

5.5. APPLICATION FOR BUILDING OUR REGIONS FUNDING

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DEPARTMENT: CEO Unit - *Connected Communities*

RECOMMENDATION

That Council resolves to:

- 1. Support an application under the current round of the State Government 'Building Our Regions' Fund, for \$370,000 towards the Sludge Handling System upgrade Project; and**
- 2. commit to delivering the project; and**
- 3. Commit to contributing \$370,000 towards the total project cost; and**
- 4. commit to the management and costs associated with ongoing operation and maintenance of the infrastructure; and**
- 5. delegates authority to the Mayor and Chief Executive Officer in accordance with the *Local Government Act 2009* to administer this matter.**

EXECUTIVE SUMMARY

The purpose of this report is to provide a revised resolution to confirm Council's commitment to apply for \$370,000 in grant funding under the State Government's Building Our Regions program to contribute towards the delivery and project management of the Sludge Handling System at the Port Douglas Waste Water Treatment Plant.

The funding guidelines identify that Council will be required to contribute 50% of the total project cost in grant funding. With a total project cost of \$740,000 Council contribution of 50% will be \$370,000.

Council is also required to commit to the ongoing costs associated with ongoing operation and maintenance of the sludge handling system and this was not specifically included in the resolution. As a consequence the resolution is required to be amended as above.

On 28 March 2017, Council resolved to support an application under the State Governments 'Building Our Regions' Fund for \$370,000 towards the Sludge Handling System Upgrade Project.

Council has since received advice that the above detailed resolution is required to progress assessment of the application.

All other information contained in this report remains relevant as at the time of 28 March 2017 Council Meeting.

BACKGROUND

Douglas has two Wastewater Treatment Plants (WWTP), one located in Mossman and the other in Port Douglas. At these WWTPs, waste is removed from the water so it can be either safely reused or returned to the environment.

The Port Douglas WWTP treats wastewater to a Tertiary standard using Liquid Stream treatment via a Sequencing Batch Reactor. Effluent is treated with UV and discharged into Dickson's inlet or recycled and used on the two golf courses in Port Douglas, Mirage and Palmer Sea Reef.

Unlike the treated liquid effluent, the remaining sludge requires further processing before the dewatered sludge is transported to the Springmount Waste Management Facility in Mareeba, for agricultural reuse or for further composting at the Bedminster facility in Cairns. This project is about replacing the 18-year-old Belt Filter Press which has a predicted useful life of 20 years. Other ancillary pieces of equipment will be replaced at the same time so the Port Douglas WWTP can better cope in times of peak demand, and process the sludge more efficiently.

In the last 12 months, Council has replaced 20 rollers and two motors. The bearings are all nearing the end of their life and will need replacing within the year. The down time over the past twelve months has added up to 19 days. When the BFP breaks down, in times of high rainfall, it is not possible to stop the system and the sludge material must be recirculated.

Following the Councillor workshop held 16 February 2017, Council submitted an Expression of Interest for the Sludge Handling System Upgrade to the Building our Regions Round 3 Funding program on 24 February 2017. The project was short listed with a notification to proceed to the full application stage.

Douglas Shire Council will need to proceed with the upgrade regardless of whether it is successful in this round of Building Our Region's funding.

COMMENT

The upgrade of the sludge handling system at the Port Douglas Wastewater Treatment Plant will involve:

- replacement of the Belt Filter Press (BFP) system
- an upgrade to the existing filtrate pump station
- an upgrade of one 30kW digester blower
- upgrade works to the electrical switchboard
- SCADA integration works
- shed extension
- new platform and walkway installation

The upgrade will relieve strain on the plant and decrease the amount of nutrients being recirculated, and the power saving is estimated at 800-1000 Kw per year.

Staff costs will be reduced with the SCADA integration which will automate aspects which are currently manually operated. For example, the system needs to be turned on each morning, and polymer needs to be added manually. With the upgrade, the system can be set to come on automatically, and polymer will be added automatically. This means the system can be set to come on earlier, spreading operating times to reduce loads during peak times.

With an increase in visitor numbers in 2016, the Port Douglas WWTP experienced the most concentrated flows since construction of the Plant was completed in 2000.

The new BFP unit will be made of 316 stainless steel rather than painted galvanized steel to give it greater durability in the marine environment. The BFP will also have a belt width of 2 metres which is an increase of 14% over the current unit. This will provide increased dewatering capacity for future as well as the option of operating at lower feed rate with enhanced dewatering.

PROPOSAL

Projects that are eligible under Building our Regions Round 3 include Capital works projects that involve the construction of new infrastructure, or the upgrade or replacement of existing infrastructure.

There are a number of infrastructure type categories identified in the guidelines that the project must match. Water/Sewerage/Waste Infrastructure is the best fit for the Sludge Handling System Upgrade.

To proceed with the funding application, Council's commitment to apply for \$370,000 in grant funding under the State Government's Building Our Regions program to contribute towards the delivery and project management of the Sludge Handling System at the Port Douglas Waste Water Treatment Plant is required.

The funding guidelines identify that Council will be required to contribute 50% of the total project cost in grant funding. With a total project cost of \$740,000 Council contribution of 50% will be \$370,000.

FINANCIAL/RESOURCE IMPLICATIONS

If selected as one of the projects to be funded, Council will need to have resolved to enter into an agreement with the State Government to deliver the project. It is estimated that Council's contribution will be 50% (\$370,000) of the overall project costs of \$740,000.

RISK MANAGEMENT IMPLICATIONS

Council completed an options report in February 2017, identifying the alternative sludge handling options. With the BFP nearing its end of life and multiple breakages, the risk of breaching environmental licence has increased significantly.

SUSTAINABILITY IMPLICATIONS

Economic: With an increase in visitor numbers in Port Douglas, there is significant reliance upon the continued operation of the Sludge Handling System.

Environmental: Renewal of the existing infrastructure significantly decreases the possibility of a breach of the environmental licence.

Social: A full operational Waste Water Treatment Plant is a basic requirement of the community.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 5 - Governance

5.1.1 - Establish and develop long term financial, resource and infrastructure planning to ensure ongoing capacity to fund operations and capital works programs.

5.1.3 - Monitor and regularly review procurement practices to ensure legislative compliance and “value for money”.

COUNCIL’S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council’s involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Asset-Owner Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

CONSULTATION

Internal: Information regarding the proposed funding application was presented to Councillors at the Councillors' workshop held on Wednesday 22 February 2016.

External: Nil

ATTACHMENTS

Nil