

WYONG SHIRE COUNCIL

SUBMISSION TO THE

INDEPENDENT PRICING AND REGULATORY TRIBUNAL

PROPOSED PRICE PATH FROM JULY 1 2006

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1 INTRODUCTION

1.1 General

Council's last pricing submission to the Tribunal was in September 2004. Due to the uncertainties associated with drought related water supply works the Tribunal determined a one year price path. With the extent of resources committed to drought related works and the short timeframe, due to the one year determination, to prepare this submission Council has not been in a position to address fully the following issues referenced in the Issues Paper.

- Long Run Marginal Cost (LRMC)
- Alternate Pricing Structures
- Trade Waste Customer Impacts / Consultation
- Pricing Implications due to IPART imposed service quality information requirements

This situation was outlined in Council letter dated 15 September 2005.

While unable to progress these issues sufficiently to formulate any firm proposals, Council would like to progress these matters expeditiously. As indicated at the hearing for the 2004 pricing determination a two year price path would have afforded Council sufficient time to address these issues. Accordingly Council would be interested in pursuing with the Tribunal opportunities to address these issues over the next 12 months.

1.2 Significant Issues Addressed in this Pricing Submission

a) *Drought Related Water Supply Works*

The ongoing drought has continued to impact Council's water business. The continuing development of alternative water supplies and demand management strategies to address this situation is detailed in Sections 5.3 & 5.4 of this submission.

b) *Stormwater Drainage Pricing*

It is proposed to implement a Drainage Service Charge in 2006/2007. Council's proposal is outlined in Section 3.2 of this submission.

c) *Liquid Trade Waste Charges*

It is proposed to implement the DEUS Charging Methodology for Liquid Trade Waste in 2006/2007. Council's proposal is outlined in Section 3.2 of this submission.

d) *Revenue from Water Sales*

Council's revenue from water sales in 2003/04 and 2004/05 was \$1.12M and \$1.44M respectively less than that which formed the basis of previous pricing determinations. This is discussed in Sections 2.1.4 and 5.2 of this submission

1.3 Background to Wyong Council Business

Council operates its water business under the provision of the Water Management Act 2000. Services provided by this business relate to the provision, operation and maintenance of water supply, sewerage and drainage infrastructure. The Shire has a population of over 140,000 and has been experiencing sustained growth, particularly over the past decade, which is expected to continue at between 2.1% and 2.2% pa over the period of this determination.

The water supply business includes the full range of operation, maintenance and capital works activities associated with the water supply catchment, water harvesting, treatment and distribution to customers. Major headworks components such as dams, weirs, treatment plants and bulk water distribution reservoirs are shared with Gosford City Council and administered by a joint Board. Water supply infrastructure associated with the distribution of water to customers is the responsibility of each individual Council.

Council provides water to a permanent population of approximately 140,000 via over 59,000 metered connections. Over 14,500ML of water is supplied annually, during periods of unrestricted water usage, with peak demands ranging from 35ML/day in winter to 100ML/day in summer. Since February 2002 the Shire has been subject to water restrictions. Drought management strategies implemented since that time have resulted in a reduced system demand of approximately 21%.

Council's sewerage business includes operation and maintenance of the sewerage system together with the provision of capital works and effluent and sludge disposal. Connection is provided to over 57,000 properties. Sewage is treated at one of six treatment plants located throughout the Shire with treated effluent being discharged to the ocean via two outfalls. Sewage is treated to a secondary or advanced secondary standard. All sludge is composted for re-use. By the end of 2005/06 in excess of 10% of effluent will be re-used.

Council's objective for the Water Supply and Sewerage businesses is to "provide cost effective services that meet customer service standards, conform with health and environmental requirements and are provided in a timely manner consistent with development needs". To assist in achieving this objective Council has developed a Best Practice Strategic Business Plan for its water and sewerage business. The Plan has been prepared in accordance with the requirements of the Department of Energy, Utilities and Sustainability (DEUS) Best Practice Guidelines.

Drainage capital works and related operating costs are currently funded from the water supply and sewerage functions. In older areas of the Shire, inadequate drainage systems have led to significant local flooding problems. Council has had an ongoing program to upgrade these older systems which will continue for at least the next twenty years. Much of the existing drainage infrastructure requires refurbishment which is carried out under this programme. The objective for the drainage function is to minimise damage to properties caused by flooding.

Council is faced with increasing costs arising from a combination of factors. The most significant of these are:

- * implementation of contingency and demand management measures associated with the current drought.
- * implementation of measures, associated with the long term water supply security.
- * addressing the implications of water sharing plans on water harvesting.
- * providing and servicing information systems to meet regulatory reporting requirements.

2 CURRENT AND FUTURE OPERATING ENVIRONMENT

2.1 Current Environment

The current operating environment has remained relatively unchanged since Council's previous submission.

The major influence still impacting the current operating environment is a water supply drought that is the worst in recorded history. The drought has had impacts in the following areas:

- * increased costs associated with planning for future long term water security
- * increased costs associated with the implementation of drought management strategies
- * reduced income from water sales as a result of water restrictions

Other influences include:

- * Ongoing State Government proposals to merge Gosford and Wyong Councils' water functions.
- * development of a Water Strategic Business Plan to meet regulatory requirements.
- * continued growth

2.1.1 Long Term Water Supply Security

Council is still experiencing its worst drought on record with water supply storages being at their lowest level since 1987.

The drought has impacted water supplies since 1992, from which time they have fallen from 70% to their current level of 24.4% (September 2005).

In February 2002 the storages had fallen to 41%. This represented about 8 years of usable storage based on the rate at which the storages had drawn down over the previous 10 years. While system modelling, based on historical rainfall and streamflow data, indicated that a return to normal rainfall patterns, and the storages subsequently recovering, was imminent, the Board of the Gosford and Wyong Councils' Water Authority considered it prudent to review the long term water supply strategy for the Central Coast which was then over 20 years old. This involved the letting of a major consultancy to the Department of Commerce (DoC) to review various options including:

- * reducing usage through demand management
- * effluent re-use to substitute for potable water use
- * further extractions from run of river flows
- * use of groundwater
- * desalination

The reports resulting from the DoC consultancy are now on public exhibition and represent the available options to ensure the long term security of Central Coast Water supplies. The final strategy arising from these reports, input from the community, results of negotiations with the State Government in relation to water sharing plans will form the long term strategy for the Central Coast (WaterPlan 2050).

Approximately \$590,000 has been expended on long term planning to date with a further \$150,000 required to finalise WaterPlan 2050. Decisions in relation to WaterPlan 2050 will be made in early 2006 and will include significant future capital expenditure to ensure the long term security of water supply for the Central Coast.

2.1.2 Medium Term Works

Works required in the medium term to improve system security / performance and speed recovery from the drought include:

- * Augmentation of the Lower Wyong River Pumping System
- * Construction of the Mardi High Lift Pump Station
- * Augmentation of the Mooney Mooney Transfer System
- * Raising of Mardi Dam
- * Mardi Transfer System

These works will be constructed in the period 2006-2009 at an estimated total cost of \$50M of which Wyong will fund 50%.

2.1.3 Water Supply Contingency Planning

The drought which has had a significant impact on Council's resources since 2002 has continued.

The Board of the Gosford and Wyong Councils' Water Authority implemented Level 1 Water Restrictions in February 2002 and Level 2 / 2A Water Restrictions on 17 May 2004 and 1 August 2004 respectively.

Since the previous submission to IPART in September 2004 Level 2B restrictions have been implemented. These restrictions represent minor adjustments to the Level 2A restrictions and are intended to spread some of the burden of water conservation to industry and commerce and to maintain the reduced demand on system resources of approximately 21%.

Together with the water restrictions, the Councils have implemented a range of contingency and demand management measures targeted at managing the Central Coast water reserves through the drought. These include:

- * community education to encourage water conservation
- * retrofit of Council facilities with water efficient appliance and devices
- * provision of rainwater tanks to Council properties and schools
- * a programme to retrofit residential homes with water efficient devices
- * a programme of industrial water use audits (funded by the Councils) targeted at improving water efficiency.
- * Introduction of a broader strategy (in line with Level 2B restrictions) requiring major commercial and industrial water users to prepare and implement Water Management Plans to reduce consumption.
- * a programme to retrofit rainwater tanks to existing residential properties
- * amendments to operational procedures to reduce water losses during mains and reservoir cleaning
- * a system leakage reduction programme
- * effluent re-use via tankers for landscape watering and construction works
- * effluent re-use systems at Bateau Bay and Toukley Sewage Treatment Plants to service the Tuggerah Lakes Golf Club, Toukley Golf Club and adjacent areas.
- * effluent re-use system upgrades at Wyong South, Mannering Park, Charmhaven and Gwandalan Sewage Treatment Plants for use within the treatment plants and external use via tankers.
- * Investigation into effluent re-use for industrial water at Vales Point and Munmorah Power Stations
- * Investigation into the feasibility of a dual water (potable and non-potable) for the new release areas in the north of the Shire.
- * investigation and development of bore water sites for both non-potable and potable uses

- * purchase of water from the Hunter Water Corporation
- * pre-construction activities associated with construction of a desalination plant
- * operational contingency planning associated with accessing low level supplies in Mangrove Creek Dam, Mardi Dam and Lower Mooney Dam.

Commitments to further drought contingency Headworks are as follows:

- * Groundwater \$6.2M (represents Wyong Component of cost)
- * Hunter Connection \$9.0M (represents Wyong Component of cost)

2.1.4 Reduced Water Sales Resulting from Restrictions

The introduction of water restrictions in February 2002 has resulted in actual and projected water sales by Council being significantly less than sales estimates upon which previous pricing determinations have been based. A comparison of sales is as follows:

Year	Basis for Determination	Actual Sales by Council	Reduced Water Sales	Reduced Revenue*
2003/2004	15,000 ML	13,467ML (Actual)	(1,533) ML	(\$1,119,090)
2004/2005	15,000 ML	13099 ML (Actual)	(1901) ML	(\$1,437,000)

* Based on sale price in relevant year

2.1.5 Proposed Merger of Gosford and Wyong Councils' Water Functions

As indicated in Council's previous submission the Minister for the Department of Energy, Utilities and Sustainability (DEUS) in a meeting in early 2004 requested Gosford and Wyong Councils to investigate options for merging their water functions

While the merger did not proceed the Councils have however been required to strengthen the legal position governing the operating and administration arrangements between the two Councils.

The final cost of these investigations has totalled over \$200,000

2.1.6 Water Strategic Business Plan

Best Practice Management Guidelines, as published by DEUS, provide for the development of a Water Strategic Business Plan that addresses:

- * Pricing and Developer Charges
- * Demand Management
- * Drought Management
- * Performance Reporting
- * Integrated Water Cycle Management
- * Customer Services
- * Asset Management

IPART through its determination and various consultants reports has also encouraged the preparation of such plans.

Council has substantially completed the overarching plan at a cost, to date, of approximately \$180,000.

Council is currently undertaking a consultancy that addresses the Integrated Water Cycle Management component of the Strategic Business Plan that is estimated to cost a further \$200,000.

An additional 4 staff positions have been created, at a cost of approximately \$400,000 pa to implement asset management system to address needs associated with an aging infrastructure base.

2.1.7 Continued Growth

The Shire has experienced and will continue to experience continued population growth of approximately 2.0-2.2% over the determination period. This growth will continue to place an upward pressure on capital works. IPART's determination in restricting Council's cost recovery to 85% of full cost results in an annual cross subsidisation from fees and charges of \$750,000 pa.

2.2 Future Operating Environment

The major influence associated with the future operating environment, in the short to medium term, will still be impacts of the drought. These will include ongoing:

- reduced water sales as a result of restrictions
- cost of contingency and demand management plan implementation

Other influences include:

- ongoing management costs associated with the new IT system
- costs associated with meeting regulatory requirements stemming from the Strategic Business Plan, particularly Asset Management
- impacts of Water Sharing Plans
- ongoing Growth

In the longer term the major influences will be the outcomes of Waterplan 2050 and the possible impacts of contingency plans if the drought continues. Regardless of which option is pursued the costs will be significant.

2.2.1 Reduced Water Sales

Council's estimated future water sales are detailed at Section 5.2 and at Appendix E

Estimates indicate that water sales will be down approximately 12%, on average, over the pricing period 2006/2007 to 2008/2009 compared to estimated sales had water restrictions not been in place.

2.2.2 Contingency Plan Implementation

Many of the contingency and demand management plans detailed in Section 2.1.3 will result in permanent ongoing operational costs eg. purchase of water from the Hunter Water Corporation, effluent reuse etc.

A number of the contingency plans relate to demand management initiatives have been bought forward and expedited as a result of the drought eg. effluent reuse to Toukley Golf Course. Operation and maintenance costs associated with these plants will become a permanent feature of Councils cost structure irrespective of the drought outcome.

2.2.3 Strategic Business Plan / Asset Management

A review of water and sewerage staff resources in 2004 identified that four new positions would be required, at an annual cost of approximately \$400,000, to meet regulatory requirements associated with the development and maintenance of the Water Strategic Business Plan and enhancement of associated asset management systems.

This additional staffing resource was recruited in early 2005.

2.2.4 Water Sharing Plans

The final impact of water sharing plans is still unknown however the nett result will be to force Council to access higher cost water. This will place upward pressure on capital and operating expenditures.

2.2.5 Growth

Population growth is predicted to continue at between 2.0% pa and 2.2% pa between 2005/2006 and 2009/2010. This will continue to place upward pressure on capital and operating expenditures.

3 PRICING ISSUES

3.1 Price Path Period

It is understood that IPART intends to apply a 3 year price path and accordingly Council's submission is based on this time frame. However, in proposing a new Drainage Service Charge Council considers there may be merit in reviewing this charge after one year. This is discussed in Section 3.2.

3.2 Changes to Pricing Structure

a) Drainage Service Charge

Council does not currently levy a separate drainage service charge and funds drainage capital and operating expenditures from water and sewerage income.

Council has undertaken a preliminary assessment of pricing methodologies used for calculating appropriate drainage service charges. This assessment has indicated that a range of methodologies exist from simple postage stamp property based levies to complex pricing models based on parameters such as impermeable areas / stormwater run-off etc. Pricing issues that would need to be addressed include equity and nexus. The study necessary to address the various issues and develop a model relevant to the particular needs of the Shire will require the engagement of external resources and take several months to complete. Council's current programme provides for this review to be completed by mid 2006. Council has engaged a consultant to expedite this process and has had discussions with the Hunter Water Corporation with a view to incorporating their experience into this review.

This timeframe aligned with Council's request to the Tribunal for a two year price path from July 1 2005. The one year price path provided means that Council is not in a position to present a substantive proposal fully addressing the relevant issues for this determination.

Council is cognisant of the Tribunal's desire to progress this matter and has developed an interim option for consideration by the Tribunal.

This interim option provides for levying a drainage service charge that raises income equivalent to the current funds transferred from water supply and sewerage to drainage and reducing the water supply and sewerage access charges by a corresponding amount such that the nett result is revenue neutral.

This would effectively ring fence drainage charges and allow the Tribunal to review these charges, in future determinations, taking into consideration the outcomes of investigations such as that being currently undertaken by Council.

In developing this interim option a significant issue that needed consideration is how water supply and sewerage charges are currently levied and the relationship to how a drainage service charge may be levied.

As a start point it was considered that any drainage service charge would need to be off-set by a corresponding reduction in the water supply and / or sewage service charge with no impact on usage charges.

Options considered for levying the drainage service charge were:

- * a fixed service charge for each property subject to a current water supply and sewerage service charge;

- * a service charge, based on water meter size, which forms the basis for levying current water supply and sewerage access charges.

The fixed service charge per property was considered less favourable for the following reasons;

- * large industrial / commercial properties that place a proportionally higher load on the drainage system would incur a relatively small drainage service charge while receiving a significant discount off their water supply and sewerage service charges. For example, an industry which currently has a water service equivalent to 56 connections and a sewerage service equivalent to 34 connections would incur a drainage levy of approximately \$126.60 pa while receiving combined water supply and sewerage charge reductions of \$5,700.00 pa.
- * it is considered likely that any drainage charging methodology introduced by Council will provide for a nexus between charge and drainage load on the system. A preliminary assessment indicates the existence of a reasonable relationship between demand on the water supply and sewerage system and demand on the drainage system. This is, large consumers of water and / or sewerage services eg industry, clubs etc, typically incorporate considerable roof area and hard surfaces generating run-off into the drainage system. As such it is considered that linking any interim drainage service charge to water and sewerage service charges will provide an outcome closer to any long term methodology than that afforded by linking the charge to individual properties.

Based on the above Council proposes, for consideration by the Tribunal, the following interim arrangement.

Proposed Drainage Service Charge

Council will fund \$7,011M of drainage expenditure from water and sewerage income in the 2005/2006 financial year. This equates to \$61.50 of each (equivalent 20mm meter) service charge for each water supply and sewerage assessment. Current projections provide for drainage expenditure of \$7,217M in 2006/2007 which equates to \$63.30 of each (equivalent 20mm meter) service charge for each water supply and sewerage assessment.

Council proposes that;

- * for 2006/2007 a drainage service charge be levied on properties subject to a water supply and / or sewerage access charge;
- * this charge be calculated on the basis of;
 - \$63.30 per equivalent 20mm meter, water service charge; plus
 - \$63.30 per equivalent 20mm meter, sewerage service charge.
- * water supply and sewerage service access charges be reduced by \$63.30 each;
- * this charge be increased by CPI + 1% in both 2007/2008 and 2008/2009

The above proposal is recognised as an interim arrangement and while it has been proposed that it extend for the three year price path there may be merit in assessing the outcome of Council's detailed investigation and re-visiting the drainage pricing structure after one year. Council would like to pursue this with the Tribunal.

b) Trade Waste Charges

Council has reviewed its trade waste policy and procedures to comply with “Best Practice management Guidelines” as developed by DEUS and detailed in the following documents:

- Liquid Trade Waste Management Guidelines (DEUS March 2005)
- Water Supply, Sewerage and Trade Waste Pricing Guidelines (DEUS December 2002)

Based on the DEUS Guidelines Liquid Trade Waste dischargers are classified on a risk basis into four groups as follows:

- Classification A is for low risk liquid trade waste (<5KL per day) with standard non-complex pre-treatment requirements.
- Classification B is for medium risk liquid trade waste (<20KL per day) with prescribed pre-treatment requirements
- Classification C is for high risk and large liquid trade waste dischargers which are not nominated as a Classification A or B discharger and/or involve a discharge volume of over 20 kL/day.
- Classification S is for acceptance of septic tanks and pan waste into Council’s sewerage system (Refer Section 10.3.5).

Pricing for Liquid Trade Waste discharges from the above classifications (excluding Classification S) is calculated based on the following 3 categories.

Category 1 Liquid Trade Waste Dischargers are those conducting an activity deemed by Council as requiring nil or minimal pre-treatment equipment and whose effluent is well defined and or relatively low risk to the sewerage system. Also included are Classification A or B activities with prescribed pre-treatment but low impact on the sewerage system.

Category 2 Liquid Trade Waste Dischargers are those conducting an activity deemed by Council as requiring a prescribed type of liquid trade waste pre-treatment equipment and whose effluent is well characterized.

Category 3 Liquid Trade Waste Dischargers are those conducting an activity which is of an industrial nature and/or which results in the discharge of large volumes (over 20kL/day) of liquid trade waste to the sewerage system. Any Category 1 or 2 discharger whose volume exceeds 20 kL/day becomes a Category 3 discharger.

The charging components associated with Category 1, 2 and 3 are indicated below;

Table 3.1

Trade Waste Discharge Category	Sewerage Service Charges (1)	Trade Waste Application Fee (2)	Annual Trade Waste Fee (3)	Re-inspection Fee (4)	Trade Waste Usage Charge/kL (5)	Excess Mass Charges/kg (6)	Non-compliance Excess Mass Charges (7)	Non Compliance Penalty (8)
1	Yes	Yes	Yes	Yes	No	No	No	Yes
2	Yes	Yes	Yes	Yes	Yes	No	No	Yes
3	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

1) Sewerage Service Charges

These charges cover sewerage access and usage charges based on the appropriate discharge factor.

2) Application Fee

The application fee covers the cost of administration and technical services provided in processing an application on a scale related to the category into which the discharger is classified, and reflects the complexity of processing the application. It includes processing change of ownership of the discharger and renewal of existing approvals.

The application fee for Category 2 dischargers covers the primary treatment device eg grease arrestor with an additional fee for each subsequent treatment device.

The application fee for Category 3 dischargers includes allowance for two site visits. Additional site visits will incur an extra cost.

3) Annual Trade Waste Fee

This fee recovers the cost incurred by Council for administration and the scheduled inspections each year to ensure a liquid trade waste discharger's ongoing compliance with the conditions of their approval.

4) Re-inspection Fee

Where non-compliance with the conditions of an approval has been detected and the discharger is required to address these issues, Council will undertake re-inspections to confirm that remedial action has been satisfactorily implemented. Council will impose a fee for each re-inspection. The re-inspection fee will be based on full cost recovery.

5) Trade Waste Usage Charge

The trade waste usage charge is imposed to recover the additional cost of transporting and treating liquid trade waste from Category 2 dischargers. Either one of two charges is applicable ie. with or without pre-treatment.

6) Excess Mass Charges

Excess mass charges will apply for substances specified below discharged in excess of the deemed concentrations in domestic sewage. ie

Biochemical Oxygen Demand (BOD₅)
Suspended Solids
Total Oil and Grease
Ammonia (as Nitrogen)
Total Kheldhal Nitrogen
Total Phosphorus
Total Dissolved Solids

7) Non-compliance Excess Mass Charges

Where a discharge quality fails to comply with the approved concentration limits of substances specified in Council's approval conditions (or the acceptance criterion listed in Council's Trade Waste Policy) Council incurs additional costs in accepting and treating that waste.

8) Non-compliance Penalty

The non-compliance penalty covers instances where Council may seek compensation for its costs relating to legal action, damage to infrastructure, incurred fines and other matters resulting from illegal, prohibited or unapproved liquid trade waste discharged to the sewerage system. Also included are fines under:

- * POEO Act 1997 Section 120 (1) (Pollution of any waters by a discharger who fails to comply with the conditions of approval for discharge of liquid trade waste to sewer);
- * Local Government Act 1993 Section 627 (Failure to comply with an approval), and Section 628 (Failure to comply with an order). Non-compliance penalties will be pursued by legal action.

9) Customer Impacts of Trade Waste Charging Methodology

As a result of implementing the DEUS Charging Methodology some customers may face significant increases in Trade Waste fees and charges.

DEUS Guidelines have recommended phasing in of the new Trade Waste fees and charges over a period of up to 3 years.

Council has reviewed the recommendation and proposes that;

- i) The following Fees/Charges be introduced without phase -in;
 - Application Fee
 - Annual Trade Waste Fee
 - Reinspection Fee
 - Excess Mass Charge
 - Non-compliance Excess Mass Charge
- ii) The following Fee be phased in over 3 years (2006/07, 2007/08 and 2008/09);
 - Trade Waste Usage Fee

Appendix G details the impact of the Trade Waste pricing proposal (over the pricing path) on typical Category 1, 2 and 3 customers.

3.3 Pricing Methodology

Council utilises a long-term (30 year) financial planning model to calculate revenue requirements and pricing required to achieve the lowest level of sustainable and stable water and sewerage bills.

The model projects the long term net cash flows from operations, capital and financing activities and facilitates the modelling of a number of charge / loan raising combinations that will result in a minimum acceptable cash and investment balance over 30 years.

Council has developed a model that demonstrates the prices necessary to ensure continued financial viability while at the same time yielding the lowest level of stable water and sewerage charges. This is particularly the case in the current operating environment and in view of the significant increase in cash requirements identified in the future.

3.4 Pricing Proposal

As indicated in Section 3.1 Council is seeking prices for the three year period July 1 2006 to June 30 2009.

Due to the cost drivers indicated above Council is seeking an increase in prices. It is proposed to phase in charges over a 3 year period (ending 2008/2009) in order to avoid excessive annual increases.

Current and proposed prices are detailed in Section 9 and 10 of this submission. Table 3.2 summarises Council's pricing proposal. Each year prices are proposed to increase by the amount indicated.

Table 3.2

Proposed Price Movements			
	2006/2007	2007/2008	2008/2009
Water Usage Charge	CPI + 18%	CPI + 18%	CPI + 18%
Water Service Charges(access)	CPI	CPI	CPI
Sewerage Service Charges (access)	CPI + 1%	CPI + 1%	CPI + 1%
Sewerage Usage Charge	CPI + 1%	CPI + 1%	CPI + 1%
Drainage Service Charge	See note 1	CPI + 1%	CPI + 1%
Trade Waste Charges	See note 2	CPI + 1%	CPI + 1%
Miscellaneous Charges	CPI	CPI	CPI

Note 1: A new Drainage Service Charge is proposed for introduction in 2006/2007

Note 2: A new Trade Waste charging system is proposed for introduction in 2006/2007

It is proposed to remove the 15% "discount" factor currently applied to Developer Service Plan (DSP) Charges (refer section 8.1) and continue indexation of DSP charges as identified in the various plans.

In accordance with previous determinations the CPI is to be the percentage movement in the Sydney Consumer Price Index. For the purposes of this submission CPI has been forecast to be 2.5% over the period of the proposed price path.

It should be noted that the pricing proposal increases will continue to be kept to a minimum as a result of increases in proposed loan raisings. For the average residential dwelling consuming approximately 180 kL of water per annum the proposal will result in a \$116.33 increase in real terms of 18.6% in the water, sewerage and drainage bill over the three years. (Table 3.3)

The increases in excess of CPI contained in this proposal are required to address the impacts of :

- i) Previous overstated consumption forecasts resulting in lower determined prices than would have been the case had consumption forecasts been more accurate.
- ii) Significant increases in operating and capital expenditures resulting from strategies to address the water supply / demand imbalance due to the current drought. Details of forecast expenditure increases and the drivers for these increases are set out in section 5.3 and 5.4 of the submission.

In its previous pricing submissions to the Tribunal Council highlighted that, based on projections at that time, price increases in excess of CPI would be required in subsequent pricing determinations. This operating environment has continued.

Council considers the above pricing proposal will result in a minimum satisfactory level of revenue during the period of the determination, albeit resulting in a significant increase in debt levels.

As indicated in Table 3.2 Council's modelling indicates that water usage charges will need to be increased by in excess of CPI each year for the three years 2006/2007 to 2008/2009 to ensure ongoing financial viability. Given the ongoing drought, forecast levels of restrictions and the community's increasing understanding of the issues faced in delivering sustainable water services it is considered that this increase is justified and necessary.

3.5 Alternative Pricing Structures

Council is of the view that there is currently inadequate and limited information to satisfactorily assess the effectiveness of alternative pricing structures to reduce demand and send an appropriate message about the need to conserve water. There is also considerable uncertainty about the likely customer responses to alternative pricing structures.

Council has not been able to satisfactorily investigate alternative price structures at this point for the reasons outlined in Council letter to IPART dated 15 September 2005 and Section 1.1.

Council intends investigating alternate pricing structures, including integrated water management pricing and 'inclining block tariffs' as a potential demand management tool. As part of this process Council will also be investigating the issue of stormwater pricing. It is clear that significant customer impacts are likely to result and considerable analysis is required to identify and address any undesirable impacts of alternative approaches to pricing.

Council is of the view that inclining block tariffs incorporating 'two tier' water consumption pricing has the potential to be an effective component of an overall demand management strategy. During the period of the proposed price path, however, water restrictions will still clearly be the major driver of reduced consumption. Given the level of restrictions forecast to be in place over the pricing path 'two tier' pricing is likely to have limited impact on consumption during this period.

For the above reasons Council is not proposing to introduce any changes to its current price structures during the period of the proposed price path.

3.6 Customer Impacts

The following tables detail the impact of the pricing proposal on the total residential water and sewerage bills for various user groups. The bills are in constant 2005/06 \$ to enable analysis of movements in bills, in real terms, of the pricing proposal.

Table 3.3

Residential Property Using 150KI Per Annum - 2005/2006 Constant \$							
	2005/06 current	2006/07 proposed	% change on prev. yr	2007/08 proposed	% change on prev. yr	2008/09 proposed	% change on prev. yr
Water Usage	138.75	163.12	17.56%	191.75	17.56%	225.44	17.56%
Water Access	92.25	28.95	-68.62%	28.95	0.00%	28.95	0.00%
Sewerage Access	367.87	308.15	-16.23%	311.28	1.0%	314.34	1.0%
Drainage Service		126.60		127.86	1.0%	129.14	1.0%
Total Bill	598.87	626.82	4.67%	659.79	5.24%	697.87	5.75%

Table 3.3 (cont)

Residential Property Using 180KI Per Annum - 2005/2006 Constant \$							
	2005/06 current	2006/07 proposed	% change on prev. yr	2007/08 proposed	% change on prev. yr	2008/09 proposed	% change on prev. yr
Water Usage	166.50	195.74	17.56%	230.11	17.56%	270.52	17.56%
Water Access	92.25	28.95	-68.62%	28.95	0.00%	28.95	0.00%
Sewerage Access	367.87	308.15	-16.23%	311.28	1.0%	314.34	1.0%
Drainage Service		126.60		127.86	1.0%	129.14	1.0%
Total Bill	626.62	659.44	5.24%	698.15	5.85%	742.95	6.40%
Residential Property Using 210KI Per Annum - 2005/2006 Constant \$							
	2005/06 current	2006/07 proposed	% change on prev. yr	2007/08 proposed	% change on prev. yr	2008/09 proposed	% change on prev. yr
Water Usage	194.25	228.36	17.56%	268.46	17.56%	315.61	17.56%
Water Access	92.25	28.95	-68.62%	28.95	0.00%	28.95	0.00%
Sewerage Access	367.87	308.15	-16.23%	311.28	1.0%	314.34	1.0%
Drainage Service		126.60		127.86	1.0%	129.14	1.0%
Total Bill	654.37	692.07	5.76%	736.37	6.40%	787.76	6.98%

Note : Average residential consumption for 2004/2005 was 172KI. The historic underlying long term average residential consumption with no restrictions in place is 210KI pa. Average residential consumption is forecast to be in the order of 180KI pa over the next 4 years.

4 CUSTOMER SERVICE STANDARDS

4.1 Current Service Standards

The current level of service standards, as detailed in Council's Management Plan and Water and Sewerage Strategic Business Plan, have been determined based on the following:

- * Compliance with guidelines and standards regulated by the National Health and Medical Research Council (NHMRC), NSW Health Department and the Environmental Protection Authority.
- * The NSW Department of Energy, Utilities and Sustainability Best-Practice Guidelines for Water Businesses

Benchmarking with standards applied by other Authorities as reported by the Department of Land and Water Conservation, the Department of Local Government, the Water Services Association of Australia and in reports published by the various authorities.

- * Community feedback received through:
 - customer surveys
 - precinct committees
 - community liaison groups
 - representations to elected members
 - customer complaints

Council proposes to establish a customer service agreement that will outline the key levels of service that customers can expect to receive. It is Council's understanding that the Government plans to establish a water ombudsman. This will provide customers with an additional avenue to address issues and grievances that they may have.

Attached at Appendix A is a summary of current service standards.

4.2 Customer Response and Willingness to Pay

Council will be shortly (late 2005) undertaking a broad based customer survey across a range of issues however Council's most recent completed broad based customer survey, conducted in September 2002 indicates that only 2% of residents are dissatisfied with the sewerage service while 16% of residents are dissatisfied with the water supply service. This survey was conducted at a time when Council had introduced water restrictions for the first time in twenty years. About half (48%) of those dissatisfied with the water supply service listed water restrictions as the reason. A further 25% of dissatisfied customers listed dirty water or poor water pressure which are linked to problems associated with the Shire's high growth rate. Council has in place programmes to address these problems.

Of interest, the aforementioned customer survey obtained the following responses to questions relating to restrictions:

- * Ignoring cost, 73% of residents surveyed wanted a water supply system that never required restrictions.
- * Regardless of cost, 53% of residents surveyed still wanted a water supply system that never required restrictions.

- * A majority of residents surveyed (52%) considered it reasonable to apply restrictions one year in every five while the next highest preference grouping (15%) considered that restrictions should never be applied.

The issue of water restrictions is linked to the security of the water supply system. A comprehensive review of options for the Central Coast ("Water plan 2050") is currently being undertaken in partnership with Gosford Council, and includes considerable public consultation. Options include the full range of Watercycle management practices including both supply and demand options. Decisions in relation to Water Plan 2050 are scheduled to be made in early 2006 after the strategy is placed on public exhibition for comment.

Customer feedback from community consultation associated with Waterplan 2050 indicates that water is a cheap commodity and customers would be willing to pay higher charges to ensure less restrictive supply. These views will input into the decision making process associated with Waterplan 2050.

A regular telephone customer survey on specifically Water and Sewerage issues is undertaken each quarter to provide community feedback for reporting to elected representatives as part of Council's Management Plan. Community response to this survey has also indicated a high rate of satisfaction with the water and sewerage services provided by Council.

5 REVENUE REQUIREMENTS

5.1 Business Challenges and Risks

Council has identified the following uncertainties/risks in the operating environment over the period of the price path period and beyond.

- * Wyong Shire has experienced significant population growth well in excess of state averages. This strong growth has been forecast to continue over the period of this determination at a rate of 2.2% per annum tapering off to 2.0% per annum by 2010. Variations in projected growth rates represents risk in the short and medium term to revenue streams projections.

Continued strong growth rates represent a risk in terms of environmental impacts and the possible resultant responses (regulated and non-regulated) to these impacts.

- * Weather patterns are a major source of business risk in terms of the impact on water consumption, and hence revenue, as well as the impact on water reserves.
- * Water restrictions were introduced on 24 February 2002 and introduced considerable uncertainty in terms of:
 - Period of restrictions.
 - Level of restrictions required.
 - Impact on consumption and hence revenue.

As a result of the continuing drought, Level 2 and 2A restrictions were implemented on 17 May, and 1 August 2004 respectively, with more stringent water restrictions necessary if water storage levels continue to fall.

As indicated in Section 2.1.2 Level 2B restrictions were recently implemented in order to more widely spread the burden of water conservation across the community and maintain the level of reduced water consumption achieved by Level 2A restrictions.

Financial projections included in this submission have been based on the following projected reductions in water sales (compared with unrestricted usage) as a result of restrictions:

-	2006/2007	12%
-	2007/2008	12%
-	2008/2009	12%
-	2009/2010	8%

- * Given Councils increased exposure to debt during the price path period and beyond, the risk of interest rate increases is a significant financial risk to the business.
- * The Gosford/Wyong Joint Water Supply Authority is currently reviewing options, in its Water Plan 2050, to ensure water supply security for the future. As there are a number of possible options to be considered the likely level of capital expenditure is uncertain at this stage. However it is expected that the total investment will be in the order of \$100M.

5.2 Consumption

Attached at Appendix E is Council's forecast of water consumption forecast for the period 2006/2007 to 2009/2010. The basis of Council's forecast, is discussed in detail in Appendix E.

These projections take into account:

- * previous consumption trends
- * future growth
- * impact of current and future restriction regimes and other demand management initiatives.

The medium projections, which form the basis for this submission, provide for the following estimated metered water sales.

Year	Metered Sales (ML)
2005/2006	13,308
2006/2007	13,594
2007/2008	13,879
2008/2009	14,164
2009/2010	15,111

The above projections take into account future restriction regimes which, to a large extent, are dependent upon future rainfall. While this inherently has a considerable level of uncertainty the above estimates are considered reasonable for the following reasons:

- * Councils water supply system does not respond rapidly to rainfall events. It will take several years of average or above average rainfall before the storages recover to a point that restrictions can be relaxed or removed.
- * The only event that would lead to restrictions being lifted early would be sustained wet weather. Associated with such an occurrence would be reduced water consumption due to reductions in outside watering requirements.

Based on the above it can reasonably be expected that metered water sales will be significantly less than pre-restriction levels for at least the next 3-5 years

Attached at Appendix F is Council's Demand Curve detailing usage currently being achieved.

5.3 Operating Expenditures

5.3.1 Operating Expenditure Requirements

Along with capital expenditure, forecast increases in operating expenditures are a major driver of proposed price increases in excess of CPI. The most significant increase in operating expenditures will be recorded in the water business reflecting increased operating cost resulting from strategies implemented to address the supply/ demand imbalance.

The following table details forecast operating expenditures in constant 2005/06\$ from 2005/06 through to 2010/11.

Table 5.1

Operating Expenditure 2005/06 Constant \$'000							
	2004/05 Act	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Water	9113	9093	10363	11488	11437	11486	11683
% inc yr on yr		-0.22%	13.97%	10.86%	-0.44%	0.43%	1.72%
Sewer	9620	9849	10059	10270	10479	10688	10900
% inc yr on yr		2.38%	2.13%	2.10%	2.04%	1.99%	1.98%
Drainage	1697	1300	1325	1350	1374	1858	1422
% inc yr on yr		-23.39%	1.92%	1.82%	1.78%	1.75%	1.72%
Corporate (1)	14966	16316	16417	16522	16543	17086	16,747
% inc yr on yr		9.02%	0.62%	0.64%	0.13%	0.64%	0.62%
Total	35396	36558	38164	39,630	39,833	41118	40,752
% inc yr on yr		3.28%	4.39%	3.84%	0.51%	0.98%	1.34%
% Property Growth	59,202	60,302	61,402	62,502	63,602	64,702	65,802
		1.78%	1.82%	1.79%	1.76%	1.79%	1.70%

(1) Including Water, Sewerage and Drainage.

Details of individual drivers of operating cost increases are detailed in Section 5.3.2 below.

5.3.2 Operating Expenditure Drivers

5.3.2.1 Growth

The last decade has seen Wyong's population grow at over 2% per annum. This trend is expected to continue with growth of between 2.0 and 2.2% out to 2010. Detailed growth projections are contained in the consumption report at Annex E.

Growth directly impacts operating costs, more water has to be produced and distributed and sewage collected and treated, and indirectly impacts maintenance costs as more assets are created and need to be maintained. While new assets required less maintenance than older assets, eventually an increasing asset base will incur maintenance costs relative to its size. Failure to recognise this progressively over time will result in under funding of maintenance requirements and impact asset life.

5.3.2.2 Salary and Wage Rates

Salary and wage rate increases are made up of Award increases plus a component for performance based and other increases. Historically award increases have been in the order of 1% to 1.5% in excess of CPI. Performance based increases and increases resulting from labour market pressures, have added a further 0.5% to 1% to salary and wage rates. Actual award increases have been determined and are hence known for the period 2004/05 to 2006/07. Forecast increases included in Councils pricing model are as follows:

Table 5.2

Salary and Wage Rate Forecast % Increase					
	2005/06	2006/07	2007/08	2008/09	2009/10
Nett % Increase	4.00	3.50	3.50	3.40	3.40

5.3.2.3 Aging Assets

Council's water and sewerage assets are relatively new having been substantially constructed during the 1970's and 1980's. However some of the assets, eg asbestos cement water mains, are entering the last third of their design life while many electrical and mechanical assets have already been replaced or refurbished. Council is progressively expanding its asset management activities to incorporate increasing levels of condition assessment as the asset base ages. Significant resources have been committed to the development and maintenance of these systems.

5.3.2.4 Mandatory Standards

Changing mandatory standards have the potential to significantly impact operating costs, particularly in the longer term. The implementation of water sharing plans, arising from the Water Management Act 2000 will force Council to source higher cost water while the EPA Odour Management Draft Policy will require Council to increase expenditure on odour reduction systems. Similarly the OH&S Act 2000 has cost implications on Council's work practices and those of contractors employed by Council.

5.3.2.5 Efficiency Gains - Efficiency Measures

Council, in May 1998, adopted a policy providing for Workplace Reform and Continuous Improvement in the medium term.

The policy provides a process whereby each area of Council's operations is exposed to comparative testing to establish its relative efficiency within the market place. Combined with this comparative testing is a process of continuous improvement to provide existing staff with the greatest opportunity to be competitive. Where existing functions prove to be uncompetitive other options of service delivery including competitive tendering and contracting out will be explored.

Water and Sewerage operation and maintenance functions have been divided into four geographical areas and are internally benchmarked against each other with process improvement teams progressively reviewing work processes. Work processes have also been benchmarked with those used by other Authorities in New South Wales and Queensland where desktop studies have indicated that these authorities could have processes worth assessing.

Similar improvement processes have been applied to other Council sections providing administrative support to the water and sewerage functions.

This policy is intended to provide a 1½% pa improvement in labour productivity over the medium term. This has been incorporated into Table 5.2.

5.3.2.6 Impacts of Capital Expenditure

A number of capital works associated with water supply security and drought contingency measures are planned for construction over the next 2-4 years. These including works to access higher cost water such as groundwater, high flow events and possibly desalinated water. They also provide for increasing potable water substitution with reclaimed sewage effluent. All of these works will result in significantly higher operating costs per unit of yield.

5.3.2.7 Demand Management

Sustained attention to demand management since the 1970's has achieved water usage statistics within the Shire which are comparable with industry best practice. Council has

achieved this result mainly through pro-active community education in conjunction with appropriate regulation in relation to building requirements and pricing.

However, the current drought has required Council to significantly expand its demand management initiatives. Areas that will impact future operating costs include:

- * expanded community communication / education
- * programme to refit residential homes with water efficient devices
- * amendment to operational procedures to reduce water losses during mains and reservoir cleaning
- * system leakage reduction programme
- * effluent re-use systems at Bateau Bay and Toukley Sewage Treatment Plants
- * effluent re-use system upgrades at Wyong South, Mannering Park, Charmhaven and Gwandalan Sewage Treatment Plants.
- * possible effluent re-use to the Vales Point and Munmorah Power Station
- * possible dual water system for the new release areas in the north of the Shire.
- * substitution of potable water with bore water for watering parks and ovals.
- * retrofit of rainwater tanks to existing residential properties.
- * industrial water use audits
- * introduction of water management plans for industry

5.3.2.8 Alternate Supply Options

The severity of the current drought has forced Council to pursue alternate sources of potable water supply as demand management, including restrictions, will not stop the storages from declining should the drought continue.

As indicated in Section 3.1 these alternate sources include purchase of water from the Hunter Water Corporation (HWC), desalination of sea or lake water or treatment of groundwater for potable use.

Water from the HWC has been purchased since July 2004 and will continue as a permanent operational feature with a 20ML/day transfer capacity being commissioned in early 2007.

The option of a desalination plant is currently under investigation however no decision to proceed has yet been made.

Sources of potable groundwater in Wyong and Gosford LGA are currently being brought on line.

The marginal cost of treating existing water supplies is 5.4 cents/kl. The comparable marginal cost for the above alternate water sources is (in 2005/2006 \$):

* HWC water	94 cents / kL *
* Desalinated water	1.30 – 1.40 cents / kL
* Groundwater	40 - 60 cents / kL

* Purchase costs for Hunter Water are linked to prices granted by IPART to Hunter Water Corporation for the period 2005/2006 – 2008/2009.

5.3.2.9 Corporate Support

As can be seen from Table 5.1 corporate support costs are increasing by an average 0.5% per annum in real terms over the next six years. This compares favourably to the average property growth over the same period of 1.9%.

5.4 Capital Expenditure Drivers

The major drivers of Council's future capital works programme are:

- * Ageing Infrastructure
- * Growth
- * Standards
- * Drought Contingency Works
- * Major Headworks (Long Term Water Security Headworks)

Ageing Infrastructure (2005/2006 \$)

Council's water supply and sewerage assets are relatively new having been substantially constructed during the 1970's and 1980's. Current expenditure on refurbishment is relatively low at about \$5.2M however, will need to progressively increase to about \$8.4M per annum, based on the current asset base, by about 2020. Forecasts up to 2009/2010 provide for refurbishment expenditure increasing to about \$6.2M per annum.

Growth (2005/2006 \$)

Sustained levels of growth over the next decade will require staged augmentation of water supply and sewerage infrastructure.

Typically this is reflected in relatively constant sewerage collection infrastructure expenditure of about \$3.67M pa and sewage treatment expenditure of between \$1M and \$2M per annum (except 2006/2007)

Water supply expenditure on distribution works is similarly expected to be reasonably constant at about \$2.70M per annum over the longer term (except 2006/2007) however in the short term, major water supply headworks will require substantial financing between 2005 and 2010 as discussed below.

Standards (2005/2006 \$)

The potential impact of changing standards associated with for example the Water Management Act 2000 and the OH&S Act 2000 has been estimated at incurring an average level of on-going capital expenditure of \$984,000 pa and \$1.22M pa for water supply and sewerage services respectively.

Drought Contingency Works (2005/2006 \$)

The current drought, being the worst in recorded history, has forced the Council to implement, and plan for additional, contingency works to manage the dwindling water reserves.

In view of the current ongoing drought situation Council has in the short term been forced to source alternate supplies from Hunter Water Corporation and groundwater in Wyong and Gosford LGA. As indicated in Section 5.3.2.8 and 3.1 Council has already committed to these projects which will provide in excess of 12000 ML/yr by 2007/2008. The estimated cost to Council for these projects is in excess of \$20M.

To facilitate the 20 ML/day connection to Hunter Water Corporation has required DSP related (Growth) augmentation works to be brought forward. These works are the Bushells Ridge / Kiar Ridge Reservoir and associated connecting mains. These works will be completed by 2006/2007.

The issue of desalination is currently under investigation with any decision to proceed yet to be made. The estimated probable cost to Council to implement desalination as an alternate supply is \$37.5M (50% of cost).

Major Headworks

A major review of long term water security options for the Central Coast, undertaken by the NSW Department of Commerce, has identified the various demand and supply options available to the Councils to meet future water supply requirements. This review, titled Waterplan 2050, is currently on public exhibition and key decisions in relation to future works will be made in early 2006.

Independent of these key decisions, the review identified various medium term works that are required to optimise the system capacity and will be required to speed recovery from the current drought. These works include the Mardi High Lift Pump Station, Augmentation of the Lower Wyong River Transfer System, Augmentation of the Mooney Transfer System and the Raising of Mardi Dam. Together with the refurbishment / upgrade of the Mardi Dam Outlet Structures these works represent about \$50M (\$25M for each Council) between 2005/2006 and 2008/2009.

Key decisions associated with long term water security, will be impacted by the major drought contingency works ie Hunter transfers, groundwater and desalination. This may particularly be the case should a desalination plant be constructed. Evenso, current planning indicates that the impact of this drought will be far reaching and works such as a desalination plant or the major (20ML/day) connection to the HWC may only influence the timing of future capital works and, in fact, may be required to help the system recover from the drought. It is probable that between 2008/2009 and 2019/2020 expenditure of up to \$100M (\$50M for each Council) will be required to provide a secure long term water supply for the Central Coast.

5.5 Other Revenue Requirement / Pricing Issues

Stormwater Operating Expenditure

Stormwater assets are held as an asset of the Wyong Council Water Authority. Prior to 2002/2003 however, stormwater operating expenditures were recorded as expenditures of the General Fund of Council. In a report on the audit of the Water Authority's Annual Statements for the financial year ended June 30 2002 the NSW Audit Office advised that operating costs associated stormwater assets are to be recorded as expenditures of the Fund which holds the assets. This advice was received subsequent to Council submitting its' 2003 pricing submission to the Tribunal. Council provided the Tribunal with a copy of this advice on February 21 2003.

Stormwater expenditures, other than those funded by developer contributions, grants and other external sources, are funded 50% from water and 50% from sewer revenues.

Compliance with the NSW Audit Office advice has resulted in an increase in the Water Authority's' operating expenditure and hence the revenue requirement for both water and sewer. This increased revenue requirement has still not been acknowledged by the Tribunal in its 2005 determination. This issue has contributed to the need to increase both water and sewerage charges by more than CPI.

5.6 Dividends

Council is now permitted to pay an annual dividend from its water supply or sewerage businesses in accordance with section 409 (5) of the Local Government Act 1993. Further, as required by the DEUS Best Practice Management Guidelines, Council must pay a dividend for the amount calculated as the annual tax-equivalent payment.

In calculating its revenue requirement Council has included a dividend payment for tax equivalents of \$170,000 per annum (2005/2006\$) for the combined water supply and sewerage businesses. This additional cash outflow has contributed to the need increase charges in excess of CPI.

Council at this stage has not considered the issue of dividend payments in the nature of a return on investment from the water supply and sewerage businesses to the general fund of Council. As such no amount for dividend payments, other than tax equivalents, has been included in the calculation of revenue requirement in this pricing submission.

Since Council's previous submission with the continuing level of uncertainty, water restrictions, forecast increases in operating and capital expenditures and projected financial results, it is still considered inappropriate to pay any dividend in excess of tax-equivalents in the short to medium term.

6 FINANCIAL IMPLICATIONS

The key financial outcomes resulting from the pricing proposal contained in this submission are detailed in Table 6.1.

Table 6.1 Key Financial Indicators

Nominal \$'000					
	04/05	05/06	06/07	07/08	08/09
Water					
Net Profit / (Loss)	-954	-733	-1,654	-1,390	1,410
Return on Net Assets	-0.5%	-0.4%	-0.9%	-0.8%	0.8%
Cash & Investments	15,466	16,309	1,399	3,980	3,410
Loans Outstanding	2,845	46,984	66,095	76,358	77,441
Loans Raised	11,000	23,650	23,100	14,700	5,600
Debt/Equity	14.4%	25.3%	35.9%	41.8%	42.1%
Debt Service Ratio	28.9%	31.4%	35.3%	35.9%	31.2%
Sewerage					
Net Profit / (Loss)	372	929	1,118	1,234	1,450
Return on Net Assets	0.2%	0.4%	0.5%	0.5%	0.6%
Cash & Investments	13,582	13,889	12,192	10,624	10,290
Loans Outstanding	13,973	15,815	19,197	21,322	23,545
Loans Raised	0	4,740	5,800	4,500	4,600
Debt/Equity	6.2%	7.0%	8.4%	9.3%	10.2%
Debt Service Ratio	17.2%	17.5%	15.2%	15.1%	14.9%
Stormwater					
Net Profit / (Loss)	5,645	8,192	8,276	8,410	8,547
Return on Net Assets	4.4%	6.0%	5.7%	5.5%	5.3%
Cash & Investments	10,310	9,222	9,159	9,095	9,029
Consolidated					
Net Profit / (Loss)	5,063	8,388	7,740	8,254	11,406
Return on Net Assets	0.9%	1.5%	1.4%	1.5%	2.0%
Cash & Investments	39,358	39,421	22,750	23,698	22,728
Loans Outstanding	40,818	62,799	85,292	97,680	100,986
Loans Raised	11,000	28,390	28,900	19,200	10,200
Debt/Equity	7.5%	11.4%	15.3%	17.3%	17.5%
Debt Service Ratio	22.0%	23.8%	24.9%	25.6%	24.0%

Councils Water and Sewerage businesses have historically recorded very modest profits and returns on assets. The next five years will see further reductions in profits and returns on assets. This is primarily being driven by forecast losses in the water supply business. It is forecast that the water supply business will not record a profit until 2008/2009, albeit again at modest levels, due to reduced water consumption, increase operating costs and an increasing interest expense.

Councils modelling indicates that, given the prices proposed in this submission coupled with increased borrowings, it will be able to sustain these losses over this period. Anything less than the proposed prices will place considerable financial pressure on the business and on its ongoing financial viability.

As indicated earlier, the proposed price increases contained in the submission have been kept to a minimum through significant increases in borrowings and a reduction in cash and investments. By the end of 2008/2009 loans outstanding will more than double and investments will have almost halved. This will result in the debt to equity ratio increasing from 7.5% to 17.5% during this period. Continued reliance on debt funding will see the ratio increase to 24.7% in subsequent years. Increased exposure to debt will add financial pressures, particularly to the water supply business where the debt to equity ratio will increase from 14.4% in 2004/2005 to 42.1% in 2008/2009.

7 MISCELLANEOUS CHARGES

Miscellaneous charges are based on cost recovery with current charges generally reflecting this principle. In some instances charges are not levied where the relative administrative costs are considered to be excessive, for example, the annual administration fee for backflow prevention devices. Where it is considered that Council has a shared responsibility in relation to the work requested, for example, an alteration from a dual to single water service less than full cost is charged.

A review “Miscellaneous Charges Pricing Proposals by NSW Metropolitan Water Agencies” prepared by an IPART Consultant Cameron Bird Pty Ltd for the 2005 IPART Determination concluded “that the agencies have approached the exercise in ways that are conservative and basically reflective of the costs incurred ..”

Appendix D details current and proposed miscellaneous charges over the pricing path which provides for maintaining current charges (as approved by IPART in the 2005 Determination) in real terms by applying a continuing CPI of 2.5% pa..

8.1 Developer Charges

Current and previous pricing determinations by IPART cap the charge Wyong Council may levy at 85% of the charge calculated in accordance with the IPART methodology. This has continued the significant cross-subsidisation, of developers, by existing residents. This is currently in the order of \$750,000 pa.

Council again proposes that this cross-subsidisation be eliminated by the removal of the 85% cap in the 2006 pricing determination.

8.2 Recycled Water Pricing Principles

Council concurs with the Tribunals view that the use of recycled water needs to be encouraged and promoted. In 2005 Council has commissioned effluent reuse schemes at Bateau Bay and Toukley. Development of appropriate long term pricing strategies is considered timely.

The principle of spreading some of the cost of recycled water schemes across the broader (local) customer base is considered appropriate for community based projects. However, when such schemes are provided for State Utilities, such as power stations, the cost should be spread across the State customer base via a user pays pricing structure.

a) Community Based Projects

Due to the unique nature of each recycled water scheme any set of pricing principles would need to be broad to allow the water agencies the flexibility required to encourage development of re-use options.

As a start point, such principles could be to require the water agencies to develop a plan of management, including pricing structure, for each re-use scheme with the plan being registered with IPART in a similar method to Development Servicing Plans.

It is recommended that a working party between the agencies and IPART secretariat could be established to progressively develop the pricing principles that would apply in the longer term.

b) State Utility Projects

These projects should be pursued on the basis of an agreement between the Water Business and the State Utility in accordance with the principle of user pays. This would require IPART to recognise that additional costs associated with such agreements must be passed through to the Utility's customers.

9 CURRENT CHARGES

The current charges for 2005/2006 are as follows:

9.1 Water Service Charges

Water Service Charge – Metered Services

Table 9.1

Water Service Charge – Metered Services	
Nominal Pipe/Meter Size	Total \$
20 mm	92.25
25 mm	144.14
40 mm	369.00
50 mm	576.00
80 mm	1476.00
100 mm	2306.25
150 mm	5189.06
200 mm	9225.00

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

Water Usage Charge

All water consumed is charged at the rate of 92.5 cents per kilolitre.

Water Service Charges – Strata Title Properties (Residential) with Master Meter Only

Where water usage to a residential strata titled property is measured through a master meter only, each individual unit is levied a service charge of \$92.25. Water Usage is apportioned to the various lots in the Strata Plan in accordance with the schedule of unit entitlement and charged to the unit owners at the rate of 92.5 cents per kilolitre.

Water Service Charges - Community Title Properties and Non-Residential Strata Properties

Where a master meter is attached to service the property, the service charge is based on an availability charge commensurate with the size of the meter and this charge is apportioned to the various lots in the community title/strata plan in accordance with the schedule of unit entitlement. Usage consumed through the master meter is apportioned and charged to the individual unit owners in accordance with the unit entitlement at the rate of 92.5 cents per kilolitre.

Water Fire Service

There is no charge for a separate Water Fire Service.

Where a property has a combined fire and commercial service the property will be charged a Water Service Charge – Metered Service commensurate with the meter size.

Water Service Charges Vacant Land and Unmetered Services

A water availability charge of \$92.25 is levied on vacant land to which water is supplied or to which it is reasonably practical for water to be supplied and all properties to which an unmetered water service is supplied.

9.2 Sewerage Service Charges

Single Residential Properties Including Residential Strata Properties

Council has a current charging structure based on a service charge for each single residential property to which a sewerage service is supplied. The current charge is \$367.87 for each single residential property.

There is no usage charge for this category.

Non-Residential Charges

In the determination of Council's 1995/96 charges, the Independent Pricing and Regulatory Tribunal approved the introduction of a pay for use system of charging for sewerage based on an access charge and a usage charge.

Table 9.3

Non-Residential Properties - Access Charge	
Meter Size (mm)	\$
20	132.53
25	207.08
40	530.12
50	828.31
80	2120.48
100	3313.25
150	7454.81
200	13253.00
> 200	(Nominal size) ² /400 x 132.53

The price for sewerage usage charges for properties other than those classified as Category A under Council's Trade Waste Policy is 66.0 cents per kilolitre.

The usage charge is based on the estimated volume of metered water usage discharged into the Council's sewerage system. Metered water usage is multiplied by a discharge factor, based on the type of premises, to estimate the volume of water discharged.

The minimum amount payable for a non-residential customer is \$367.87.

Non-Residential customers are those that do not meet the classification as a single residential customer. These include non strata titled residential units and Retirement Village properties.

Sewerage Service Charges – Vacant Land

The charge for vacant land to which a sewerage service is supplied or to which it is reasonably practical for sewerage services to be supplied is \$275.90

Sewerage Service Fees – Exempt Properties

Properties exempt from services charges under Schedule 4 of the Water Management Act 2000 No 92 are charged a fee in accordance with Section 310(2) Of the Act. The fee is \$51.90 per annum for each water closet and \$18.38 per annum for each cistern servicing a urinal where installed.

Effluent Removal and Disposal Charges

Type of Service	Current Cost of Service \$
Fortnightly effluent removal and disposal service	846.85 per annum
Additional effluent removal and disposal service	32.77 per annum
Commercial effluent removal and disposal service	10.86 per kilolitre
Sludge removal and disposal services	
• Septic tanks with capacity up to 2750 litres	237.57 per service
• Septic tanks exceeding 2750 litres or AWTS with one tank	308.22 per service
• AWTS with more than one tank	459.78 per service
• Sludge disposal only(collection organised by customer)	25.60 per kilolitre

Chemical Closet Charges

Type of Service	Current Cost of Service \$
Annual Fortnightly service	1220.55
Each requested weekly special service	23.78

9.3 Trade Waste Charges

An extract from the current trade waste policy outlining the properties categorised and current charges is as follows:

Premises Classified as Category A under Council's Trade Waste Policy

Sewerage Service Access Charge	In accordance with Non Residential Premises.
Usage charge	In accordance with Trade Waste Policy
Licence/Inspection Fee	In accordance with Trade Waste Policy

Premises Classified as Category B under Council's Trade Waste Policy

Sewerage Service Access Charge	In accordance with Non Residential Premises.
Usage charge	66.0 cents/kilolitre
Licence/Inspection Fee	In accordance with Trade Waste Policy

Trade Waste discharges shall be grouped into two categories.

Category A

Premises that discharge high strength or high volume wastes with the potential to have a significant adverse impact on the sewerage system if agreement standards are not maintained.

Premises listed under Category "A" shall be visited twice annually with samples being collected and tested according to agreement conditions. If quality of trade waste or volume is outside agreement conditions, the owner or occupier of the premises will be formally requested to comply with agreement conditions. Failure to comply with agreement conditions may result in the trader being refused permission to discharge waste to the sewerage system. A re-inspection fee shall apply to all inspections, other than twice annual sampling, required to achieve agreement conditions.

Category B

Premises that discharge wastes with the potential to have an adverse impact on the sewerage system if agreement standards are not maintained. Typically premises include:

- 1 Any club, hotel, motel, caravan park or hostel which has a kitchen.
- 2 Restaurants and cafes.
- 3 Butcher shops.
- 4 Garages and Workshops.
- 5 Concrete batching plants and any light industry requiring pre-treatment of sewer wastes.

Premises listed under Category "B" shall be registered and inspected annually by Council staff to assess compliance with agreement conditions. If the Trader is in breach of agreement conditions a formal request to comply will be issued. Failure to comply may result in the trader being refused permission to discharge waste to the sewerage system or re-classification to a category A discharger and imposition of the associated pay for use charging system. A re-inspection fee shall apply to all inspections, other than the annual sampling, required to achieve agreement conditions.

Current Trade Waste Charges

Parameter	Charge \$	Unit of Measurement/ Comments
Category A		
Volume	0.39	per kilolitre
BOD	0.66	per kilogram
SS	0.54	per kilogram
Oil and Grease	1.33	per kilogram
Annual Licence Fee	302.08	Includes Inspection Fee
Re-inspection Fee	41.98	
Category B		
Annual Licence Fee	41.98	Inspection of Oil arresters with water consumption less than 2,000 kl/year. (Inspection of premises plus collection of sample).
Excess BOD	0.66	per kilogram
Excess SS	0.54	per kilogram
Excess Oil and Grease	1.33	per kilogram

Part Year Charges

For those properties that become chargeable or non-chargeable for the water and sewer service charges during the year a proportional charge is calculated on a weekly basis applies.

10 PROPOSED CHARGES

Proposed changes to prices contained in this section are expressed in terms of a percentage change on the preceding years charge using the Tribunals preferred approach of $CPI \pm X$, unless otherwise indicated, where :

ΔCPI (1) is the percentage change in the Consumer Price Index (CPI) for the four quarters ending March 2006 when compared to the four quarters ending March 2005 as defined by the Tribunal.

ΔCPI (2) is the percentage change in the Consumer Price Index (CPI) for the four quarters ending March 2007 when compared to the four quarters ending March 2006 as defined by the Tribunal.

ΔCPI (3) is the percentage change in the Consumer Price Index (CPI) for the four quarters ending March 2008 when compared to the four quarters ending March 2007 as defined by the Tribunal.

10.1 Proposed Water Service Charges

Water Service Charge – Metered Services

Table 10.1

Water Service Charge – Metered Services			
Nominal Pipe/Meter Size	2006/2007 Proposed Change on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
20 mm	(ΔCPI (1)) less \$63.30	ΔCPI (2)	ΔCPI (3)
25 mm	(ΔCPI (1)) less \$98.90	ΔCPI (2)	ΔCPI (3)
40 mm	(ΔCPI (1)) less \$253.20	ΔCPI (2)	ΔCPI (3)
50 mm	(ΔCPI (1)) less \$395.60	ΔCPI (2)	ΔCPI (3)
80 mm	(ΔCPI (1)) less \$1012.80	ΔCPI (2)	ΔCPI (3)
100 mm	(ΔCPI (1)) less \$1582.50	ΔCPI (2)	ΔCPI (3)
150 mm	(ΔCPI (1)) less \$3560.60	ΔCPI (2)	ΔCPI (3)
200 mm	(ΔCPI (1)) less \$6330.00	ΔCPI (2)	ΔCPI (3)

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

Water Usage Charge

Table 10.2

Water Usage Charge			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Proposed increase on per Kilolitre charge	ΔCPI (1) + 18%	ΔCPI (2) + 18%	ΔCPI (3) + 18%

Water Service Charges – Strata Title Properties (Residential) with Master Meter Only

Where water usage to a residential strata titled property is measured through a master meter only, each individual strata title unit is levied a service charge equal to the Water Service Charge – Metered Services for a 20mm water meter. Water Usage is apportioned to the various lots in the Strata Plan in accordance with the schedule of unit entitlement and charged to the unit owners at the Water Usage Charge per kilolitre.

Water Service Charges - Community Title Properties and Non-Residential Strata Properties

Where a master meter is attached to service the property, the service charge is based on an availability charge commensurate with the size of the meter and this charge is apportioned to the various lots in the community title/strata plan in accordance with the schedule of unit entitlement. Usage consumed through the master meter is apportioned and charged to the individual unit owners in accordance with the unit entitlement at Water Usage Charge per kilolitre.

Water Fire Service

There is no charge for a separate Water Fire Service.

Where a property has a combined fire and commercial service the property will be charged a Water Service Charge – Metered Service commensurate with the meter size.

Water Service Charges Vacant Land and Unmetered Services

A water service charge is levied on vacant land to which water is supplied or to which it is reasonably practical for water to be supplied and all properties to which an unmetered water service is supplied.

Table 10.3

Water Charges Vacant Land and Unmetered Services			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Water Service Charge	$\Delta\text{CPI (1)}$ less \$63.30	$\Delta\text{CPI (2)}$	$\Delta\text{CPI (3)}$

10.2 Proposed Sewerage Service Charges

Single Residential Properties Including Residential Strata Properties

Council has a current charging structure based on a service charge for each single residential property to which a sewerage service is supplied.

There is no usage charge for this category.

Table 10.4

Sewerage Service Charge - Single Residential Properties Including Residential Strata Properties			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Sewerage Service Charge	$(\Delta\text{CPI(1)} + 1\%)$ less \$63.30	$\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$

Non-Residential Sewerage Service Charges

In the determination of Council's 1995/96 charges, the Independent Pricing and Regulatory Tribunal approved the introduction of a pay for use system of charging for sewerage based on an access charge and a usage charge.

Non-Residential customers are those that do not meet the classification as a single residential customer. These include non strata titled residential units and Retirement Village properties.

Non-Residential Access Charge

Table 10.5

Non-Residential Access Charge			
Nominal Pipe/Meter Size	2006/2007 Proposed Change on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
20 mm	(Δ CPI (1)) less \$63.30	Δ CPI (2) + 1%	Δ CPI (3) + 1%
25 mm	(Δ CPI (1)) less \$98.90	Δ CPI (2) + 1%	Δ CPI (3) + 1%
40 mm	(Δ CPI (1)) less \$253.20	Δ CPI (2) + 1%	Δ CPI (3) + 1%
50 mm	(Δ CPI (1)) less \$395.60	Δ CPI (2) + 1%	Δ CPI (3) + 1%
80 mm	(Δ CPI (1)) less \$1012.80	Δ CPI (2) + 1%	Δ CPI (3) + 1%
100 mm	(Δ CPI (1)) less \$1582.50	Δ CPI (2) + 1%	Δ CPI (3) + 1%
150 mm	(Δ CPI (1)) less \$3560.60	Δ CPI (2) + 1%	Δ CPI (3) + 1%
200 mm	(Δ CPI (1)) less \$6330.00	Δ CPI (2) + 1%	Δ CPI (3) + 1%

Charges for meters in excess of 200 mm are calculated on the proportional increase in the area of the connection when compared to a 20 mm connection.

Non-Residential Sewerage Usage Charge

For sewerage usage charges for properties other than those classified as Category A under Council's Trade Waste Policy.

Table 10.6

Non-Residential Sewerage Usage Charge			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Per kilolitre of water discharged	Δ CPI (1) + 1%	Δ CPI (2) + 1%	Δ CPI (3) + 1%

The usage charge is based on the estimated volume of metered water usage discharged into the Council's sewerage system. Metered water usage is multiplied by a discharge factor, based on the type of premises, to estimate the volume of water discharged.

Non-Residential Minimum Sewerage Service Charge

Table 10.7

Non-Residential Minimum Sewerage Service Charge			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Minimum Sewerage Service Charge	(Δ CPI(1) + 1%) less \$63.30	Δ CPI (2) + 1%	Δ CPI (3) + 1%

Sewerage Service Charges – Vacant Land

The charge for vacant land to which a sewerage service is supplied or to which it is reasonably practical for sewerage services to be supplied.

Table 10.8

Sewerage Service Charges – Vacant Land			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Sewerage Service Charge	($\Delta\text{CPI}(1)+1\%$) less \$63.30	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$

Sewerage Service Fees – Exempt Properties

Properties exempt from services charges under Schedule 4 of the Water Management Act 2000 No 92 are charged a fee in accordance with Section 310(2) Of the Act.

Table 10.9

Sewerage Service Fees – Exempt Properties			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Per water closet	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
Per cistern servicing a urinal	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$

Effluent Removal and Disposal Charges

Table 10.10

Effluent Removal and Disposal Charges			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Fortnightly effluent removal and disposal service	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
Additional effluent removal and disposal service	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
Commercial effluent removal and disposal service	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
Sludge removal and disposal services			
• Septic tanks with capacity up to 2750 litres	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
• Septic tanks exceeding 2750 litres or AWTS with one tank	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
• AWTS with more than one tank	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$
• Sludge disposal only(collection organised by customer)	$\Delta\text{CPI} (1) + 1\%$	$\Delta\text{CPI} (2) + 1\%$	$\Delta\text{CPI} (3) + 1\%$

Chemical Closet Charges

Table 10.11

Chemical Closet Charges			
Type of Service	2006/2007 Proposed % increase on 2005/2006 Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Annual Fortnightly Service	$\Delta\text{CPI (1)} + 1\%$	$\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$
Each requested weekly special service	$\Delta\text{CPI (1)} + 1\%$	$\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$

Trade Waste Charges

Table 10.12

Trade Waste Charges			
Charge Component:	2006/2007 Proposed Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
1 Sewerage Service Charges	Refer Section 10.2	Refer Section 10.2	Refer Section 10.2
2 Application Fee	Category 1 - \$40.40 Category 2 - \$51.42 Category 3 - \$788.42	$\Delta\text{CPI (2)} + 1\%$ $\Delta\text{CPI (2)} + 1\%$ $\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$ $\Delta\text{CPI (3)} + 1\%$ $\Delta\text{CPI (3)} + 1\%$
3 Annual Trade Waste Fee	Category 1 - \$70.64 Category 2 - \$282.56 Category 3 - \$474.64	$\Delta\text{CPI (2)} + 1\%$ $\Delta\text{CPI (2)} + 1\%$ $\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$ $\Delta\text{CPI (3)} + 1\%$ $\Delta\text{CPI (3)} + 1\%$
4 Re-inspection Fee	All Categories - \$66.23 per inspection	$\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$
5 Trade Waste Usage Fee **	Applies to Category 2 only With pre-treatment - \$0.10/kL Without pre-treatment - \$4.05/kL	\$0.20/kL+($\Delta\text{CPI(2)+1\%}$) \$8.10/kL+($\Delta\text{CPI(2)+1\%}$)	\$0.30/kL+($\Delta\text{CPI(3)+1\%}$) \$12.14/kL+($\Delta\text{CPI(3)+1\%}$)
6 & 7 Excess Mass Charge Per Kilogram of Waste Discharged			
Biochemical Oxygen Demand	\$0.60 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Suspended Solids	\$0.76 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Total Oil and Grease	\$1.07 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Ammonia (as Nitrogen)	\$0.60 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Total Kheldhal Nitrogen	\$0.15 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Total Phosphorus	\$1.21 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Total Dissolved Solids	\$0.04 / kg	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Aluminium	\$0.60	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Arsenic	\$0.60	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Barium	\$29.80	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Boron	\$0.60	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Bromine	\$11.92	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Cadmium	\$275.95	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
Chloride	No Charge	No Charge	No Charge

Trade Waste Charges (cont)			
Charge Component:	2006/2007 Proposed Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Chlorinated Hydrocarbons	\$29.80	ΔCPI(2)+1%	ΔCPI(3)+1%
Chlorinated Phenolics	\$1192.12	ΔCPI(2)+1%	ΔCPI(3)+1%
Chlorine	\$1.21	ΔCPI(2)+1%	ΔCPI(3)+1%
Chromium	\$19.87	ΔCPI(2)+1%	ΔCPI(3)+1%
Cobalt	\$12.14	ΔCPI(2)+1%	ΔCPI(3)+1%
Copper	\$12.14	ΔCPI(2)+1%	ΔCPI(3)+1%
Cyanide	\$59.61	ΔCPI(2)+1%	ΔCPI(3)+1%
Fluoride	\$2.98	ΔCPI(2)+1%	ΔCPI(3)+1%
Formaldehyde	\$1.21	ΔCPI(2)+1%	ΔCPI(3)+1%
Herbicides/defoliant	\$596.06	ΔCPI(2)+1%	ΔCPI(3)+1%
Iron	\$1.21	ΔCPI(2)+1%	ΔCPI(3)+1%
Lead	\$29.80	ΔCPI(2)+1%	ΔCPI(3)+1%
Lithium	\$5.96	ΔCPI(2)+1%	ΔCPI(3)+1%
Manganese	\$5.96	ΔCPI(2)+1%	ΔCPI(3)+1%
Mercaptans	\$59.61	ΔCPI(2)+1%	ΔCPI(3)+1%
Mercury	\$1986.86	ΔCPI(2)+1%	ΔCPI(3)+1%
Methylene Blue Active Substances (MBAS)	\$0.60	ΔCPI(2)+1%	ΔCPI(3)+1%
Molybdenum	\$0.60	ΔCPI(2)+1%	ΔCPI(3)+1%
Nickel	\$19.87	ΔCPI(2)+1%	ΔCPI(3)+1%
Organoarsenic compounds	\$596.06	ΔCPI(2)+1%	ΔCPI(3)+1%
Pesticides general (excludes organochlorines and organophosphates)	\$596.06	ΔCPI(2)+1%	ΔCPI(3)+1%
Petroleum Hydrocarbons (non-flammable)	\$1.99	ΔCPI(2)+1%	ΔCPI(3)+1%
Phenolic compounds (non-chlorinated)	\$5.96	ΔCPI(2)+1%	ΔCPI(3)+1%
Polynuclear aromatic hydrocarbons (PAH's)	\$12.14	ΔCPI(2)+1%	ΔCPI(3)+1%
Selenium	\$41.94	ΔCPI(2)+1%	ΔCPI(3)+1%
Silver	\$1.10	ΔCPI(2)+1%	ΔCPI(3)+1%
Sulphate (as SO ₄)	\$0.12	ΔCPI(2)+1%	ΔCPI(3)+1%
Sulphide	\$1.21	ΔCPI(2)+1%	ΔCPI(3)+1%
Sulphite	\$1.32	ΔCPI(2)+1%	ΔCPI(3)+1%
Thiosulphate	\$0.21	ΔCPI(2)+1%	ΔCPI(3)+1%
Tin	\$5.96	ΔCPI(2)+1%	ΔCPI(3)+1%
Uranium	\$5.96	ΔCPI(2)+1%	ΔCPI(3)+1%
Zinc	\$12.14	ΔCPI(2)+1%	ΔCPI(3)+1%

** As indicated in Section 10.3.3 this fee will be phased in over 3 years

Where properties discharging Trade Waste become chargeable or non-chargeable for a part of the financial year a proportional charge calculated on a weekly basis is to apply.

Septic and Chemical Toilet Waste

Proposed charges for septic and chemical toilet waste accepted and discharged into Council's sewerage system are:

Table 10.13

Type of Service	2006/2007 Proposed Charge	2007/2008 Proposed % increase on 2006/2007 Charge	2008/2009 Proposed % increase on 2007/2008 Charge
Septic and Chemical Toilet Waste	\$13.25 / kL	$\Delta\text{CPI (2)} + 1\%$	$\Delta\text{CPI (3)} + 1\%$

The above charge does not apply to effluent removal and disposal charges covered in Section 10.2.

10.3 Proposed Drainage Service Charges

Drainage Service Charge

The Drainage Service Charge is to be levied on properties that have a water service and / or sewerage service.

Table 10.14

Drainage Service Charge					
Nominal Meter Size	2006/2007			2007/2008	2008/2009
	Water Service Only	Sewerage Service Only	Both Water and Sewerage Service	Proposed % increase on 2006/2007 Charge	Proposed % increase on 2007/2008 Charge
20mm	\$63.30	\$63.30	\$126.60	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
25mm	\$98.90	\$98.90	\$197.80	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
40mm	\$253.20	\$253.20	\$506.40	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
50mm	\$395.60	\$395.60	\$791.20	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
80mm	\$1012.80	\$1012.80	\$2025.60	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
100mm	\$1582.50	\$1582.50	\$3165.00	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
150mm	\$3560.60	\$3560.60	\$7121.20	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$
200mm	\$6330.00	\$6330.00	\$12660.00	$\Delta\text{CPI(2)+1\%}$	$\Delta\text{CPI(3)+1\%}$

Charges for meters in excess of 200mm diameter are calculated on the proportional increase in the area of the connection when compared to a 20mm connection.

WATER SUPPLY SERVICE STANDARDS

KEY STRATEGIES	COUNCIL'S RESPONSE	
	PERFORMANCE MEASURE	
	KEY TARGET FOR 2005/2006	LONGER TERM TARGET
1 Operate the water supply system to achieve:		
a Key regulatory requirements.	* 100% compliance with National Health and Medical Research Council (NHMRC) monitoring guidelines.	
	* 100% compliance with NHMRC health guidelines.	
b A high level of operating performance.	* Continuing implementation of best practice methods to achieve productivity improvements within the regulatory environment.	* Operation and maintenance costs per property are within the top quartile of commensurate utilities with similar regulatory regimes, responsibilities for service delivery and level of service provided.
c Key customer service performance requirements.	* Pressure at the point of meter connection is maintained at or above 15m for at least 98% of properties on an annual basis.	
	* The proportion of properties affected by an interruption (planned or unplanned) to supply longer than 5 hours is less than 5% on an annual basis.	
	* The proportion of properties with water quality complaints is less than 5 per 1,000 customers on an annual basis.	
	* Standard response times are achieved for systems malfunctions customer contact – 98% of the time.	
	* 2005/06 annual customer survey shows that no more than 15% of customers are dissatisfied with the service delivered.	
2 Implement long term strategies for a sustainable water supply taking into account broader economic and environmental considerations.	* Implement a programme to evaluate the environmental effects of water supply activities.	* Implement a water supply strategy that is environmentally sustainable and economically affordable.

WATER SUPPLY SERVICE STANDARDS

COUNCIL'S RESPONSE		
KEY STRATEGIES	PERFORMANCE MEASURE	
	KEY TARGET FOR 2005/2006	LONGER TERM TARGET
3 Reduce the demand for water by implementing a proactive community education programme targeting the reduction of water wastage and utilisation of water efficient system and devices.	* Extend community education programmes through: <ul style="list-style-type: none"> - Schools - Waterweek - Community days - residential retrofits of water efficient devices - audits of major consumers 	* Average residential water usage is within the bottom quartile of commensurate water utilities.
4 Extend the use of alternative water supply sources by encouraging, and where cost effective, financially supporting the use of rainwater tanks.	* Continue systems to monitor and selectively extend alternative water usage programmes for rain water tanks and reclaimed water re-use.	* Alternative water source usage is within the top quartile of commensurate water utilities.

SEWERAGE SERVICE STANDARDS

KEY STRATEGIES	COUNCIL'S RESPONSE	
	PERFORMANCE MEASURE	
	KEY TARGET FOR 2005/2006	LONGER TERM TARGET
1 Operate the sewerage system to achieve: a Key regulatory requirements.	* Effluent discharged to the ocean meets Environment Protection Authority licence conditions 100% of the time. * No adjacent bathing beach fails to meet health requirements due to discharge of sewage effluent.	
b A high level of operating performance.	* Continuing implementation of best practice methods to achieved productivity improvements within the regulatory environment.	* Operation and maintenance costs per property are within the top quartile of commensurate utilities with similar regulatory regimes, responsibilities for service delivery and level of service provided.
c Key customer service performance requirements.	* On an annual basis less than 1% of properties have a sewage overflow caused by a problem in the Council owned/operated sewer.	
	* 2005/2006 annual customer survey, that no more than 15% of customers are dissatisfied with the service delivered.	
	* On an annual basis less than 1% of properties experience odours from the Council owned/operated sewerage system.	

CAPITAL EXPENDITURE AS AT JULY 2005

(Nominal \$)	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
REFURBISHMENT												
WATER	2,573	2,763	2,961	3,157	3,383	3,595	3,828	4,069	4,321	4,570	4,815	5,070
SEWER	2,686	2,889	3,091	3,300	3,507	3,734	3,970	4,216	4,471	4,724	4,973	5,218
MAJOR HEADWORKS												
WATER 50% of	15,484	27,061	5,040	842	2,877	6,813	15,076	7,132	4,874	4,995	5,120	5,248
WATER- DESALINATION 50% of	250	103	0	0	0	0	0	0	0	0	0	0
SEWER	1,195	4,189	1,460	1,229	2,289	1,194	1,160	1,189	1,218	1,249	1,280	1,312
INFRASTRUCTURE												
WATER	3,570	10,418	3,046	2,903	2,976	3,050	3,126	3,204	3,285	3,367	3,451	3,537
SEWER	2,971	3,761	3,855	3,952	4,050	4,152	4,255	4,362	4,471	4,583	4,697	4,815
FREE ASSETS												
WATER	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2,291	2,349	2,407
SEWER	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2,291	2,349	2,407
STANDARDS												
WATER	956	1,009	1,034	1,060	1,086	1,113	1,141	1,170	1,199	1,229	1,260	1,291
SEWER	1,269	1,250	2,627	1,831	1,346	1,380	1,415	1,450	1,486	1,523	1,561	1,600
DRAINAGE												
FREE ASSETS	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,235	2,291	2,349	2,407
RENEWAL	246	252	258	265	272	278	285	292	300	307	315	323
ENVIRONMENTAL	861	883	905	927	950	974	998	1,023	1,049	1,075	1,102	1,130
GROWTH	4,408	4,518	4,631	4,746	4,865	4,987	5,111	5,239	5,370	5,504	5,642	5,783
GROWTH 94	3,623	2,599	2,650	2,703	2,757	2,812	2,869	2,928	2,987	3,048	3,110	3,174
CORPORATE IT W	0	0	0	0	0	0	0	0	874	896	0	0
CORPORATE IT S	0	0	0	0	0	0	0	0	562	576	0	0
TOTAL	45,597	67,338	37,342	32,843	36,433	40,310	49,618	42,817	43,172	44,519	44,373	45,722
Total Free Assets	5,505	5,643	5,784	5,928	6,075	6,228	6,384	6,543	6,705	6,873	7,047	7,221
Total excluding Free Assets	40,092	61,695	31,558	26,915	30,358	34,082	43,234	36,274	36,467	37,646	37,326	38,501

DRAINAGE CAPITAL WORKS PROGRAM

TABLE A
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION		\$4,512,000
KANANGRA DRIVE - Various Sections	GWANDALAN	
STREET TREES	VARIOUS	
HUTTON ROAD Stage 1 - Paris Apartments to Stewart Street	NTH ENTRANCE	
LONG JETTY TRAFFIC MANAGEMENT PLAN WORKS	T/ENT LONG JETTY	
HUE HUE ROAD – Various Section	JILLIBY	
BUNDEENA/ BERKELEY RD – Intersection Upgrade	GLENNING VALLEY	
BOUNDARY ROADS WITH GOSFORD - Dog Trap Road - 50/50 Gosford	OURIMBAH	
BATEAU BAY EAST - T.M.P. Works Continuation	BATEAU BAY	
LINDSAY STREET – Stage 1	SHELLY BCH	
SWADLING STREET – continuation	LONG JETTY	
THE RIDGEWAY - 50/50 with Gosford	TUMBI UMBI	
THE CORSO – Start	GOROKAN	
STANLEY STREET – Kaye Ave to Stelling Ave	KANWAL	
POLLOCK AVE – Council's Share of Funds	WYONG	
BRUSH ROAD – West Bend	OURIMBAH	
BERKELEY ROAD - Pedestrian refuge near high school	BERKELEY VALE	
SHIRLEY ST/COACHWOOD DVE - Traffic calming devices	OURIMBAH	
EASTERN ROAD (TUMBI ROAD)+SHERRY Stg1	TUMBI UMBI	
BANGALORE STREET - Seal gravel road	OURIMBAH	
LAKEDGE AVENUE - Stage 1 - start	BERKELEY VALE	
BUDGEWOI TOWN CENTRE – Additional Works	BUDGEWOI	
ROADS TO RECOVERY		\$904,000
TUMBI ROAD /EASTERN ROAD - Roundabout	TUMBI	
MINOR RDS. REHAB. PROGRAM		\$400,000
DUNCAN STREET	THE ENTRANCE	
St. JAMES AVENUE	BERKELEY VALE	
STANLEY STREET (nth end)	KANWAL	
MERMAID DRIVE	BATEAU BAY	
GLADYS AVE	BERKELEY VALE	
YARRAMALONG RD - Flat section near eastern cemetery		

TABLE A (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION
SEC. ROAD CONST - SECTION 94		
LINK ROAD CONSTRUCTION - stage 1	WARNERVALE	\$8,000,000
LOUISIANA ROAD/WARNERVALE ROAD SIGNALS	WARNERVALE	\$121,000
TOUKLEY TOWN CENTRE CARPARK	TOUKLEY	\$200,000
THE ENTRANCE STREETScape IMPROVEMENTS	THE ENTRANCE	\$198,000
GOORAMA AVENUE OVERBRIDGE	SAN REMO	\$850,000
JOHNSON ROAD/PACIFIC HWY INTERSECTION	TUGGERAH	\$253,000
THE ENTRANCE /LONG JETTY TRAFFIC MANAGEMENT SCHEME	THE ENTRANCE	\$1,522,000
WARNERVALE ROAD OVER CULVERT	HAMLIN TERRACE	\$379,000
WARNERVALE ROAD BUS SHELTERS	WARNERVALE	\$67,000
MINNESOTA/WARNERVALE ROAD ROUNDABOUT	HAMLIN TERRACE	\$418,000
CRAIGIE AVENUE/ PACIFIC HIGHWAY INTERSECTION	KANWAL	\$229,000
MATARAM RD MID BLOCK AND EXTENSION SIGNALS	WOONGARRAH	\$300,000
DRAINAGE CONST. - SECTION 94		
WARNERVALE ROAD WATER QUALITY FACILITY A1/B6	WARNERVALE	\$909,000
TUGGERAH STGE3 WETLAND NO2 CONSTRUCTION	TUGGERAH	\$200,000
TUGGERAH STGE 3 WETLAND NO 3 CONSTRUCTION	TUGGERAH	\$215,000
WARNERVALE ROAD CULVERT	HAMLIN TERRACE	\$330,000
WARNERVALE ROAD WATER QUALITY FACILITY B1	WARNERVALE	\$568,000
TUGGERAH LAND ACQUISITION FOR DETENTION BASIN	TUGGERAH	\$12,000
F3 DETENTION BASIN	MARDI	\$650,000
TUGGERAH STGE 3 WETLAND NO1 CONSTRUCTION	TUGGERAH	\$330,000
CULVERTS AT PACIFIC HWY	TUGGERAH	\$350,000
OPEN CHANNEL - railway- meridian channel	TUGGERAH	\$215,000
DRAINAGE		\$3,020,000
SAN REMO AREA - Continuation	SAN REMO	
BUDGEWOI AREA - Continuation	BUDGEWOI	
OAKLAND AVE/ASHTON AVE - Stge 3	THE ENTRANCE	
HUTTON RD with roadworks	NTH ENTRANCE	
ENVIRONMENTAL- WETLANDS incl. Lake Mac. Projects		
REPAIR GREENACRE DRAIN	LAKE MUNMORAH	
LAKEDGE AVENUE with roadworks	BERKELEY VALE	
NETWORK REHAB.		
STANLEY ST - No 10/16	GOROKAN	
LINDSAY STREET with roadworks	SHELLY BCH	

TABLE A (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION	
DRAINAGE (cont)			
SWADLING STREET with roadworks	LONG JETTY		
THE CORSO with roadworks	GOROKAN		
MISCELLANEOUS MINOR CAT 1 PROJECTS			
ASPLEY CRT WETLAND – Council's Share of funds	BLUEHAVEN		
CHAIN VALLEY BAY NORTH - various works	CVB NORTH		
GEORGE EVANS RD - No4	BATEAU BAY		
TOOWOON BAY/ARCHBOLD ROAD - Stage 1	TOOWOON BAY		
EASTERN ROAD with roadworks	BATEAU BAY		
WATSON AVENUE	TUMBI		
STANLEY STREET with roadworks	KANWAL		
BATEAU BAY PUBLIC SCHOOL - Brooke Ave	BATEAU BAY		
RESERVE DRIVE	BATEAU BAY		
LAKEDGE AVE - culverts near Thomas Walker	BATEAU BAY		
RESEALING PROGRAM			
LOCAL			\$2,100,000
REGIONAL 3X3 COMPONENT & BLOCK GRANT			\$315,000
RTA - OTHER FUNDING			
BLOCK GRANT (maintenance proportion)			\$80,000
TRAFFIC FACILITIES			\$247,000
HEAVY PATCHING			
	MAINTENANCE		\$150,000
	RESEALS		\$300,000
	TOTAL		\$450,000
RTA IMPROVEMENT PROGRAM			
	Various		est.\$1586000
	MR335,336,509		
REGIONAL RDS REHABILITATION			
		RTA \$	WSC \$
CHITTAWAY ROAD - CH 0 TO CH 0.385	OURIMBAH	\$119,000	\$119,000
ENTERPRISE DRIVE - West of Turpentine Bridge	OURIMBAH	\$30,000	\$30,000
ENTERPRISE DVE - 330m west of Turpentine Bridge	OURIMBAH	\$45,000	\$45,000
	TOTAL	\$194000	\$194000
RTA B.SPOT/IMPROVEMENT PROJECTS - assumed			
To be finalised			
	TOTAL		\$0

TABLE A (cont)
ROAD REHABILITATION/DRAINAGE – 2005/2006

PROJECT	SUBURB	BUDGET ALLOCATION
CARES Facility - RTA Funding		\$0
WSC Maintenance. Funds (50/50 with Gosford)		\$15,000
WSC Construction Funds –Separate Line Item No 4.1.10		\$136000
BRIDGE REFURBISHMENT		\$300,000
EDWARDS CREEK BRIDGE	DOORALONG	
CONSTRUCTION OF CARPARKS		\$78,000
SANDY BEACH	SUMMERLAND PT.	
SOLDIERS PT - BOTTOM CARPARK AND ENTRY ROAD - Caravan park funded		
FOOTPAVING		\$420,000
BELLEVUE ROAD – STAGE 1	TUMBI UMBI	
WINBIN CRESCENT	GWANDALAN	
MOSSMAN AVENUE	BATEAU BAY	
SHORT STREET	THE ENTRANCE	
FRAVENT STREET	TOUKLEY	
SCENIC DRIVE	BUDGEWOI	
TUMBI CREEK ROAD	BERKELEY VALE	
CRESTHAVEN AVENUE	BATEAU BAY	
MARLOWE ROAD	BATEAU BAY	
WALLARAH ROAD	KANWAL	
KERB & GUTTER INFILL		
SYCAMORE ST - 6 FRONTAGES		\$85,000
PEDESTRIAN PROTECTION - upgrade refuges to standard		\$50,000
BAY VILLAGE ROAD REFUGE AT LEAGUES CLUB	BATEAU BAY	
ANNE FINDLAY PL	BATEAU BAY	-
KANANGRA DRIVE – OPPOSITE THE SWIM SCHOOL	GWANDALAN	-
PARK RD - FOOTPAVING WORKS	THE ENTRANCE	
ROUNDAABOUT ADJUSTMENTS		\$100,000

**TABLE B
ROAD REHABILITATION/DRAINAGE – 2006/2007**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION		\$4,827,000
STREET TREES	VARIOUS	
LONG JETTY TRAFFIC MANAGEMENT PLAN WORKS	THE ENTRANCE LONG JETTY	
LINDSAY STREET - stage 2	SHELLY BCH	
THE RIDGEWAY - sect. 50/50 Gosford	TUMBI UMBI	
KATHLEEN WHITE CRESCENT	KILLARNEY VALE	
BRUSH ROAD - West end	OURIMBAH	
BUSH STREET - Stage 1 - start	NORAH HEAD	
RUTTLEYS ROAD/VALES ROAD - Intersection type c	MANNERING PARK	
BROOKE AVENUE- T.C. Devices	KILLARNEY VALE	
DICKSON ROAD - 2 sections	JILLIBY	
BAY VILLAGE ROAD	BATEAU BAY	
ELOORA ROAD - Stage 1b	LONG JETTY	
THE CORSO - continues	GOROKAN	
LAKEDGE AVENUE - Stage 1 - continues	BERKELEY VALE	
EASTERN RD - MR335 to Gwydir St - West Bound	BATEAU BAY	
DAVID ST – Council's Share of Funds	SAN REMO	
ROADS TO RECOVERY		\$904,000
EASTERN ROAD (TUMBI ROAD)+SHERRY Stg2	TUMBI UMBI	
MINOR RDS. REHAB. PROGRAM		\$400,000
GOSFORD AVENUE	LONG JETTY	
COPNOR AVENUE	THE ENTRANCE	
WALL ROAD	GOROKAN	
LEONARD AVE	TOUKLEY	
SEC. ROAD CONST - SECTION 94		
THE ENTRANCE /LONG JETTY TRAFFIC MANAGEMENT SCHEME	THE ENTRANCE	\$2,510,000
LAKE ROAD/CHURCH ROAD/MOORAMBA ROAD CONSTRUCTION	TUGGERAH	\$1,000,000
WARNERVALE ROAD BUS SHELTERS	WARNERVALE	\$50,000
THE ENTRANCE STREETScape IMPROVEMENTS	THE ENTRANCE	\$198,000
SCENIC DVE / DAVID ST INTERSECTION	DOYALSON	\$370,000
HIAWATHA RD STAGE 1	WOONGARRAH	\$1,128,000
MATARAM RD MID BLOCK AND EXTENSION SIGNALS	WOONGARRAH	\$300,000
MINNESOTA RD NORTH OF SPARKS RD	WOONGARRAH	\$1,174,000
MINNESOTA RD SOUTH OF SPARKS RD	WOONGARRAH	\$565,000
MINNESOTA RD / MATARAM RD SIGNALS	WOONGARRAH	\$300,000
LINK ROAD CONSTRUCTION - Stage 2	WARNERVALE	\$8,000,000
SPARKS RD PED FACILITY AT RAILWAY OVERPASS	WOONGARRAH	\$333,000

TABLE B (cont)
ROAD REHABILITATION/DRAINAGE – 2006/2007

PROJECT	SUBURB	BUDGET ALLOCATION
SPARKS RD /BLVD TO DISTRICT CENTRE	WOONGARRAH	\$1,500,000
SPARKS RD / DUNDONALD RD CLOSURE	HAMLYN TERRACE	\$100,000
SPARKS RD / MINNESOTA RD INTERSECTION	WOONGARRAH	\$1,000,000
WARNERVALE DISTRICT CENTRE ENTRY ROAD	WOONGARRAH	\$2,885,000
WARNERVALE RD / LOUISIANA RD SIGNALS	HAMLYN TERRACE	\$250,000
DRAINAGE CONST. - SECTION 94		
DRAINAGE		\$3,020,000
GILBERT ST NOS 5&6 - Stage1	LONG JETTY	
LAKEDGE AVENUE with roadworks	BERKELEY VALE	
PANORAMA AVENUE - Stage 5 for next years roadworks	CHARMHAVEN	
LINDSAY STREET with roadworks	SHELLY BCH	
WATKINS STREET- For next years roadworks	LONG JETTY	
ELOORA ROAD - Stage 1b with roadworks	LONG JETTY	
TOOWOON BAY/ARCHBOLD RD - Stage 2	TOOWOON BAY	
KATHLEEN WHITE CRESENT	KILLARNEY VALE	
SAN REMO AREA Continuation	SAN REMO	
BUDGEWOI AREA Continuation	BUDGEWOI	
ENVIRONMENTAL- WETLANDS incl. Lake Mac. Projects		
NETWORK REHABILITATION		
MISCELLANEOUS MINOR CAT 1 PROJECTS		
OAKLAND AVE/ASHTON AVE - Stage 4	THE ENTRANCE	
McLACHLAN AVE - Stage 1	LONG JETTY	
EASTERN ROAD with roadworks	BATEAU BAY	
RESEALING PROGRAM		
LOCAL		\$2,000,000
REGIONAL 3X3 COMPONENT & BLOCK GRANT		\$315,000
RTA - OTHER FUNDING		
BLOCK GRANT (maintenance proportion)		\$80,000
TRAFFIC FACILITIES		\$247,000
HEAVY PATCHING		
	MAINTENANCE	\$150,000
	RESEALS	\$300,000
	TOTAL	\$450,000
RTA IMPROVEMENT PROGRAM	Various	est.\$1700000
	MR335,336,509	

TABLE B (cont)
ROAD REHABILITATION/DRAINAGE – 2006/2007

PROJECT	SUBURB	BUDGET ALLOCATION
REGIONAL RDS REHABILITATION		RTA \$ WSC \$
To be finalised		
RTA B.SPOT/IMPROVEMENT PROJECTS – assumed		
To be finalised		
	TOTAL	\$0
CARES Facility - RTA Funding		\$0
WSC Maintenance Funds (50/50 with Gosford)		\$15,000
BRIDGE REFURBISHMENT		\$300,000
Palmdale Bridge No2	PALMDALE	
CONSTRUCTION OF CARPARKS		\$78,000
Shelly Beach – Caravan Park funded	SHELLY BEACH	
Cutler Drive Carpark		
FOOTPAVING		
		\$420000
KERB & GUTTER INFILL		
4 around Marks Rd No7		\$85,000
PEDESTRIAN PROTECTION - upgrade refuges to standard		
Goobarabah Ave - signalised pedestrian crossing	GOROKAN	\$100,000
ROUNDAABOUT ADJUSTMENTS		\$50,000

TABLE C (cont)
ROAD REHABILITATION/DRAINAGE – 2007/2008

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION		\$4,425,000
KANANGRA DRIVE - Various Sections	GWANDALAN	
WATKINS STREET / ELSIEMERE - 1b	LONG JETTY	
STREET TREES	VARIOUS	
CHITTAWAY ROAD in front of shops	CHITTAWAY BAY	
SUNRISE AVENUE	BUDGEWOI	
BRUSH ROAD	OURIMBAH	
HUE HUE ROAD - Various Sections	JILLIBY	
FAIRPORT AVENUE/ DENING ST +FOOTPATH IN FAIRPORT	THE ENTRANCE	
MALVINA PARADE - Stage 1	LAKE HAVEN	
ELOORA ROAD - Stage 2	LONG JETTY	
PANORAMA PARADE - Stage 5	CHARMHAVEN	
LONG JETTY TRAFFIC MANAGEMENT PLAN WORKS	THE ENTRANCE LONG JETTY	
BUSH STREET - Stage 1 - Continuation	NORAH HEAD	
ROADS TO RECOVERY		\$904,000
LINDSAY STREET - Stage 3	SHELLY BCH	\$400,000
LAKEDGE AVENUE - Stage 2	BERKELEY VALE	\$504,000
	TOTAL	\$904,000
MINOR RDS. REHAB. PROGRAM		\$1,000,000
OLEANDER STREET - ROWENA TO LILLIAN + SECTS.	NORAVILLE	
MARINA STREET	BUDGEWOI	
BLLENHEIM AVENUE	BERKELEY VALE	
ALEXANDRA STREET	BUDGEWOI	
FIRST AVENUE	TOUKLEY	
WINDSOR ROAD	BERKELEY VALE	
BUCKINGHAM ROAD	BERKELEY VALE	
LAKEWAY DRIVE	LAKE MUNMORAH	
PAUL PLACE	GOROKAN	
LAKESHORE AVENUE	C V BAY	
NATUNA AVENUE	BUDGEWOI	
EDWARD STREET	BUDGEWOI	
RESTLEA AVENUE	CHARMHAVEN	
McGIRR AVENUE	THE ENTRANCE	
CAMBRIDGE CLOSE	OURIMBAH	
GASCOIGNE ROAD	GOROKAN	
NAELCM AVENUE	KILLARNEY VALE	
ANCHOR AVENUE	TOUKLEY	
HAMMOND ROAD	TOUKLEY	
MURRAWAL ROAD	WYONGAH	

TABLE C (cont)
ROAD REHABILITATION/DRAINAGE – 2007/2008

PROJECT	SUBURB	BUDGET ALLOCATION
SEC. ROAD CONST - SECTION 94		
MATARAM RD	WOONGARRAH	\$2,680,000
MATARAM RD / HIAWATHA RD INTERSECTION	WOONGARRAH	\$100,000
PACIFIC HIGHWAY PEDESTRIAN OVERPASS	HAMLYN TERRACE	\$631,000
PACIFIC HIGHWAY / MATARAM RD SEAGULL INTERSECTION	WOONGARRAH	\$2,000,000
PEDESTRIAN OVERPASS 2 SPARKS RD WEST OF MINNESOTA RD	HAMLYN TERRACE	\$1,472,000
WARNERVALE ROAD BUS SHELTERS	WARNERVALE	\$50,000
WARNERVALE RD NOT CULVERT SECTION	HAMLYN TERRACE	\$951,000
PACIFIC HWY PED FACILITY NORTH OF JOHNS RD	WADALBA	\$274,000
PACIFIC HWY / JOHNS RD / POLLOCK AVE	WYONG	\$1,833,000
BUS SHELTERS ETC	WARNERVALE	\$744,000
DRAINAGE CONST. - SECTION 94		
DRAINAGE		\$3,020,000
LAKEDGE AVENUE with roadworks	BERKELEY VALE	
MALVINA PARADE with roadworks	LAKEHAVEN	
SAN REMO AREA Continuation	SAN REMO	
BUDGEWOI AREA Continuation	BUDGEWOI	
ENVIRONMENTAL- WETLANDS incl. Lake Mac. Projects		
NETWORK REHABILITATION		
ELOORA ROAD – Stage 2 with roadworks	LONG JETTY	
DONALD AVENUE No37	KANWAL	
LAUREN AVENUE	LAKE MUNMORAH	
GILBERT STREET NOS 5&6 - Stage2	LONG JETTY	
MISCELLANEOUS MINOR CAT 1 PROJECTS		
TURNER CLOSE	BLUEHAVEN	
CADONIA RD –Tuggerawong Rd to school with roadworks	TUGGERAWONG	
McLACHLAN AVE - Stage 2	LONG JETTY	
LINDSAY STREET with roadworks	SHELLY BCH	
RESEALING PROGRAM		RTA REG \$ WSC \$
LOCAL		\$2,000,000
REGIONAL 3X3 COMPONENT & BLOCK GRANT		\$315,000
RTA - OTHER FUNDING		
BLOCK GRANT (maintenance proportion)		\$80,000
TRAFFIC FACILITIES		\$247,000

TABLE C (contd)
ROAD REHABILITATION/DRAINAGE – 2007/2008

PROJECT	SUBURB	BUDGET ALLOCATION
HEAVY PATCHING		
MAINTENANCE		\$150,000
RESEALS		\$300,000
	TOTAL	\$450,000
RTA IMPROVEMENT PROGRAM	Various	est.\$1700000
	MR335,336,509	
REGIONAL RDS REHABILITATION		RTA \$ WSC \$
To be finalised		
	TOTAL	
RTA B.SPOT/IMPROVEMENT PROJECTS - assumed		
To be finalised		
	TOTAL	\$0
CARES Facility - RTA Funding		\$0
WSC Maintenance Funds (50/50 with Gosf.)		\$15,000
BRIDGE REFURBISHMENT		\$300,000
Bridge St	OURIMBAH	
Teralba Road Bridge	OURIMBAH	
Mandalong Rd No1	MANDALONG	
CONSTRUCTION OF CARPARKS		\$78,000
Berkeley Vale Football Oval	BERKELEY VALE	\$38,000
Baker Park Wyong - Adjacent to pump station	WYONG	\$40,000
	TOTAL	\$78,000
FOOTPAVING		
		\$420000
KERB & GUTTER INFILL		
To be finalised		\$85,000
PEDESTRIAN PROTECTION - upgrade refuges to standard		\$50,000
ROUNDABOUT ADJUSTMENTS		\$100,000

**TABLE D
ROAD REHABILITATION/DRAINAGE – 2008/2009**

PROJECT	SUBURB	BUDGET ALLOCATION
ROAD REHABILITATION		\$4,623,000
MALVINA PARADE - STAGE 2	LAKE HAVEN	
PETERS & BAKERS LANE	WYONG	
THE CORSO - Spring Valley to Suncrest-K&G + Intersect.	GOROKAN	
BRUSH ROAD	OURIMBAH	
CADONIA ROAD - TUGG. TO SCHOOL	TUGGERAWONG	
McLACHLAN AVE-MR335 TO LINDSAY	LONG JETTY	
HUTTON ROAD Stage 2 - Stewart St to Manly St	NTH ENTRANCE	
ELOORA ROAD - STAGE 3	LONG JETTY	
LAKEDGE AVENUE - STAGE 3	BERKELEY VALE	
KANANGRA DRIVE - VARIOUS SECTIONS	GWANDALAN	
THE RIDGEWAY	TUMBI UMBI	
OURIMBAH CREEK ROAD	OURIMBAH	
BUSH STREET - STAGE 2	NORAH HEAD	
OWEN AVENUE	WYONG	
LONG JETTY TRAFFIC MANAGEMENT	T/ENT LONG JETTY	
LINDSAY STREET – SECTIONS	SHELLY BCH	
ROADS TO RECOVERY		\$904,000
GOORAMA AVENUE (kerb & gutter)	SAN REMO	\$454,000
TUGGERAWONG ROAD - NEAR SCHOOL	TUGGERAWONG	\$450,000
	TOTAL	\$904,000
MINOR RDS. REHAB. PROGRAM		\$1,000,000
ALBATROSS RD	BERKELEY VALE	
ESTHER CLOSE	GOROKAN	
YARALLA ROAD	TOUKLEY	
OCEAN AVE	NORAVILLE	
WALL ROAD	GOROKAN	
LAKEVIEW STREET	GOROKAN	
ALOHA DVE - 00 TO 370m	CHITTAWAY	
ATHOL STREET	TOUKLEY	
ELDEN STREET	TOUKLEY	
CASURINA CLOSE	LAKEHAVEN	
YATES ROAD	OURIMBAH	
KOORINDA STREET	SHELLY BEACH	
FERNDAL ST - west end	KILLARNEY VALE	
	SUMMERLAND PT.	
GINGANUP ROAD		
ARIZONA ROAD	WARNERVALE	
BENALLA CLOSE	KILLARNEY VALE	

TABLE D (contd)
ROAD REHABILITATION/DRAINAGE – 2008/2009

PROJECT	SUBURB	BUDGET ALLOCATION
MINOR RDS. REHAB. PROGRAM (cont)		
KINDARUN CLOSE	KILLARNEY VALE	
MELALEUCA STREET	KILLARNEY VALE	
NORTHUMBERLAND DVE - Roberta to Hamilton	BATEAU BAY	
HINEMOA AVENUE	TUMBI UMBI	
SEC. ROAD CONST - SECTION 94		
NIRVANA/PACIFIC, NIRVANA/STELLA, SWADLING/BELLEVUE INTER.	THE ENTRANCE	\$600,000
OCEAN / RICHARD ST INTERSECTION	THE ENTRANCE	\$104,000
WARNERVALE ROAD BUS SHELTERS	WARNERVALE	\$50,000
DRAINAGE CONST. - SECTION 94		
TUGGERAH STAGE 3 CATCHMENT 2 (LAKE ROAD EAST) WORKS	TUGGERAH	\$200,000
	TOTAL	\$0
DRAINAGE		\$3,020,000
McLACHLAN AVE STG3	LONG JETTY	
KILLARNEY VALE SHOPS	KILLARNEY VALE	
ROSEMOUNT STREET	LAKE MUNMORAH	
RIVER ROAD WITH ROADWORKS	WYONG	
BUFF POINT AVE - NO 174	BUFF POINT	
PHYLLIS AVE	KANWAL	
ELOORA ROAD STAGE 3 WITH ROADWORKS	LONG JETTY	
MALVINA PDE WITH ROADWORKS	LAKEHAVEN	
TUGGERAWONG RD WITH ROADWORKS	TUGGERAWONG	
THE CORSO WITH ROADWORKS	GOROKAN	
HUTTON ROAD	NORTH ENTRANCE	
LAKEDGE AVENUE WITH ROADWORKS	BERKELEY VALE	
MISCELLANEOUS MINOR CAT 1 PROJECTS		
CASTLEREAGH CRESENT wetlands drainage	BATEAU BAY	
WOLSELEY AVENUE 48- PIPE	TACOMA	
OWEN AVE WITH ROADWORKS - FAILED LINE	WYONG	
LINDSAY STREET WITH ROADWORKS	SHELLY BCH	
RESEALING PROGRAM		RTA REG.\$ WSC \$
LOCAL		\$2,000,000
REGIONAL 3X3 COMPONENT & BLOCK GRANT		\$315,000
RTA - OTHER FUNDING		
BLOCK GRANT (maintenance proportion)		\$80,000
TRAFFIC FACILITIES		\$244,000

TABLE D (contd)
ROAD REHABILITATION/DRAINAGE – 2008/2009

PROJECT	SUBURB	BUDGET ALLOCATION
HEAVY PATCHING		
MAINTENANCE		\$150,000
RESEALS		\$300,000
	TOTAL	\$450,000
RTA IMPROVEMENT PROGRAM	Various	est.\$1700000
	MR335,336,509	
REGIONAL RDS REHABILITATION		RTA \$ WSC \$
TO BE FINALISED		
RTA B.SPOT/IMPROVEMENT PROJECTS - assumed		
TO BE FINALISED		
	TOTAL	\$0
CARES Facility - RTA Funding		\$0
WSC Maintenance Funds (50/50 with Gosf.)		\$15,000
BRIDGE REFURBISHMENT		\$300,000
SHIRLEY ST	OURIMBAH	
York's Bridge	CEDAR BRUSH CK	
CONSTRUCTION OF CARPARKS		\$78,000
Charmhaven Shops	CHARMHAVEN	
	TOTAL	\$0
FOOTPAVING		
		420,000
KERB & GUTTER INFILL		
To be finalised		\$85,000
PEDESTRIAN PROTECTION - upgrade refuges to standard		
		\$50,000
ROUNDABOUT ADJUSTMENTS		
		\$100,000

**Miscellaneous Charges
Common Services**

Service No.	Description	Current Charge (2005/06)	Proposed Charge (2006/07)	Proposed Charge (2007/08)	Proposed Charge (2008/09)
1	Conveyancing Certificate <i>Statement of Outstanding Charges</i>				
	a) Over the Counter.....	15.00	15.00	16.00	16.00
	b) Electronic.....	N/A No GST	N/A No GST	N/A No GST	N/A No GST
2	Property Sewerage Diagram – up to and including A4 Size (where available) <i>Diagram showing the location of the house service line, building and sewer for the property.</i>				
	a) Certified	15.00 15.00	15.00 15.00	16.00 16.00	16.00 16.00
	b) Uncertified	No GST	No GST	No GST	No GST
3	Service Location Diagram <i>Location of sewer and /or water mains in relation to a property's boundaries</i>				
	a) Over the Counter	15.00	15.00	16.00	16.00
	b) Electronic	N/A No GST	N/A No GST	N/A No GST	N/A No GST
4	Special Meter Reading Statement	46.00 No GST	47.00 No GST	48.00 No GST	49.00 No GST
5	Billing Record Search Statement – Up to and including 5 years	15.00 No GST	15.00 No GST	16.00 No GST	16.00 No GST
6	Building Over or Adjacent to Sewer Advice <i>Statement of Approval Status for existing Building Over or Adjacent to a Sewer</i>	N/A	N/A	N/A	N/A
7	Water Reconnection				
	a) During business hours	31.00	32.00	33.00	33.00
	b) Outside business hours	128.00 No GST	131.00 No GST	134.00 No GST	138.00 No GST
8	Workshop Test of Water Meter <i>Removal and full mechanical test of the meter by an accredited organisation at the customer's request to determine the accuracy of the water meter. This involves dismantling and inspection of meter components.</i>				
	20mm	154.00	158.00	162.00	166.00
	25mm	154.00	158.00	162.00	166.00
	32mm	154.00	158.00	162.00	166.00
	40mm	154.00	158.00	162.00	166.00
	50mm	154.00	158.00	162.00	166.00
	60mm	154.00	158.00	162.00	166.00
	80mm	154.00 No GST	158.00 No GST	162.00 No GST	166.00 No GST
9	Application for Disconnection – All sizes	26.00 No GST	27.00 No GST	27.00 No GST	28.00 No GST
10	Application for Water Service Connection (all sizes) <i>This covers the administration fee only. There will be a separate charge payable to the utility if they also perform the physical connection.</i>	26.00 No GST	27.00 No GST	27.00 No GST	28.00 No GST

Miscellaneous Charges Common Services

Service No.	Description	Current Charge (2005/06)	Proposed Charge (2006/07)	Proposed Charge (2007/08)	Proposed Charge (2008/09)
11	<p>Application to Assess a Water Main Adjustment (Moving a fitting and/or adjusting a section of water main up to and including 25 metres in length). This covers preliminary advice as to the feasibility of the project and will result in either</p> <p>1 A rejection of the project in which case the fee covers the associated investigation costs. OR 2 Conditional approval in which case the fee covers the administration costs associated with the investigation and record amendment.</p>	N/A	N/A	N/A	N/A
12	<p>Metered Standpipe Hire</p> <p>Security Bond (25mm) 317.00 Security Bond (63mm) 610.00</p> <p>These charges are refunded to the customer on return (in satisfactory condition) after completion of use.</p>	317.00 610.00 No GST	325.00 625.00 No GST	333.00 641.00 No GST	341.00 656.00 No GST
13	<p>Metered Standpipe Hire</p> <p>Annual Fee Quarterly Fee Monthly Fee (or part thereof)</p>	As per water service charge based on meter size. (pro-rata for part of year)	As per water service charge based on meter size. (pro-rata for part of year)	As per water service charge based on meter size. (pro-rata for part of year)	As per water service charge based on meter size. (pro-rata for part of year)
14	<p>Standpipe Water Usage Fee</p> <p>All Usage</p>	As per standard water usage charges per kilolitre.	As per standard water usage charges per kilolitre.	As per standard water usage charges per kilolitre.	As per standard water usage charges per kilolitre.
15	<p>Backflow Prevention Device Application and Registration Fee This fee is for the initial registration of the backflow device</p>	53.00 No GST	54.00 No GST	56.00 No GST	57.00 No GST
16	<p>Backflow Prevention Application Device Annual Administration Fee This fee is for the maintenance of records including logging of inspection reports.</p>	Nil	Nil	Nil	Nil
17	<p>Major Works Inspections Fee This fee is for the inspection, for the purpose of approval, of water and sewer mains, constructed by others, that are longer than 25 metres and/or greater than 2 metres in depth</p> <p>Water Mains (\$ per metre) Gravity Sewer Mains (\$ per metre) Rising Sewer Mains (\$ per metre)</p>	4.60 6.15 4.60 No GST	4.70 6.30 4.70 No GST	4.80 6.50 4.80 No GST	4.90 6.60 4.90 No GST
18	<p>Statement of Available Pressure and Flow This fee covers all levels whether hydraulic modelling is required or not.</p>	112.00 Incl GST	115.00 Incl GST	118.00 Incl GST	121.00 Incl GST

**Miscellaneous Charges
Water Supply and Sewerage Services**

Service No.	Description	Current Charge (2005/06)	Proposed Charge (2006/07)	Proposed Charge (2007/08)	Proposed Charge (2008/09)
19	<p>Underground Plant Locations Provision of uncertified plan showing location of underground mains.</p> <p>Council assists in on-site physical locations <i>Customer to provide all plant required to expose asset.</i></p> <p>Council undertakes on-site physical locations <i>Council to provide all plant and labour to expose asset</i></p>	<p>N/A</p> <p>\$67.65 per hour for first hour or part thereof then \$16.50 per 15 minutes or part thereof</p> <p>\$112.75 per hour for first hour or part thereof then \$28.05 per 15 minutes or part thereof</p> <p>Incl GST</p>	<p>N/A</p> <p>\$69.30 per hour for first hour or part thereof then \$16.90 per 15 minutes or part thereof</p> <p>\$115.60 per hour for first hour or part thereof then \$28.80 per 15 minutes or part thereof</p> <p>Incl GST</p>	<p>N/A</p> <p>\$71.10 per hour for first hour or part thereof then \$17.30 per 15 minutes or part thereof</p> <p>\$118.50 per hour for first hour or part thereof then \$29.50 per 15 minutes or part thereof</p> <p>Incl GST</p>	<p>N/A</p> <p>\$72.80 per hour for first hour or part thereof then \$17.80 per 15 minutes or part thereof</p> <p>\$121.30 per hour for first hour or part thereof then \$30.20 per 15 minutes or part thereof</p> <p>Incl GST</p>
20	<p>Plumbing and Drainage Inspection Residential Single Dwelling, Villas & Units</p> <p>Alterations, Caravans & Mobile Homes</p> <p>Commercial & Industrial</p> <p>Additional Inspections.....</p>	<p>136.40 /unit</p> <p>68.75 /permit</p> <p>136.40 (plus 39.60 /WC)</p> <p>50.60/inspect</p> <p>Incl GST</p>	<p>140.00 /unit</p> <p>70.00 /permit</p> <p>140.00 (plus \$41.60 /WC)</p> <p>52.00/inspect</p> <p>Incl GST</p>	<p>143.00 /unit</p> <p>72.00 /permit</p> <p>143.00 (plus \$42.00/WC)</p> <p>53.00/inspect</p> <p>Incl GST</p>	<p>147.00 /unit</p> <p>74.00 /permit</p> <p>147.00 (plus \$42.60/WC)</p> <p>54.00/inspect</p> <p>Incl GST</p>
21	<p>Billings Record Search – Further Back than 5 years</p>	<p>\$15.00 for the first 15 minutes or part thereof then \$10 per 15 minutes or part thereof</p> <p>No GST</p>	<p>\$15.40 for the first 15 minutes or part thereof then \$10.30 per 15 minutes or part thereof</p> <p>No GST</p>	<p>\$15.80 for the first 15 minutes or part thereof then \$10.50 per 15 minutes or part thereof</p> <p>No GST</p>	<p>\$16.10 for the first 15 minutes or part thereof then \$10.80 per 15 minutes or part thereof</p> <p>No GST</p>

Miscellaneous Charges Water Supply Services

Service No.	Description	Current Charge (2005/2006)	Proposed Charge (2006/2007)	Proposed Charge (2007/2008)	Proposed Charge (2008/2009)
22	Relocate Existing Stop Valve or Hydrant <i>Price exclusive of plant hire charges, material costs and traffic control where applicable</i>	\$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof No GST	\$105.10 per hour for first hour or part thereof then \$26.10 per 15 minutes or part thereof No GST	\$107.70 per hour for first hour or part thereof then \$26.80 per 15 minutes or part thereof No GST	\$110.30 per hour for first hour or part thereof then \$27.40 per 15 minutes or part thereof No GST
23	Provision of Water Services <i>Application for water service connection fee is also applicable</i> Meter Only (20mm) Short service – 20mm Long service – 20mm Short service – 25mm Long service – 25mm Short service – 40mm Long service – 40mm Short service – 50mm Long service – 50mm Larger services * <i>* Provision of live main connection only. Price exclusive of plant hire charges, material costs and traffic control where applicable.</i>	88.00 534.00 534.00 648.00 648.00 1218.00 1619.00 1738.00 2143.00 \$102.50 per hour for first hour or part thereof then \$25.50 per 15 minutes or part thereof. No GST	90.00 547.00 547.00 664.00 664.00 1248.00 1659.00 1781.00 2197.00 \$105.10 per hour for first hour or part thereof then \$26.10 per 15 minutes or part thereof. No GST	92.00 561.00 561.00 681.00 681.00 1280.00 1701.00 1826.00 2251.00 \$107.70 per hour for first hour or part thereof then \$26.80 per 15 minutes or part thereof. No GST	95.00 575.00 575.00 697.00 697.00 1311.00 1742.00 1870.00 2306.00 \$110.30 per hour for first hour or part thereof then \$27.40 per 15 minutes or part thereof. No GST
24	Water Sample Analysis <i>For testing of standard water quality parameters (Private supplies)</i>	68.75 incl GST	70.00 incl GST	72.00 incl GST	74.00 incl GST
25	Raise / Lower / Adjust Existing Services (No more than 2 metres from existing location) 20mm service only – no materials Larger services or requiring materials	103.00 by quote No GST	106.00 by quote No GST	108.00 by quote No GST	111.00 by quote No GST
26	Relocate Existing Services Short – 20mm Long – 20mm Larger Services (> 20mm)	260.00 405.00 by quote No GST	267.00 415.00 by quote No GST	273.00 426.00 by quote No GST	280.00 436.00 by quote No GST
27	Alteration from Dual Service to Single Service 20mm service only	311.00 No GST	319.00 No GST	327.00 No GST	335.00 No GST
28	Disconnection of Existing Service	101.00 No GST	104.00 No GST	106.00 No GST	109.00 No GST

Miscellaneous Charges Sewerage Services

Service No.	Description	Current Charge (2005/06)	Proposed Charge (2006/07)	Proposed Charge (2007/08)	Proposed Charge (2008/09)
29	Sewerage Drainage Arrestor Approval	84.00	86.00	88.00	90.00
	Annual Inspection	25.50 No GST	26.00 No GST	27.00 No GST	27.00 No GST
30	Sewerage Junction Cut-in (150mm) <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	253.00 Incl GST	259.00 Incl GST	266.00 Incl GST	272.00 Incl GST
31	Sewerage Junction Cut-in (150mm) with sideline less than 3m <i>No excavation, no concrete encasement removal, no sideline, junction outside property. Excavation provided by customer.</i>	265.00 Incl GST	272.00 Incl GST	278.00 Incl GST	285.00 Incl GST
32	Sewerage Junction Cut-in (225mm) <i>No excavation, no concrete encasement removal, no sideline, junction within property. Excavation provided by customer.</i>	592.00 Incl GST	607.00 Incl GST	622.00 Incl GST	637.00 Incl GST
33	Sewerage Junction Cut-in (225mm) with sideline less than 3m <i>No excavation, no concrete encasement removal, no sideline, junction outside property. Excavation provided by customer.</i>	625.00 Incl GST	641.00 Incl GST	657.00 Incl GST	672.00 Incl GST
34	Sewerage Junction Cut-in Greater than 225mm or where excavation or removal of concrete encasement required by Council <i>Price exclusive of plant hire charges, material costs and traffic control where applicable.</i>	\$112.75 per hour for first hour or part thereof then \$28.05 per 15 minutes or part thereof Incl GST	\$115.60 per hour for first hour or part thereof then \$28.80 per 15 minutes or part thereof Incl GST	\$118.50 per hour for first hour or part thereof then \$29.50 per 15 minutes or part thereof Incl GST	\$121.30 per hour for first hour or part thereof then \$30.20 per 15 minutes or part thereof Incl GST
35	Sewer Main Encasement with Concrete Encasement inspection fee when construction is not by Council	85.50	88.00	90.00	92.00
	Construction by Council	by quote Incl GST	by quote Incl GST	by quote Incl GST	by quote Incl GST
36	Sewer Advance Scheme – Administration Charge	223.30 Incl GST	229.00 Incl GST	235.00 Incl GST	240.00 Incl GST
37	Raise and Lower Sewer Manholes Raise manhole greater than 300mm <i>Price listed is the manhole adjustment inspection fee. Charge for actual physical adjustment is by quote.</i>	85.50 No GST	88.00 No GST	90.00 No GST	92.00 No GST



**Review of Wyong Shire
Water Consumption Forecasts
for Period 1 July 2006 – 30 June 2009**

**Submission by Wyong Council
October 2005**

INDEX

SECTIONS

- SECTION 1 General Introduction
- SECTION 2 Summary of Current Consumption Issues

APPENDICES

- APPENDIX 1 Graph of Forecast Consumption Scenario
for Period 1 July 2006 to 30 June 2009

SECTION 1

INTRODUCTION TO REVIEW

This Review has been prepared in response to the IPART requirement that Council prepare forecasts of projected water sales for the period 1 July 2006 to 30 June 2009 as part of the Submission for the IPART Determination to set the price path effective from July 1 2006.

This Review represents an update of the forecast document presented to IPART as part of Council's 2004 Submission (Appendix E).

In accordance with advice from IPART Council has prepared for the 2005 Submission a single water sales forecast path in lieu of the high / medium / low paths prepared for the 2004 Submission.

Councils' water sales forecast for the specified period is presented in graphical form in Appendix 1 of this Review.

INTRODUCTION TO WYONG SHIRE

Council's water supply business includes operation, maintenance and capital works activities associated with the water supply catchment, water harvesting, treatment and distribution to customers.

Major headworks components of the business such as dams, weirs, treatment plants and bulk water distribution reservoirs are shared with Gosford City Council and managed by the Gosford Wyong Councils' Water Authority (GWCWA) Board.

Other supply infrastructure associated with the distribution of water to customers is the responsibility of each individual Council.

Council provides water to a permanent population in excess of 140,000 via approximately 59,000 connections. Water restrictions were implemented in February 2002 and are expected to be in place for several more years. This is based on long term weather forecasts and the water supply system storage characteristics that provide for a relatively slow change in stored volumes under all but extreme conditions.

As the Shire has had significant reserves of available land for residential and non-residential purposes sustained growth of about 2.2% pa has occurred over the past decade. This growth is expected to continue at 2.0 - 2.2% over the period of this determination.

SECTION 2

SUMMARY OF ISSUES

In reviewing consumption and forecasting future water sales patterns / trends the following factors are involved in the assessment;

- 1 Past Metered Consumption and Unaccounted for Water (UAW)
- 2 Future Metered Consumption (based solely on population growth)
- 3 Impact of Current and Future Restrictions and other demand management initiatives
- 4 Current Council Consumption Forecast

Comments relating to each of these factors are outlined below;

1 Past Metered Usage and Unaccounted for Water

Review of metered usage patterns both metered consumption (Water Sales) and Total Consumption (Water Production) indicates a steady growth up to and including year ending 30 June 2001 and peaking at that time. With the introduction of water restrictions in February 2002 metered usage has declined as indicated in the table below.

Year Ending	Metered Consumption (ML)	Total Consumption (ML)	Unaccounted for Water (UAW) %
June 30 1996	11,803	13,950	15.4
June 30 1997	11,261	14,648	23.1
June 30 1998	13,209	15,722	16.0
June 30 1999	13,692	13,827	1.0
June 30 2000	13,779	14,279	3.5
June 30 2001	15,440	15,192	-1.6
June 30 2002	15,000	14,871	-0.9
June 30 2003	13,880	14,583	4.8
June 30 2004	13,467	14,254	5.5
June 30 2005	13,099	13,498	3.0
Average			6.8%

The irregularities, on an annual basis, between total water consumption, metered water consumption and hence UAW are due to the different time at which meters are read. The total water consumption figures are an accurate assessment, subject to meter error, of water usage during the year. Similarly total metered consumption is an accurate assessment of water usage billed to customers during the year. However these two totals do not relate to the same period due to meter reading cycles.

For this reason UAW, being the difference between these two readings, must be averaged over several years to be meaningful. Over the past 10 years UAW has averaged 6.8%

Future projections of metered water consumption (water sales) are therefore based on projected total water consumption less 6.8% for unaccounted for water.

2 Future Metered Usage (Unrestricted demand regime)

Consumption forecasts, based on an unrestricted demand regime, have been projected. This takes into account past unrestricted usage and future population growth rate projections. The future population projections are based on Council Strategic Planning data that indicates the following:

- * a projected average 2.2% pa average population increase from 2001 to 2006
- * a projected average 2.1% pa average population increase from 2006 to 2010

MMA reviewed the above forecast growth rates in the light of other sources and found these to be reasonable (Section 6.1.2 Page 99)

The following table summarises estimated population and unrestricted demand. The reference point is June 30 2002 being the last year of unrestricted water usage.

Year Ending	Estimated Population Growth Rate (%)	Unrestricted Annual Demand (ML)	Metered Unrestricted Annual Demand (ML)**
June 30 2002	2.20	14,871	13,859
June 30 2003	2.20	15,198	14,164
June 30 2004	2.20	15,532	14,475
June 30 2005	2.20	15,880	14,800
June 30 2006	2.19	16,227	15,123
June 30 2007	2.14	16,575	15,448
June 30 2008	2.10	16,923	15,772
June 30 2009	2.06	17,271	16,096
June 30 2010	2.04	17,624	16,425

** Allows for 6.8% of Unrestricted Annual Demand being Unaccounted for Water.

3 Current and Future Restriction Regimes and Drought Management Initiatives

Drought Management initiatives, including restriction regimes adopted by the GWCWA provide for the following target reductions in system demand. Also detailed is actual reductions achieved to date.

Restriction Level	Target Demand Reduction %	Achieved Reduction from Unrestricted Demand
NIL	0	0
1	8	11
2/2A	16	21
2B	21	N/A*
3	24	N/A*
4	32	N/A*
5	38	N/A*

* Data not available

Reductions in system demand are from a combination of reduced consumption and the supply of water from alternate sources.

Under Level 1 and 2A restrictions reduced water sales accounts for approximately 8% and 12% respectively of the reduced system demand.

4 Consumption Forecast

The consumption forecast for the period 1 July 2006 to 30 June 2009 is based on:

- Level 2B Restrictions maintained until 30 June 2009.
- Level 1 Restrictions maintained 1 July 2009 to 30 June 2010 (at least)

The above restriction regime is based on the current level of restrictions being maintained after the major source of supply is available from the Hunter to provide an opportunity for storages to partially recover. It is anticipated that restrictions could be further relaxed to Level 1 after this time.

The nominated consumption forecast restriction regime assumes weather patterns gradually returning to normal.

The following table details projected metered water consumption under the above restriction regime.

Appendix 1 provides a graphical representation of the current forecast (1/7/06 – 30/6/09) with Appendix 2 providing a comparison between the current forecast and the forecast provided in the 2004 Submission.

Table – Forecast Restriction Regime

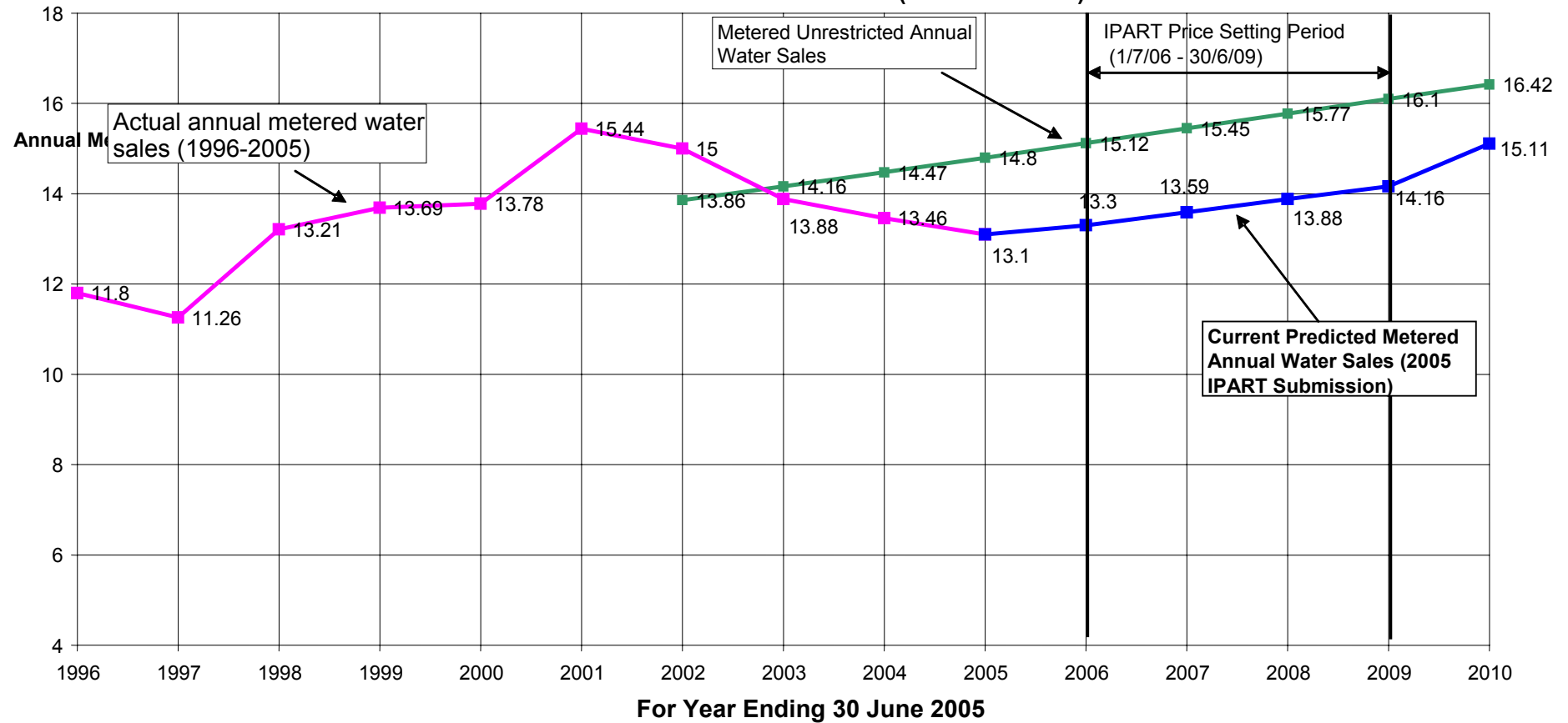
Year Ending	Existing / Anticipated Restriction Regime	Metered Unrestricted Annual Demand (ML)	Metered Restricted Annual Demand (ML)
June 30 2002	Unrestricted then Level 1 restricted from February 24 2002	13,859	13,859
June 30 2003	Level 1 Restrictions from 1 July 2002 to 30 June 2003	14,164	13,880*
June 30 2004	Level 1 Restrictions to May 17 2004 Level 2 Restrictions from May 18 to June 30 2004	14,475	13,467*
June 30 2005	Level 2 Restrictions from July 1 to August 1 2004. Level 2A Restrictions from August 2 to June 30 2005.	14,800	13,099*
June 30 2006	Level 2A Restrictions from July 1 2005 to September 30 2005. Level 2B Restrictions from 1 October 2005 to 30 June 2006.	15,123	13,308
June 30 2007	Level 2B Restrictions from July 1 2006 to June 30 2007.	15,448	13,594
June 30 2008	Level 2B Restrictions from July 1 2007 to June 30 2008	15,772	13,879
June 30 2009	Level 2B Restrictions from July 1 2008 to June 30 2009.	16,096	14,164
June 30 2010	Level 1 Restrictions from July 1 2009 to June 30 2010	16,425	15,111

* Based on actual usage achieved under nominated restriction levels.

WYONG SHIRE COUNCIL

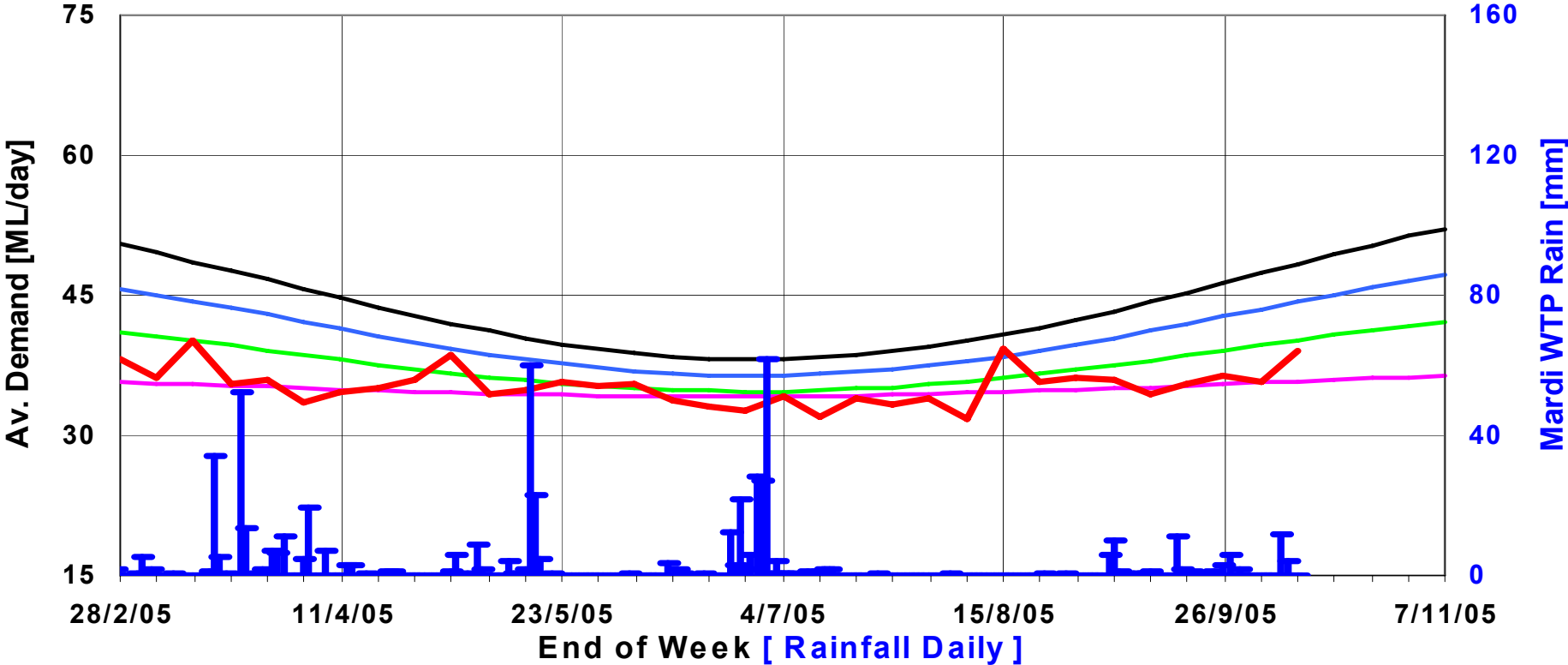
Appendix 1

Metered Water Sales Forecast (1/7/06 - 30/6/09)



Wyong Weekly Average Daily Demand as at 10.10.05

Targets: — Unrestricted Reductions: — 8%, — 16%, — 24%



PROPOSED TRADE WASTE PRICING – CUSTOMER IMPACT

The following tables detail the impact of the Trade Waste pricing proposal for various user groups. The bills are in constant 2005/06 \$ and are based on discharge quality.

CATEGORY 1**Example – Category 1 Discharge****Number of Dischargers in this Category - 50**

Assumptions	Metered Water Usage	= 1000 kL/year
	Sewerage Discharge Factor	= 85%
	Sewerage Usage Charge	= \$0.66 / kL
	Discharge quality	= Compliant with acceptance standards

Current Charging 2005/06	Proposed Charging 2006/07	Proposed Charging 2007/08	Proposed Charging 2008/09
Annual Agreement Fee = \$41.98	Annual Trade Waste Fee = \$70.64	= \$72.41	= \$74.22
Sewerage Usage Charge = 1000 kL/yr x 0.85 x \$0.66 / kL	= 1000 kL/yr x 0.85 x \$0.66 / kL	= 1000 kL/yr x 0.85 x \$0.66 / kL	= 1000 kL/yr x 0.85 x \$0.66 / kL
TOTAL = \$602.98	\$631.64	\$633.41	\$635.22

CATEGORY 2

This section has been split into two parts, which are:

Category 2 (with appropriate pre-treatment)

Dischargers with appropriately installed and maintained pre-treatment devices

Category 2 (without appropriate pre-treatment)

Dischargers without appropriately installed pre-treatment devices

Example 1 – Category 2 Discharge (with appropriate pre-treatment)	Number of Dischargers in this Category - 650
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Assumptions	Metered Water Usage	= 1000 kL/year
	Sewerage Discharge Factor	= 85%
	Sewerage Usage Charge	= \$0.66 / kL
	Trade Waste Discharge Factor	= 50%
	Trade Waste Usage Fee	= \$0.44 / kL
	Discharge quality	= Compliant with acceptance standards

Current Charging 2005/06	Proposed Charging 2006/2007	Proposed Charging 2007/2008	Proposed Charging 2008/2009
Annual Agreement Fee = \$41.98 Sewerage Usage Charge = 1000 kL/yr x 0.85 x \$0.66 / kL	Annual Trade Waste Fee = \$70.64 Sewerage Usage Charge = 1000 kL/yr x 0.85 x \$0.66 / kL Trade Waste Usage = 1000 kL/yr x 0.5 (with pre-treatment) x \$0.10 / kL	\$72.41 = 1000 kL/yr x 0.85X\$0.66/kL = 1000 kL/yr x 0.5x\$0.20/kL	\$74.22 = 1000 kL/yr x 0.85X\$0.66/kL = 1000 kL/yr x 0.5x\$0.30/kL
TOTAL = \$602.98	\$652.98	\$702.98	\$752.98

CATEGORY 2 (cont)

**Example 2 – Category 2 Discharge
(without appropriate pre-treatment)**

Number of Dischargers in this Category - 0

Assumptions	Metered Water Usage = 1000 kL/year
	Sewerage Discharge Factor = 85%
	Sewerage Usage Charge = \$0.66 / kL
	Trade Waste Discharge Factor = 50%
	Trade Waste Usage Fee = \$4.05 / kL (06/07)
	Discharge quality = Not compliant with acceptance standards

Current Charging 2005/06	Proposed Charging 2006/2007	Proposed Charging 2007/2008	Proposed Charging 2008/2009
Annual Agreement Fee = \$41.98	Annual Trade Waste Fee = \$70.64	\$72.41	\$74.22
Sewerage Usage Charge = 1000 kL/yr x 0.85 x \$0.66 / kL	Sewerage Usage Charge = 1000 kL/yr x 0.85 x \$0.66 / kL	= 1000 kL/yr x 0.85X\$0.66/kL	= 1000 kL/yr x 0.85X\$0.66/kL
	Trade Waste Usage Fee = 1000 kL/yr x 0.5 x \$4.05 / kL	= 1000 kL/yr x 0.5 x \$8.09/kL	= 1000 kL/yr x 0.5 x \$12.14kL
TOTAL = \$602.98	\$2656.64	\$4678.41	\$6705.22

CATEGORY 3

This section has been split into three parts, which are:

Category 3 Compliant	Discharges below the guideline acceptance limits
Category 3 Excess mass	Discharges above the guideline acceptance limits but below the approval limits
Category 3 Non-compliance Excess mass	Discharges above Council's approval limits

Example 1 – Category 3 Discharge (Compliant)

Number of Dischargers in this Category - 19
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Assumptions	Metered Water Usage	= 109092 kL/yr
	Sewerage Discharge Factor	= 85%
	Sewerage Usage Charge	= \$0.66/kL (06/07)
	Trade Waste Discharge Factor	= 50%
	Discharge quality	= Compliant with acceptance standards
	BOD (analysis) = 200 mg/L	Acceptance standard = 300 mg/L Approval Limit 1000 mg/L
	NFR (analysis) = 150 mg/L	Acceptance standard = 300 mg/L Approval Limit 800 mg/L
	O&G (analysis) = 30 mg/L	Acceptance standard = 100 mg/L Approval Limit 500 mg/L

Current Charging 2005/06	Proposed Charging 2006/2007	Proposed Charging 2007/2008	Proposed Charging 2008/2009
Annual Agreement Fee = \$302.08	Annual Trade Waste Fee = \$491.36	\$508.68	\$526.61
Sewerage Usage = 109092kL/yr x 0.85 x \$0.66/kL	Sewerage Usage Charge = 109092 kL/yr x 0.85 x \$0.66 / kL	= 109092 kL/yr x 0.85\$0.66/kL	= 109092 kL/yr x 0.85X\$0.66/kL
TOTAL = \$61502.69	\$61691.97	\$61709.29	\$61727.22

CATEGORY 3 (cont)

**Example 2 – Category 3 Discharge
(excess mass)**

Number of Dischargers in this Category - 7

Assumptions	Metered Water Usage	=	109092 kL/yr
	Sewerage Discharge Factor	=	85%
	Sewerage Usage	=	\$0.66/kL
	Trade Waste Discharge Factor	=	50%
	Discharge quality	=	Not compliant with acceptance standards
	BOD (analysis) = 200 mg/L	Acceptance standard =	300 mg/L
		Approval Limit	1000 mg/L
	NFR (analysis) = 150 mg/L	Acceptance standard =	300 mg/L
		Approval Limit	800 mg/L
	O&G (analysis) = 30 mg/L	Acceptance standard =	100 mg/L
		Approval Limit	500 mg/L

Current Charging 2005/06	Proposed Charging 2006/2007	Proposed Charging 2007/2008	Proposed Charging 2008/2009
Annual Agreement Fee = \$302.08	Annual Trade Waste Fee = \$491.36	\$508.68	\$526.61
Volume Charge = \$0.39/kL	Sewerage Usage = 109092 kL/yr x 0.85 x \$0.66 / kL	= 109092 kL/yr x 0.85 x \$0.66/kL	= 109092kL/yr x 0.85 x \$0.66kL
Excess Strength Charge = 109092kL/yr x 0.5 x excess strength charge	Excess Mass Charge = 109092kL/yr x 0.5 x excess mass charge	Excess Mass Charge = 109092kL/yr x 0.5 x excess mass charge	Excess Mass Charge = 109092kL/yr x 0.5 x excess mass charge
Excess Strength Charges BOD = \$0.66/kg NFR = \$0.54/kg O&G = \$1.33/kg	Excess mass charges >300mg/L BOD = \$0.60/kg >300mg/L NFR = \$0.76/kg >100mg/L O&G = \$1.07/kg	Excess mass charges >300mg/L BOD = \$0.62/kg >300mg/L NFR = \$0.78/kg >100mg/L O&G = \$1.10/kg	Excess mass charges >300mg/L BOD = \$0.63/kg >300mg/L NFR = \$0.80/kg >100mg/L O&G = \$1.12/kg
TOTAL = \$93439.36	\$105083.30	\$106382.46	\$106945.85