

8.2 Cooper Close, Lennox Head - Low Pressure Sewer System

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Delivery Program Environmental and Public Health

Objective To rectify defective on-site sewage management systems in Cooper Close by connecting all properties into Council's reticulated sewerage system to reduce the risk to public and environmental health.

Background

In March 2013, the owners of 12 Cooper Close Lennox Head requested that Council's On-Site Sewage Management (OSSM) Officer inspect their rental property in regard to concerns raised by tenants with the existing septic systems.

The OSSM Officer inspected the two septic systems at 12 Cooper Close Lennox Head, which revealed that both systems were failing and consequently a "Notice of Proposed Order" was issued to the owners to rectify (which has elevated to "Order" status).

Discussions were held with the owners and internally with Council Officers in regard to the possibility of connecting to Council's sewerage system. This would be an alternative solution to resolve the defective OSSM systems at 12 Cooper Close Lennox Head.

Council's Water and Wastewater Section confirmed that the nearby Council sewerage pump station at Figtree Hill Drive Lennox Head was the closest Council sewerage connection point and it was feasible to connect into this infrastructure.

Council's Water and Wastewater Section have also confirmed that it is not desirable to connect only one property to the sewerage pump station for practicality and financial reasons. If the alternative solution of connecting into Council's sewerage system is to eventuate then all Cooper Close properties (including 516 Ross Lane) would need to be connected. The Council sewerage pump station has the capacity to take the increase in wastewater generated from all Cooper Close properties.

There are environmental and health concerns in regard to the continued operation of on-site sewage management systems in the environmentally sensitive locality in Cooper Close due to the current poor operation of existing OSSM systems, small lot sizes (some properties 2,000-3,000sq/m in area), site constraints and the unsuitability of local soil landscapes.

A solution is needed to rectify the defective OSSM systems in Cooper Close and to minimise the risk to public and environmental health. The preferred solution is to connect the subject properties into Council's reticulated sewerage system via the installation of a Low Pressure Sewer System.

The legal enforcement process of rectifying the defective OSSM systems at 12 Cooper Close Lennox Head have been placed on hold while the option to connect to Council's sewerage system is determined.

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Key Issues

- Public and Environmental Health Risk
- Timeframe to complete works
- Social equity

Information

There are essentially two Council policies that are relevant to this report being the "Pressure Sewer Policy" and the "Backlog Sewer Program Policy". Both of these policies are attached for reference purposes.

The *Pressure Sewer Policy* states that "Council will not, as a general rule, extend the reticulated sewer system.....The only exceptions to this will be....[for] reasons such as public health", and that where allowed, property owner/s will meet the costs of the extension as well as the "on property" costs and any connection fees (including Section 64 Sewer Charges).

Based on this policy, the owners have been advised that if the project proceeds they will be required to pay 100% of installation costs to connect into Council's sewerage system plus Section 64 Sewer Charges under the Local Government Act 1993 (i.e. infrastructure, increase in wastewater treatment and maintenance).

Currently, of the seven property owners affected, there are four willing to connect, two are interested but wish to see more detail about the costs and repayment plan and one that does not wish to connect but will review information provided if the project proceeds. The significant costs and charges are a concern raised by all owners and is a major factor in why there is not entire property owner support.

The *Pressure Sewer Policy* also refers to Council's *Backlog Sewer Program Policy* and states that "Council may elect to connect unsewered areas to its sewerage schemes, using pressure sewer systems, as part of its backlog sewer program. At present this is limited to approximately 130 properties in six distinct precincts."

The *Backlog Sewer Program Policy*, which was adopted by Council for the provision of sewer to specifically identified areas, only requires residential property owners to repay 20% of the cost of connection and includes a staged payment process over five years. Funding of the remaining 80% and the upfront cost of the installation is through Council's wastewater fund. Commercial properties were required to pay 100% under this policy.

The majority of works under the Backlog Sewer Program have been completed and the Cooper Close locality was not part of the program.

The situation at Cooper Close potentially fits the criteria for the Backlog Sewer Program to "connect unsewered areas, located on the fringe of Council's existing sewer area....to address significant environmental and health concerns regarding the continued operation of on-site sewage treatment systems in areas which are environmentally sensitive."

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The Backlog Sewer Program was well defined at the time and, if a precedent was set to include Cooper Close now, Council may be potentially exposed to ongoing costs due to incremental expansion of the program in the future.

The Backlog Sewer Program came about because the cost of connection to the sewerage system is significant; to the point of being prohibitive for many property owners.

In considering this issue other points of note are:

- Unsewered properties do not avoid significant costs. In unsewered areas it is the responsibility of the property owner for appropriate on-site sewage management; including servicing, maintenance and replacement costs – which can be significant. For example the cost to the property owner to fix the failed OSSM at 12 Cooper Close is likely to be similar to the cost to connect to Council's sewerage system.
- There are significant benefits to property owners when connecting to the sewerage system. For example, through a positive impact on the property's price, better use of land currently used for OSSM, and transfer of responsibilities for sewage treatment to Council.

There are also a number of other periphery issues that may require consideration:

- The policies are silent on whether applicants must pay application and inspection fees which could range from a few hundred dollars to a few thousand dollars for each property owner. Historically, it appears new pressure sewer connections have paid application and inspection fees; however they have not been charged under the Backlog Sewer Program.
- The property at 43 Cooper Close has a dwelling and plumbed shed built on the land. The two buildings are separated by a distance of approximately 100m such that installation of 2 x E1 pumpwell units will be required plus considerable additional pipework. This differs from the 1 x E1 pumpwell unit required for all other properties in Cooper Close. Historically the individual owner has paid for the extra unit under the Backlog Sewer Program however this could influence whether or not 43 Cooper Close ultimately wants to connect into Council's reticulated sewerage system.
- The Jehovah's Witnesses Congregation (JWC) own one of the Cooper Close properties, and Council agreed to waive fees according to the *Donations – Rates and Charges Policy* on another JWC property in an earlier Backlog Sewer Program Project. JWC could apply for a further waiver for the Cooper Close property under the same policy.

Sustainability Considerations

- **Environment**
The subject land contains a soil profile that requires a higher level of treatment for sewage waste to ensure no adverse environmental and public health impacts. The land is low lying and floods (ponding of water) during high rainfall.

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- **Social**
Improve amenity of the area by connecting individual properties to the more efficient and effective reticulated sewerage system.
- **Economic**
Economic impacts are associated with the connection to the reticulated sewerage system through Council providing the funding upfront and then recovering costs from each property owner. Property owners will have to fund the connection 100% and will have economic impacts on their finances. If not connected to the reticulated system then resource implications continue for the Council through the OSSM Program and for individual property owners for operational and maintenance costs of on-site systems including rectification costs for systems that don't comply with legislative requirements and environmental and public health standards.

Legal / Resource / Financial Implications

The Council will need to allocate a significant amount of time to finalise the installation of the Low Pressure Sewer System and to resolve the matter i.e. applications, inspections, correspondence, construction costs, etc.

Statistics indicate that approximately 50%-60% of OSSM systems inspected have failed or don't comply due to defects. The OSSM non-compliance process consumes considerable resources as regulatory actions are undertaken to ensure that defective OSSM systems are rectified within appropriate timeframes to ensure the environmental, health and amenity objectives are satisfied.

The connection of these seven properties would assist in the overall on-going workload of the OSSM resources, given that each defective system takes a substantial amount of time and attention to rectify.

It is not envisaged that other Council Officers or resources will be involved in the Low Pressure Sewer System installation works other than for consultation, communication and inspectoral functions.

Home owners need to weigh up the maintenance, servicing, and power consumption (for some systems) costs with their existing OSSM system compared to payment to Council for sewerage rates and the cost of making a contribution towards the Low Pressure Sewer scheme costs.

Council has to consider whether the costs of providing an upfront scheme is justified by the public and environmental health benefits and would align with the Council's policies and the Community Strategic Plan objectives.

Quotes received suggest the total cost to connect the seven properties to the sewerage system would be approximately \$160,000 (incl GST), but this includes the cost of re-plumbing and decommissioning within the boundary of each property – which are usually arranged and fully paid for by the property owners.

Therefore the actual Council upfront costs are estimated at approximately \$140,000 (incl GST); and the funding arrangements and any subsidy on this

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amount would need to be determined by Council if it proceeds to implement a scheme.

If Council were to fund the upfront installation costs for the Low Pressure Sewer System, these would need to be funded out of the Wastewater Fund. The \$140,000 required has not been forecast and would require funds to be transferred from Council's Wastewater Reserve. There are adequate funds in the reserve to manage this expenditure without amending the priorities for other works.

Council would also then receive the annual wastewater charge from these properties, albeit that we would also be incurring additional operating costs in the wastewater business.

Consultation

Extensive consultation has occurred with the seven property owners, plumbers, a wastewater consultant and Council Officers.

Options

There are a range of options available to Council.

1. That Council not connect the subject properties in Cooper Close into Council's reticulated sewerage system and have each owner upgrade their on-site sewage system as required and when needed. This is an equitable solution, but one which would not realise the health and environmental benefits of connection.
2. That Council apply the existing Pressure Sewer Policy whereby owners will be required to pay 100% of installation costs to connect into Council's sewerage system plus headworks charges. On the one hand this is equitable in that all property owners in the Shire pay for connection and headworks charges; and the majority of Cooper Close property owners are supportive. On the other there are earlier programs including the Backlog Sewer Program whereby owners only paid 20% of connection costs and headworks charges.
3. That Council apply the conditions of the Backlog Sewer Program Policy to properties in Cooper Close and recover 20% of scheme costs and headworks charges via the same repayment plan method as detailed in the Backlog Sewer Program Policy. The Backlog Sewer Program was well defined in terms of scope and budget. Setting a precedent for incremental expansion may potentially expose Council to significant undefined costs into the future.
4. That prior to making any decision Council carry out an extensive review of the Backlog Sewer Program Policy to determine if there are now any appropriate new areas for inclusion in this policy and whether or not Cooper Close would set a precedent. This would delay fixing the current situation in Cooper Close and is currently not the Council's focus.

In identifying the preferred option the Backlog Sewer Program was a specific project identified by Council at that time to sewer high risk areas. That

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program reviewed all localities in the Shire and Cooper Close was not identified as a priority.

Cooper Close has now been identified as a priority area from an OSSM inspection process and on balance the preferred option is option two – owners are responsible for 100% of the upgrade costs in accordance with Council's Pressure Sewer Policy.

Numerous other properties (i.e. new houses etc) are paying for connection to Council's sewer system and overall there is not considered to be sufficient justification for Council to provide the 80% subsidy as per the Backlog Sewer Program Policy.

Certainly there are environmental and public health benefits to be gained from this process and to encourage connection Council could provide financing for the works by allowing the owners to pay the cost of the connection off over, for example, five years. This charge would be raised as a debt against the property to guarantee that the amount would be paid to Council.

Council could also provide this funding with a nil interest cost, due to the environmental and public health benefits and also recognising that the properties will now pay annual wastewater charges.

The Backlog Sewer Program Policy recipients were also not charged interest, albeit that any owner who falls behind in their rates and charges payments, is then charged at the standard overdue rate (currently 8.5%).

The recommendation that follows supports this approach, with Councillors also being open to consider the 80% subsidy as occurred with the Backlog Sewer Program, if the merits of connecting these properties to the sewer system are considered sufficient to justify that subsidy.

RECOMMENDATIONS

1. That based on the contents of this report, Council supports the installation of a Low Pressure Sewer System to connect properties in Cooper Close, Lennox Head to Council's reticulated sewerage system in accordance with Council's Pressure Sewer Policy.
2. The provision of this Lower Pressure System is only to proceed subject to Council reaching agreement with all seven property owners benefiting from the system and signing an agreement with Council based on the following minimum terms and conditions:
 - a) Council providing upfront funding for the cost of installation of the sewerage system up to and including the pump well on each property and recovering 100% of those costs from each property owner over a five year timeframe (estimated cost is \$140,000 including GST)
 - b) Council will not charge interest on the five year instalments, subject to the repayments being made in accordance with the terms of the agreement
 - c) Any late repayments will be charged Council's overdue rates and

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charges interest rate

- d) Council approving the waiver of application and inspection fees for the subject connections
 - e) The debt is to be shown on the subject property to guarantee the collection of the debt as per Council's standard rates and charges recovery procedures.
3. That Council authorises the allocation of funding from the Wastewater Fund reserves to finance these works, if they proceed.

Attachment(s)

- 1. Pressure Sewer Policy
- 2. Backlog Sewer Program Policy