

5.8. COMMERCIAL WATER USAGE CHARGE FOR UNTREATED WATER SUPPLY

REPORT AUTHOR Lara Balzarolo, Technical Support Officer Water & Wastewater

MANAGER Peter Tonkes, Manager Water and Wastewater

DEPARTMENT Water and Wastewater

RECOMMENDATION

That Council adopts the commercial untreated water usage charge for businesses that utilise untreated water supply within Douglas Shire.

EXECUTIVE SUMMARY

Douglas Shire Council supplies untreated water to a number of domestic residents within the shire. In the ordinary council meeting dated 28 May 2019, council adopted the untreated water usage charge of \$1.20 p/kL for domestic water users within the shire. However, a commercial untreated water usage charge has not been implemented, as there were no commercial operators utilising untreated water within the shire. In anticipation that a commercial demand for untreated water may eventuate and for completeness, a new commercial water usage charge is proposed.

The costs to operate an untreated water scheme is lower compared to the costs to operate a treated water scheme. Untreated water schemes require less infrastructure, no chemicals, less operator hours and a less frequent testing routine.

BACKGROUND

Douglas Shire Council Water and Wastewater Department source raw untreated water for treatment for the Mossman/Port Douglas, Whyanbeel and Daintree schemes and directly to the De Meio scheme.

Douglas Shire Council has separated the water usage charge between treated and untreated water supplies, however only for domestic users. It is now recognised there may be a requirement for commercial supply of untreated water.

COMMENT

The raw untreated water reticulation network does not have storage or buffer capacity as is found in the treated water reticulation network through the use of reservoirs. As a result, the untreated water supply is more prone to interruptions and restrictions to ensure that council water treatment plants are not deprived of inflow. To manage this, access for a commercial operator to the untreated water supply must be scrutinised and a separate commercial untreated water supply agreement shall be developed for each applicant.

Anticipated charge for the commercial untreated water use price is approximately 20% less than the commercial treated water usage price. Annual water access charge is anticipated to remain the same for both treated water users and untreated water users.

Table 1 below indicates the proposed amended charges for treated and untreated water and the annual water access charge for the financial year 20/21.

Table 1.

Charge	Cost (FY 2020-2021)	Unit
Domestic Treated Water Usage Charge	1.52	\$/kl
Commercial Treated Water Usage Charge	1.63	\$/kl
Domestic Untreated Water Usage Charge	1.23	\$/kl
Commercial Untreated Water Usage Charge	1.32	\$/kl
Water Access Charge	342.72	\$/per year

PROPOSAL

That Council adopts the new commercial untreated water usage charge within the Douglas Shire as indicated in Table 1. The Water and Wastewater Department will implement a commercial untreated water supply agreement with all commercial applicants for untreated water in line with the newly adopted charges.

FINANCIAL/RESOURCE IMPLICATIONS

The costs to operate an untreated water scheme are lower compared to the operations of treated water scheme. Untreated water schemes require less infrastructure, no chemicals and a less frequent testing routine. Developing separate commercial untreated water supply agreements between Council and the applicant is the only departure from existing commercial arrangements for treated water supply.

There are other councils within Far North Queensland such as the Mareeba Shire Council that charge domestic and commercial untreated water services at a lower usage charge than treated water.

RISK MANAGEMENT IMPLICATIONS

Under the Water Supply (Safety and Reliability) Act 2008 and the Australian Drinking Water Guidelines if water does not meet the standards for the purposes of drinking, ice making and food preparation then the water must be boiled if it is to be consumed. The commercial untreated water use agreement with the applicant shall state the applicant's obligations to treat the untreated water to the standards outlined in the Water Supply (Safety and Reliability) Act 2008 and the Australian Drinking Water Guidelines if the untreated water is intended for the purposes of drinking, ice making and food preparation.

SUSTAINABILITY IMPLICATIONS

- Economic:** Nil
- Environmental:** Douglas Shire Council community requires a greater need for water resilience, security and we need to encourage our community to be water wise users of potable water for environmental sustainability.
- Social:** The new commercial untreated water usage charge within Douglas Shire Council promotes fairness for all paying commercial water consumption users.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 3 - Leading Environmental Stewardship

Our visitors and residents deeply value the unparalleled environment in which we live. We recognise our responsibility in protecting and preserving our natural world for generations to come. We understand the strong link between the environment and the economy: they are interdependent. Douglas Shire will be at the forefront of environmental protection by developing strategies, setting policies, and working with all stakeholders to become the envy of and to inspire locations across Australia and the World.

Goal 3 - We will continue to build water infrastructure so that the Douglas Shire may enjoy water security and water quality.

Operational Plan 2015-2016 Actions:

- 3.3.1 - Continue upgrades to sewer network.**
- 3.3.2 - Implement smart meters for water trial.**
- 3.3.3 - Complete improvements to the Daintree water intake.**

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:

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| Builder/Owner | Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management. |
| Information Provider | Council provides the community with important information on services, events, policies, rules, strategies, and any other relevant data that helps the community to stay informed. In performing this role, Council seeks to be open and transparent. |

Regulator

Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.

CONSULTATION

Internal: Consultation has been undertaken internally with Water & Wastewater and Environmental and Planning.

External: Nil

COMMUNITY ENGAGEMENT

On completion of Council adopting the new commercial untreated water usage charge as indicated in table 1, the new charge will be published in the Douglas Shire Council financial year 2020/2021 fees and charges schedule.

ATTACHMENTS

Nil