

# Recycled Water - Direction & Interim Strategy



Endorsed at the council meeting held 2 August 2021

HP 21/81631

## **Purpose of this Document**

1. To provide clear direction for further council actions to inform future investment in recycled water, in order to deliver a range of community benefits in a staged manner over a period of time.
2. To signal to key stakeholders (including the Federal and State Governments to support grant funding applications) the intentions of council in relation to continuing to pursue the productive use of recycled water.

## **Key Council Objectives**

As the owner of the wastewater/recycled water service, council's strategic objectives for recycled water are:

1. To maximise the productive use of recycled water.
2. To use recycled water to facilitate the achievement of environmental, economic and social benefits to the community.
3. To continue to provide adequate (quantity) and suitable (quality) recycled water for the Laratinga Wetlands.
4. To continue to use recycled water to irrigate council parks and reserves.
5. To minimise the disposal of recycled water from the Mount Barker wastewater treatment plant via the Mount Barker Creek.
6. To continue to ensure compliance with all regulatory requirements.
7. To seek to achieve a suitable return on investment, including through deriving revenue from the sale of recycled water to customers.

8. To complete the timely update of the EPA approved Environmental Improvement Plan (EIP) for the upgrading of the wastewater treatment plant and optimising recycled water use (refer below under Regulatory).

### **The Opportunity**

The supply capacity of council from the Mount Barker wastewater treatment plant will continue to increase commensurate with population growth.

In 2021 the supply capacity is in the order of 1.1 giga litres.

The forecast future supply capacity is as follows:

2031 - 2.0 giga litres

2041 - 2.7 giga litres

2051 - 3.5 giga litres

2061 - 4.0 giga litres

Council will also continue to engage with SA Water to seek to identify possible opportunities for collaboration/partnering for mutual benefit.

### **Direction**

To achieve the above key council objectives and maximise the recycled water supply capacity, it is proposed to investigate ultimately having supply to the following geographical areas (to include the ability to supply properties along these routes) which have been selected based on previous studies and the information available to council at this time:

1. Callington – using the existing council owned and operated recycled water main.
2. Hay Valley/Nairne – via a new recycled water main commencing at Little Dublin Road, Mount Barker.
3. Langhorne Creek – via a new recycled water main, likely commencing at Callington.
4. Mount Barker – expand the existing council network to irrigate additional Council reserves and parks.

### **Strategy**

1. Seek to partner with organisations in relation to the procurement and operation and maintenance of the required recycled water infrastructure.

2. Pro-actively seek commitment from new customers for recycled water so as to secure future revenues and underpin capital investment.
3. Consider the provision of incentives such as differential pricing to new customers during initial trial/establishment periods.
4. Offer differential pricing to new customers to reflect the benefit arising from those who contribute to capital funding and/or required recycled water infrastructure that is capable to supply other customers.
5. Seek to minimise the construction by council of additional storage capacity for recycled water such as by offering incentive to customers who provide on-site storage.
6. Have some flexibility as to the quality of recycled water being produced following treatment.
7. Stage implementation of capital investment in new recycled water assets as required, according to funding availability, supply/demand and revenue.
8. Update the council's Recycled Water Sale Policy – Non residential.

### **Funding**

1. Continue to seek Federal and State Government grants to contribute to capital funding needs.
2. Continue to seek the support of Regional Development Australia – Adelaide Hills, Kangaroo Island and Fleurieu.
3. All revenue from the sale of recycled water is to be credited to a wastewater reserve account for recycled water to be used to contribute to infrastructure investment (both new and renewal) and operating and maintenance costs.
4. The wastewater/recycled water service/business is to loan fund capital investment as and when required.
5. Seek capital funding contributions from new customers.
6. Council funds from general rates will not be used on recycled water other than where council is a customer itself and pays for the recycled water supplied.

### **Target Timing**

1. Commence implementation of the direction and interim strategy without delay.
2. **By the end of Autumn 2022 establish an endorsed (via a council meeting resolution) prioritised program with the desired funding and timing for the delivery of the various strategy elements, acknowledging that implementation is likely to be staged over a number of years.**

### **Risk and Reward**

1. Promote the beneficiary pays principle in assessing strategic partnering opportunities and the appropriate distribution of rewards/benefits and risks.
2. Undertake the required due diligence in assessing partnering and investment opportunities, including consideration of the recurrent and whole-of-life costs associated with the project.
3. Ensure that financial and other risks are identified, together with strategies to mitigate, manage and monitor these risks.

### **Regulatory**

Undertake early engagement with relevant regulatory agencies including SA Health and the EPA.

Council's commitment to the EPA to update the current Environmental Improvement Plan (EIP).

By 31 July 2021, council will provide :

1. an updated draft plan to the EPA which outlines the intent for upgrading the Mount Barker WWTP to a plant capable of Biological Nutrient Removal (a process used for nitrogen and phosphorus removal from wastewater before it is discharged into surface or ground water) to reduce the nutrient content of the treated wastewater. This plan will need to be costed and included in future financial plans to enable certainty of delivery.
2. The updated draft plan will outline the approach to developing and optimising recycled water use in areas such as Callington.

By 30 September 2021, council will review and resubmit a revised EIP to the satisfaction of the EPA.

### **Monitoring and Review**

1. Regular (half yearly) monitoring and reporting to council is to occur (within the current quarterly reporting cycle) on the implementation of the strategy and the delivery of the endorsed prioritised program (as referenced above under Target Timing).
2. The direction and strategy should be reviewed 2 years following adoption at a council meeting, or earlier if circumstances warrant.

### **Resourcing**

1. Additional resources will be required to take the lead in progressing the preparation and subsequent implementation of the recycled water strategy and engaging with key stakeholders. Options exist as to the procurement of the additional resource capacity.
2. Funding for this role would be solely derived from the wastewater/recycled water service/business.
3. As for all employee matters, if the additional resource capacity was to be secured via recruitment of an employee, this would be the responsibility of the Chief Executive Officer.