



**EXTRAORDINARY MEETING OF COUNCIL
BUSINESS PAPER**

18 March 2019

Extraordinary Meeting of Council

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Extraordinary Council Meeting

18 March 2019 at 6:00pm

Uralla Shire Council Chambers

- BUSINESS AGENDA -

1. **OPENING OF EXTRAORDINARY MEETING**
2. **PRAYER**
3. **ACKNOWLEDGEMENT OF COUNTRY**
4. **APOLOGIES**
5. **DISCLOSURES & DECLARATIONS**
6. **PURPOSE OF EXTRAORDINARY MEETING**
 1. Funding and logistics for the Bundarra Sewerage Scheme
7. **CLOSE OF EXTRAORDINARY MEETING**

EXTRAORDINARY MEETING OF COUNCIL

18 March 2019

TABLE OF CONTENTS

Report 1 - Council's response to questions regarding the Bundarra Sewer Access Charge.....	4
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EXTRAORDINARY MEETING OF COUNCIL

18 March 2019



REPORT TO COUNCIL

Department:	Infrastructure & Regulation
Submitted by:	Manager Waste, Water and Sewer Services
Reference/Subject:	Report 1 - Council's response to questions regarding the Bundarra Sewer Access Charge

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal:	3.4	Secure, sustainable and environmentally sound water-cycle infrastructure and services
Strategy:	3.4.2	Maintain and renew the sewerage network infrastructure to ensure the provision of efficient and environmentally-sound sewerage services
Activity:	3.4.2.1	Provide sewerage services
Action:	3.4.2.1.2	Maintain and renew the sewer infrastructure network in-line with established programs

SUMMARY:

The most recent project estimate for the Bundarra Sewer Scheme totals \$8,429,000, being \$2,982,000 above the amount specified in the funding Deed between Infrastructure NSW and Council. Council has informed the Department of Industry Water that it will require additional funds through the Safe and Secure Water Program to complete the scheme. A delay to the program is anticipated pending the consideration of the funding request. Clarification of Council's position in regard to the application of sewer access charges for Bundarra properties is warranted in light of the potential delay.

OFFICER'S RECOMMENDATION:

That Council: (selects option 1 or 2 or 3 below)

- 1 Continue to apply an annual Sewer Access Charge for each assessment within the Bundarra Sewer Scheme project area;
Or
- 2 Levy the Sewer Access Charge until the project completion date given in the Funding Deed (being Financial Year 2019/2020), absorb costs for the gap year(s) between Financial Year 2019/2020 and the Financial Year the project is fully commissioned, and reapply the charge in the Financial Year immediately following the Financial Year the scheme is fully commissioned;
Or
- 3 Lift the charge for the coming Financial Year (2019/2020) and reapply it from the financial year after the additional required funding is secured.

EXTRAORDINARY MEETING OF COUNCIL

18 March 2019

BACKGROUND:

The most recent project estimate for the Bundarra Sewer Scheme totals \$8,429,000, being \$2,982,000 above the funding Deed amount. Council has so far incurred expenditure (after grant funding reimbursements) of approximately \$144,000 in relation to the project.

Sewer Access Charges for Bundarra property owners included in the project design area were introduced at the beginning of the 2017/2018 Financial Year. The total value of the charges levied to date is \$227,331

The detailed design of the sewer scheme is being finalised. Tender documents will be prepared to provide for a shovel ready project. The land acquisition process is also nearing completion.

A newsletter updating residents on the status of the Bundarra Sewerage Scheme has been circulated to the Bundarra community. A Community Meeting is planned for Thursday 21 March 2019 at the Bundarra School of Arts Hall.

Due to the current funding shortfall, the project is likely to be delayed pending additional satisfactory funding arrangements.

REPORT:

Representatives from Infrastructure NSW have advised Council that further funding allocations via the Regional Water and Wastewater Backlog Program is not possible and referred Council to the Safe and Secure Water Program at the Department of Industry Water.

Council officers have been in communication with representatives from the Safe and Secure Water Program Team (at the Department of Industry Water) in relation to obtaining the required additional funds through the Safe and Secure Water Program.

The application process requires the Department of Industry to rank potential projects in a State wide prioritisation framework to identify priority projects. The Department has been unable to provide specific advice regarding the timeframe for the assessment of the additional grant funding request.

KEY ISSUES:

- The timeframe and likelihood of securing the additional required funds through the Safe and Secure Water Program is uncertain.
- Council may be eligible for 90% of the cost of the project thereby reducing the Council contribution percentage.
- The actual cost of the scheme will be determined through the tender process and any approved variations through the construction phase.
- The application of the Sewer Access Charge to properties identified as being within the area of the project was considered when Council had adequate funding to cover the 2016 estimated cost of the scheme.

COUNCIL IMPLICATIONS:

- 1. Community Engagement/ Communication (per engagement strategy)**
Council's position in relation to sewer access charges, given the likely delay, will inform the Bundarra community at the proposed presentation on 21 March at the Bundarra School of Arts Hall.
- 2. Policy and Regulation**
Nil

EXTRAORDINARY MEETING OF COUNCIL

18 March 2019

3. Financial (LTFP)

The latest estimate for the project is \$8,429,000 being \$2,982,000 in excess of the current Funding Deed estimate.

4. Asset Management (AMS)

The Bundarra Sewer Scheme has future Asset Management implications as the scheme will see the development of a new sewer reticulation network, pump station and sewerage treatment plant.

5. Workforce (WMS)

Involves Council staff and contractors. Additional staffing resources for sewer operations will be required on commissioning of the scheme.

6. Legal and Risk Management

Council is reliant on additional grant funds to complete the project.

7. Performance Measures

Nil

8. Project Management

Public Works Advisory, Director Infrastructure and Development and Manager Waste, Water and Sewer Services.

Prepared by staff member:	Manager Waste, Water and Sewer Services.
Approved/Reviewed by Manager:	Director Infrastructure & Development
Department:	Infrastructure & Development
Attachments:	Nil

EXTRAORDINARY MEETING OF COUNCIL

18 March 2019

END OF BUSINESS PAPER