedougall/bathurstcc@bathurstcc
Subject: Fw: Can you find letters over last year to Ray Carter & Chamber of Commerce re sewer
Mayor.
Delivered: 10/10/2008 09:51 AM
Msg ID: 566514
Form: memo
Signature: 302d021500bee263edcba59dbfbf4cc174ad612fd8a44b16b4021413ef7fbf1421aeaf5120

Attachments

bathurst business chamber inwards.tif, bathurst business chamber.tif

Message

Wendy

Please find attached letters as discussed:

Narelle Heness
Records Manager
Bathurst Regional Council
158 Russell Street Bathurst NSW 2795
Phone: 02 6333 6138
Fax: 02 6331 7211
Web: www.bathurst.nsw.gov.au

----- Forwarded by Narelle Heness/BathurstCC on 10/10/2008 09:51 AM -----

Wendy MacDougall/BathurstCC
10/10/2008 08:51 AM

To
Group Records
cc

Subject
Fw: Can you find letters over last year to Ray Carter & Chamber of Commerce re
sewerage charges please. These are for the Mayor.

Hi - can you please send over this file please.
thank you
Wendy

Wendy Macdougall
GM's Assistant/Public Officer
Bathurst Regional Council
158 Russell Street Bathurst NSW 2795
Phone: 02 6333 6201
Fax: 02 6331 7211
ah 6379 0100Web: www.bathurst.nsw.gov.au

----- Forwarded by Wendy MacDougall/BathurstCC on 10/10/2008 08:51 AM -----

5

David Sherley/BathurstCC
10/10/2008 07:20 AM

To
Wendy MacDougall/BathurstCC@BathurstCC
cc
Bob Roach/BathurstCC@BathurstCC, mayor/BathurstCC@BathurstCC
Subject
Can you find letters over last year to Ray Carter & Chamber of Commerce re
sewerage charges please. These are for the Mayor.

David Sherley
General Manager
Bathurst Regional Council
158 Russell Street Bathurst NSW 2795
Phone: 02 6333 6201
Fax: 02 6331 7211
Mobile: 0408 637 527
Web: www.bathurst.nsw.gov.au

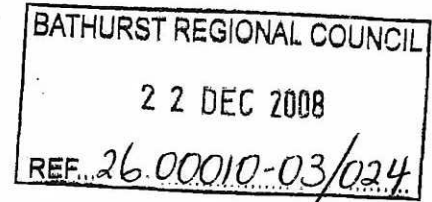
Carters

Carter Bros Properties Pty Ltd

ABN 53 002 244 411
3 Toronto St
Bathurst NSW 2795
Phone 02 6331 6811
Facsimile 02 6332 3185
Email Noelene@carterbros.com

19 December 2008

Mr R Roach
Bathurst Regional Council
Private Mail Bag 17
Bathurst NSW 2795



Dear Mr Roach

Re – Sewer Charges

Carter Bros Properties were given a financial adjustment in relation to their sewer charges as per your correspondence dated 3 October.

Up to and including this years rate notices my calculations suggest that Carters have only received \$30,041.68 worth of adjustments. The agreed value as per your table was in the amount of \$30,699.55.

I have attached a spreadsheet showing the values credited to Carters rates notices. I would appreciate it if you were to go over the adjustments. I am unaware that any more credits will be given and if this is the case it appears Bathurst Regional Council still owe Carter Bros Properties the difference of the above amount.

Regards

Noelene Mashman
Office Manager

DESF - N

7



and thirty dollars (\$130.00) per mobile bin and the fortnightly collection of material for recycling being sixty dollars (\$60.00) per mobile bin for the twelve months commencing 1 July 2008 be made by the Council.

(d) WASTE MANAGEMENT SERVICE CHARGES – RURAL AREAS FOR 2008/2009 – That the annual waste charge for each property where rural tip access is provided under Section 501 of the Local Government Act, 1993, for the twelve months commencing 1 July 2008 being sixty dollars (\$60.00) be made by the Council.

(e) SEWERAGE CHARGES FOR 2008/2009 – That in accordance with Sections 501,502, 503, 539, 541 and 552 of the Local Government Act, 1993, the following charges are made for the twelve months commencing 1 July 2008.

1. That the annual charge for single residential (including residential strata) and un-metered properties be three hundred and eighty one dollars and zero cents (\$381.00).
2. That the annual charge for vacant land be two hundred and one dollars and zero cents (\$201.00).
3. That the annual access charges for non-residential and multiple residential properties are to be the total of the metered charges applicable to the property as shown in the table below multiplied by a sewerage discharge factor :

Size of Water Connection (mm)	Charge for 2008/2009 \$
20	334
25	523
32	857
40	1,338
50	2,091
65	3,533
80	5,353
100	8,364
150	18,820
Strata Properties (Each non-residential lot)	334
Assumption School	1046

4. That the Sewer Usage Charge (Section 502) for non-residential and multiple residential properties be 85 cents per kilolitre of filtered water supplied multiplied by a sewerage discharge factor.

(f) WATER CHARGES 2008/2009 – That in accordance with Sections 501,502, 503, 539, 541 and 552 of the Local Government Act, 1993, the following charges are made for the twelve months commencing 1 July 2008.

1. That the annual water availability charges are to be the total of the metered charges applicable to the property as shown in the table below for :

Size of Water Connection (mm)	Charge for 2008/2009 \$
----------------------------------	----------------------------

BLANK

BLANK

BLANK

BLANK



HEATH CONSULTING ENGINEERS

HENGCON PTY LTD
ACN 103 488 348

Postal Address:
PO BOX 2501
ORANGE NSW 2800

Office Location:
351 SUMMER STREET
ORANGE NSW

Our Ref: L01_08_064.doc

2 December 2008

Cambrune Pty Ltd
233 College Road
BATHURST NSW 2795

Attention: Mr Ray Carter

Dear Sir

**RE. ASSESSMENT OF WATER & SEWER FOR 16 VALE ROAD, LOT 2 DP815734,
SOUTH BATHURST**

1.0 INTRODUCTION

As requested Heath Consulting Engineers has carried out an assessment of the above property with regard to the water supply requirements and required water meter size to determine the appropriate water access charge. An assessment has also been made of the sewer disposal for the site in relation sewer access charges.

The existing site is serviced by a DN40 water meter (Meter No. MK71028) located near the north west corner of the site.

This water meter is supplied from Council's water main in Vale Road.

Examination of the 2008/2009 Rates & Charges Notice for the property shows that the property was charged \$943.00 for the Water Availability Charge and \$1338.00 for the Sewer Access Charge which was then reduced by 5%. It is assumed that the 5% reduction is due to the property having a Sewer Discharge Factor (SDF) of 95%. These charges are both based on the water meter size for the property in accordance with Council's Revenue Policy.

2.0 METHODOLOGY

The water supply requirements for the site were determined based on the methodology outlined in *AS 3500.1 – 2003 Water Supply*. Table 3.1 of *AS 3500.1* indicates flow rate requirements.

TABLE 1 - FLOW RATES & LOADING UNITS

Fixture/Appliance	Flow Rate L/s	Loading Units
Water closet cistern	0.10	2
Bath	0.30	8
Shower	0.10	2
Basin	0.10	1
Sink (Standard Tap)	0.12	3
Laundry tub	0.12	3
Dishwasher	0.20	3
Hose tap (20 nom. size)	0.30	8
Hose tap (15 nom. size)	0.20	4

The loading units indicated in **Table 1** allow an assessment to be made of the probable simultaneous flow that may occur to a group of fixtures/appliances. Due to the diversity of use within a building or development, it is a rare occurrence that all fixtures in a development are in use at the one time. For economic reasons it is usual practice to size water pipes to allow flow that is less than the flow that would be required if all fixtures were in use at the same time.

A loading unit is a factor that takes into account the expected flow and probability of usage of a plumbing fixture. By adding up the total number of loading units and referencing an appropriate table, an estimate of the probable simultaneous flow to a group of fixtures can be made.

An assessment must also be made of fixtures that require full flow to be actually available. Full flow requirements must be satisfied for groups of showers, wash fountains, commercial laundry equipment, dishwashing equipment and air conditioning units. Cleaners sinks inside buildings are not counted in the design flow as the fixtures are usually only in use by cleaning staff when all other occupants of the buildings have gone.

For this assessment it has been assumed that there are no full flow requirements for the building.

3.0 WATER SUPPLY REQUIREMENTS

3.1 Potable Water Supply

The number of water supply fixtures was determined from an inspection of the site and building and also discussions with yourself. The assessment of the water requirements for the site is presented in **Table 2**.

TABLE 2 - WATER DEMAND ASSESSMENT

Fixture/Appliance	Number	Flow Rate L/s		Loading Units	
		Each	Total	Each	Total
Sinks (Standard Tap)	1	0.12	0.12	3	3
Basins	2	0.10	0.20	1	2
Water closet cisterns	1	0.10	0.10	2	2
Urinals	1	0.10	0.10	2	2
Shower	1	0.10	0.10	2	2
Hose Taps (20mm)	2	0.30	0.60	8	16
Hot Water System	1	0.20	0.20	8	8
Fire Hose Reels	1 proposed for future expansion	0.33	0.33		
Totals			1.75		35

The total number of loading units for the building and the respective Probable Simultaneous Flow Rate (PSFR) from Table 3.3 is shown below:

Existing Building	<u>Loading Units</u> 35	<u>PSFR</u> 0.51 L/s
-------------------	----------------------------	-------------------------

3.2 Fire Fighting Supply

The site will contain one fire hose reel. AS2441 requires the PSFR for the building to be included with the two most hydraulically disadvantaged fire hose reels (flowrate of 0.33L/s/hose reel) unless only one fire hose reel is installed. Therefore, the design flowrate for the building is $0.51\text{L/s} + 0.33\text{L/s} = 0.84\text{L/s}$. AS2441 also requires the fire hose reel to have a minimum residual water pressure of 220kPa.

3.3 Assessment of Water Meter Size

Design information for typical water meters are shown in Table 3.

TABLE 3 - WATER METER DESIGN INFORMATION

Nominal Diameter	Maximum Continuous Flow Rate L/s	Maximum Flow Rate L/s
DN20	0.69	1.40
DN25	0.97	1.94
DN32	1.39	2.78
DN40	3.0	5.6
DN50	6.1	12.6

From Table 3, the PSFR for the property of 0.51L/s for the site would suggest the need of a DN20 water meter. Once the building is expanded and a fire hose reel is required the design flowrate would increase to 0.84L/s, thereby necessitating the need for a DN25 water meter.

At a Council meeting on the 21 July 2004 Council resolved that a number of items with regard to the user pays best practice sewer charges. Of particular interest is Item (d) of that resolution which is shown below:

(d) That the cost of downsizing or removing meters be met by Council.

It is recommended that Council be asked to change the water meter size to 25mm diameter in order to reduce the water availability charge for the property.

3.4 Water usage

The actual water usage for the property over the last three financial years is shown in Table 4.

TABLE 4 - ACTUAL WATER USAGE

Financial Year	Water Usage (kL)
2005/2006	0 (property vacant)
2006/2007	313
2007/2008	11

4.0 SEWER CHARGES

Council's management plan allows for non-residential properties to be levied sewer charges. These charges consist of two parts: an access charge (based on the size of the water meter connected to the property) and a usage charge (based on the amount of water used by the property). Each of these charges is then multiplied by the SDF determined by Council for the property.

In February 2004 the Department of Energy, Utilities and Sustainability (DUES) now known as the Department of Water & Energy (DWE) provided strategies as to how Council deal with the implementation of best practice pricing for water and sewer. It appears from minutes of Council meetings that not all of these strategies were adopted by Council, namely only charging for the actual water meter size required rather than charging for the actual meter size where the larger size is required for fire fighting purposes.

However, it appears that the Council have allowed for an expert report to be provided to establish the peak load (in equivalent tenements (ETs)) that is actually placed on the sewerage system. In the absence of such a report, the Council can determine the access charge on the basis of the square of the service connection size times the discharge factor.

4.1 Assessment of Peak Load

An assessment of the peak load in ETs was carried out. This assessment is outlined below.

The Department of Water & Energy's *Best-Practice Management of Water Supply & Sewerage Guidelines* August 2007 defines an ET as:

A measure of the demand a development will place on the infrastructure in terms of the water consumption or sewage discharge for an average residential dwelling.

These same guidelines also suggest that to encourage water conservation, high water consuming residential customers should be subjected to a step price increase of at least 50% for incremental usage above a specified threshold with the threshold not to exceed 450kL/annum for Tablelands areas. Bathurst Regional Council have adopted 250kL as their threshold limit.

Bathurst Regional Council staff advised they generally use a figure of 220 to 240L/person/day for their sewage load with an average of 2.3persons/ET. This equates to an annual sewage load of 185kL to 202kL.

The Australian Standard for On-Site Domestic Wastewater Management, AS1547, sets out wastewater demands for residential houses. These demands are used when designing effluent disposal systems where no reticulated sewer is available. The standard suggests values of 1080 L/day for older houses and 880L/d for new houses built in accordance with Basix requirements. The annual peak load per house is therefore 394.2kL and 321.2kL respectively, with an average of 357.7kL.

For the purposes of this report a figure of 200kL/annum was adopted as the peak load that an ET would place on a sewage system.

The water usage for the property shown in Table 4 is very irregular. Using the highest value of 313kL and the SDF of 95% a total of 297.4kL would be the peak load placed on the sewage system by this property. When expressed in terms of ETs it equates to 1.49 ETs.

If we average the water usage over two years (excluding the year the property was vacant) the peak load (expressed in ETs) would be 0.77 ETs.

If we use the lesser water usage over two years the peak load (expressed in ETs) would be 0.05 ETs.

With such a range of water usage it would be fair to adopt the average value as the the peak sewage load.

Council's revenue policy sets out that there is a minimum sewer access charge for any non-residential property, which is equivalent to the charge for a 20mm diameter water service.

This minimum access charge correlates with the actual water meter size that would be required for the property as outlined in Section 3.3.

The user pays best practice sewer charges allow for a second set of charges to be applied which is based on the actual amount of water used. Non-residential properties are levied for all water used which is multiplied by the SDF. Bathurst Regional Council have set their charge at \$0.85/kL. This is the truest form of user pays.

5.0 CONCLUSION

The water meter size and the peak sewage load of the property was assessed to determine the appropriateness of the current water and sewer access charges currently being levied for the property. Based on our assessment we conclude that the existing property only requires a DN20 water meter. When the existing building is extended and requires a fire hose reel the water meter would need to be DN25.

As a comparison, the current annual water availability charge for a DN40 water meter is \$943.00, a DN25 water meter is \$367.00 and a DN20 water meter is \$235.00.

It is recommended that Council be asked to change the water meter size to 25mm diameter in order to reduce the water availability charge for the property. This change in meter size would be at Council's cost in accordance with the Council resolution.

The peak sewage load placed on the existing sewage system, based on actual water usage, was assessed to be range between 0.05 ETs and 1.49 ETs.

Council's revenue policy allows for a minimum sewer access charge equivalent to a DN20 water meter size (this is the normal size meter provided for a single residential property).

Based on the peak sewage load determined we conclude that this property should only be charged the minimum sewer access charge. As a comparison, the current annual sewer access charge for the property is 95% of \$1339.00, whilst the minimum charge would be \$334.00.

We trust that this information satisfies your requirements, however, if you require further information do not hesitate to contact the undersigned.

Yours faithfully
Heath Consulting Engineers



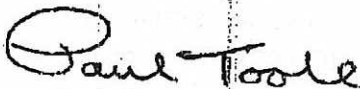
Per:
ROGER HEATH

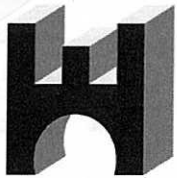
2

Bathurst Business Chamber
19 February 2009

- their business SDF. Council received replies to this request and proceeded to review each property's SDF and where appropriate make the required change.
- Council wrote to over 300 landowners who were affected by these proposed changes. Council received replies from 19 landowners and then proceeded to review each of these requests and make any necessary adjustments that were required.
- 5) Council has since 2004 used this method to charge customers for the use of the sewerage assets.
 - 6) Each year Council invites submissions from its ratepayers and customers on any aspect of items contained within the Management Plan including the method of charging for sewer as well as the SDF charge contained in the Revenue Policy section of the Management Plan.
 - 7) This issue has been raised many times by a member of the Bathurst Business Chamber, and again I would like to reiterate that it was Council's decision to adopt the method they did. That is, the Council determined the access charge on the basis of the square of sewer connection size times the discharge factor.
 - 8) As Council has adopted its method of charging then the option you refer to regarding the peak load in equivalent tenements (ET) is not available to Council's customers at the present time. However, as pointed out in item (6) each and every ratepayer has the right to make a submission on the Management Plan including the method of charging for sewer charges.
 - 9) Council will invite and consider all submissions made in determining its Management Plan and Revenue Policy for the 2009/10 period.
- I trust this explains Council's position in relation to sewer access charges.

Yours faithfully


Paul Toole
MAYOR OF BATHURST



HEATH CONSULTING ENGINEERS

HENGCON PTY LTD
ACN 103 488 348

Postal Address:
PO BOX 2501
ORANGE NSW 2800

Office Location:
351 SUMMER STREET
ORANGE NSW

Our Ref: L01_08_064.doc

2 December 2008

Cambrune Pty Ltd
233 College Road
BATHURST NSW 2795

Attention: **Mr Ray Carter**

Dear Sir

**RE. ASSESSMENT OF WATER & SEWER FOR 16 VALE ROAD, LOT 2 DP815734,
SOUTH BATHURST**

1.0 INTRODUCTION

As requested Heath Consulting Engineers has carried out an assessment of the above property with regard to the water supply requirements and required water meter size to determine the appropriate water access charge. An assessment has also been made of the sewer disposal for the site in relation sewer access charges.

The existing site is serviced by a DN40 water meter (Meter No. MK71028) located near the north west corner of the site.

This water meter is supplied from Council's water main in Vale Road.

Examination of the 2008/2009 Rates & Charges Notice for the property shows that the property was charged \$943.00 for the Water Availability Charge and \$1338.00 for the Sewer Access Charge which was then reduced by 5%. It is assumed that the 5% reduction is due to the property having a Sewer Discharge Factor (SDF) of 95%. These charges are both based on the water meter size for the property in accordance with Council's Revenue Policy.

2.0 METHODOLOGY

The water supply requirements for the site were determined based on the methodology outlined in *AS 3500.1 – 2003 Water Supply*. Table 3.1 of *AS 3500.1* indicates flow rate requirements.