

TITLE: RECYCLED WATER SALE POLICY – NON-RESIDENTIAL

1. PURPOSE

To outline how Council will engage with non-residential Recycled Water Customers in relation to the negotiation of the price of recycled water.

2. SCOPE

This Policy is applicable to non-residential Recycled Water Customers and specifically excludes the township of Meadows where recycled water is provided by council to some residential properties.

3. POLICY PRINCIPLES – OUR COMMITMENT

Council applies the following principles to the sale of recycled water – non-residential:

- a) Have a transparent approach to the determination of arrangements with Recycled Water Customers for the sale of recycled water;
- b) Ensure that the approach to the price to supply recycled water to Recycled Water Customers is in accordance with ESCOSA Price Determinations, the National Water Initiative Pricing Principles including that this includes a volumetric charge;
- c) Apply the beneficiary pays principle in determining the allocation of recycled water costs to both Wastewater Customers and Recycled Water Customers;
- d) Maximise the use of recycled water to generate environmental, economic and social benefits for the community understanding that this may involve a subsidy to the Wastewater Business by Council contributing to the costs. This includes having flexibility to accommodate that different geographical locations and Recycled Water Customers may produce a variation in approach, rather than a ‘one size fits all’ model.
- e) Use all of the revenue from the sale of recycled water to offset the cost of recycled water supply, the cost of the Wastewater Service and invest in recycled water related infrastructure.
- f) Achieve a suitable return on investment, relative to the associated benefits.

4. DEFINITIONS

Cost/s means capital and/or recurrent costs associated with supplying recycled water;

Council means the Mount Barker District Council;

Recycled Water Customer/s means a non-residential customer of recycled water;

Recycled Water Network means the recycled water infrastructure assets that form part of the Wastewater Service

Wastewater Business means the Council owned and operated Wastewater Service

Wastewater Customers means customers of the Wastewater Service excluding Recycled Water Customers.

Wastewater Service/s means the collection, treatment, storage, distribution and disposal (including by sale of recycled water) of effluent or sewage respectively, via a Community Wastewater Management Scheme or Sewer Scheme.

5. ROLES & RESPONSIBILITIES

Council:

- Will consider and approve the Policy.

Head of Wastewater

- Is authorised to renew existing recycled water supply agreements with minor variations (if required) that have a potential annual income of less than \$50,000 (ex GST).
- Will report to Council on a 6 monthly basis regarding the renewal of existing recycled water agreements and execution of new recycled water agreements entered into via delegation to officers.

General Manager Infrastructure & Head of Wastewater

- Are each authorised to finalise and execute formal agreements for recycled water supply with new Recycled Water Customers in accordance with this Policy and where:
 - a. the forecast annual quantity in the first 12 months is less than 100 mega litres; and
 - b. the forecast annual revenue in the first 12 months is less than \$50,000 excluding GST; and
 - c. the requested water quality does not exceed what council is already producing for other customers;

- d. - payment will be received from the Recycled Water Customer for any required infrastructure augmentation from the council Recycled Water Network to the property of the Recycled Water Customer or
 - if the cost is to be met or contributed to by the Wastewater Business, this shall be reflected in the price of the recycled water to enable the Wastewater Business to achieve cost recovery in a reasonable time; and
- e. the duration of the agreement shall not exceed 10 years in total i.e. excluding any rights of renewal for up to a total of a further 10 years.

Wastewater staff

- Will be aware of the contents of this Policy and understand its content

6. POLICY STATEMENT

Council provides incentives for Recycled Water Customers to:

- take recycled water in winter (via a differential price to reflect peaks and troughs in demand relative to supply capacity); and/or
- provide storage.

The Recycled Water Customer will advise the Wastewater Business on the quality of recycled water, price, and any contribution from the Recycled Water Customer to fund recycled water infrastructure (eg storage or pipeline that can benefit the Wastewater Business in supplying other Recycled Water Customers).

If the Recycled Water Customer has provided capital investment, the Wastewater Business will provide certainty of the quality, and reliability of supply of the recycled water as per the executed agreement by the Wastewater Business and Recycled Water Customer.

Where a Recycled Water Customer seeks to act as a recycled water retailer, consideration shall be given to that along with what terms and conditions that could be entertained.

It is acknowledged that there may be cases where the Recycled Water Customer seeks for an initial establishment period only, to pay a reduced price (via a rebate) for recycled water in order to trial and seek evidence of the benefit of the use of recycled water such as to the crop yield/production.

Recycled Water provided by the Wastewater Business will be priced with regard to:

- cost;
- risk relative to reward;
- Recycled Water Customer contribution to funding recycled water infrastructure (eg storage and/or pipeline that can benefit the Wastewater Business in supplying other Recycled Water Customers); and
- the market.

Wastewater Customers contribution to the funding of the recycled water service will be capped equivalent to the lowest cost disposal path for treated wastewater that will meet regulatory requirements.

Any cost that is above the lowest cost disposal path will be funded by other sources including.:

- from other levels of government;
- additional funding by Recycled Water Customers (i.e. payment for recycled water and/or including via an in-kind capital contribution);
- Council providing funding to the Wastewater Business in order to achieve social, economic and/or environmental community benefits;
- a combination of the above

7. TRAINING / EDUCATION

Relevant staff will be advised of the adoption of the Policy.

8. REVIEW

This Policy will be reviewed 12 months following adoption as it is a significantly amended Policy and thereafter:

- every three years; or
- the frequency dictated in legislation, or
- earlier in the event of changes to legislation or related Policies and Procedures or ;

if deemed necessary by the Head of Wastewater

9. ACCESS TO THE POLICY

The Policy is available for public inspection at the Customer Service Centre, at the Local Government Centre, 6 Dutton Road, Mount Barker, South Australia and on the Council's website www.mountbarker.sa.gov.au

10. FURTHER INFORMATION

For further information on this Policy, please contact:

Title: Head of Wastewater

Address: PO Box 54, Mount Barker
South Australia, SA, 5251

Telephone: 8391 7200

Email: council@mountbarker.sa.gov.au

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PREVIOUS DOCUMENT NUMBER:	Doc/15/3461		
INTERNAL GOVERNANCE:			
Author	Ros McDougall	Risk & Governance Project Officer	22 November 2021
Responsible General Manager:	Brian Clancey	Deputy CEO	January 2022
Reviewed by CEO	Andrew Stuart		19 January 2022
REVIEWED BY CGG			19 January 2022
APPROVED BY (DOCUMENT OWNER):	Council		
	OM20220307.05	7 March 2022	
APPLICABLE LEGISLATION AND RELATED DOCUMENTS:	Local Government Act 1999 Water Industry Act 2012 Wastewater Infrastructure Fees and Augmentation Charges Policy Recycled Water Non-Residential Customer Charter		
MOUNT BARKER 2035 – DISTRICT STRATEGIC PLAN REFERENCE:	ES Objective 5.1 Continue to build on Council’s reputation as a leader in wastewater management and promote water recycling and reuse.		
REVIEW CYCLE	As this is a significantly amended policy, a review will be undertaken within 12 months. Review within 12 months of new Council term It is recognised that from time to time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a State or Federal Department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council (if statutory) or the Chief Executive Officer (if administrative).		
NEXT REVIEW DATE	7 March 2023		
DOCUMENT HISTORY:			
DOCUMENT VERSION	DATE	AUTHOR (PERSON TO WHOM CHANGES ARE TO BE RECOMMENDED)	NATURE OF CHANGE
VERSION 1.0	22/11/2021	Ros McDougall	Rewrite of existing Policy - doc/15/3461

VERSION 2.0	January 2022	Brian Clancey	Legal review, SAP and CGG review
VERSION 3	17 February 2022	Brian Clancey	Audit & Risk Committee meeting feedback
DOCUMENT LOCATION:	Council website 9 March 2022 Available for inspection, downloading or printing from our website www.mountbarker.sa.gov.au		
	This Policy is available for inspection, during business hours at: Mount Barker District Council, Level 1, 6 Dutton Road, Mount Barker		