



Recycled Water Bulk Water Users Pricing

Consultation Session 17 November 2016



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Recycled Water Bulk Water Users Pricing

Consultation Session

- What are Council's Recycled Water Schemes?
- Why Price Recycled Water?
- Progress to Date of Pricing
- Price Options
- Staff Preferred
- Discussion Pricing
- Discussion Other



What are Council's Recycled Water Schemes?

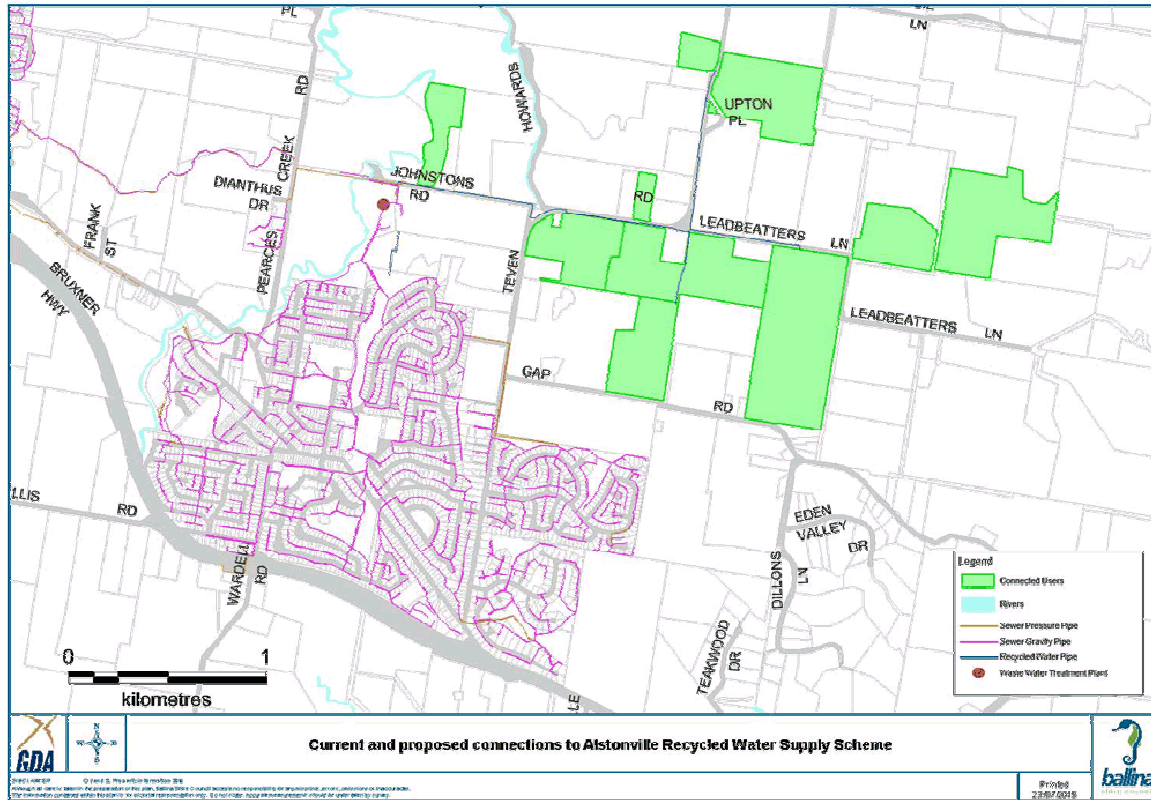
- **Wardell WWTP**
 - 2 Users, direct from WWTP
- **Alstonville WWTP**
 - ~12 Users, Supplied from a Reservoir (Gap Road)
- **Ballina WWTP**
 - >500 Residential connections (not yet active)
 - ~20 Non-residential Connections
- **Lennox WWTP**
 - ~200 residential connections
 - 3 Non-Residential Connections

11.2 Recycled Water - Pricing for Large Non-Domestic Users.DOC



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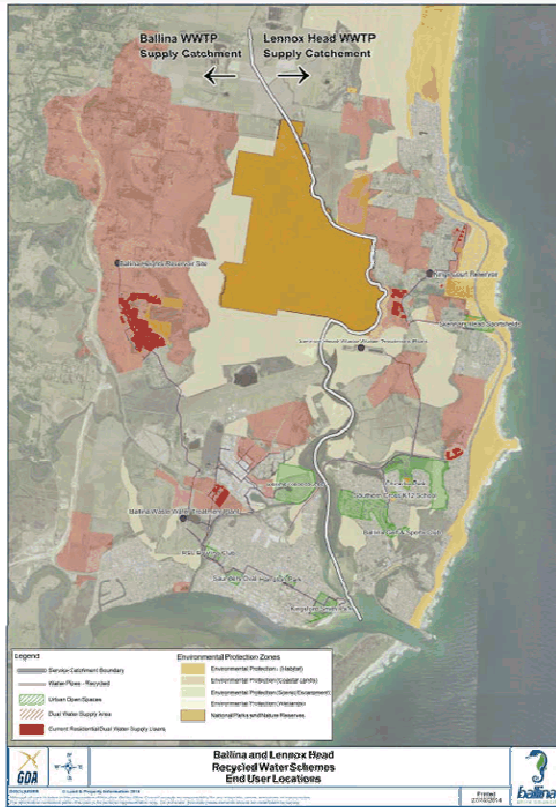
11.2 Recycled Water - Pricing for Large Non-Domestic Users.DOC



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11.2 Recycled Water - Pricing for Large Non-Domestic Users.DOC



Lennox WWTP



Ballina WWTP

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Why price recycled water

- **Capital Investment**
- **Depreciation**
- **Running Costs**



Capital Investment

Replacement Cost					
	Wardell	Alstonville	Ballina	Lennox	TOTAL
Recycled Reticulation	\$ -	\$ -	\$ 3,104,393	\$ 5,110,800	\$ 8,215,192
Recycled Reservoirs	\$ -	\$ -	\$ 3,187,165	\$ 647,296	\$ 3,834,461
Recycled Pump Stations	\$ -	\$ -	\$ 1,522,500	\$ 1,370,250	\$ 2,892,750
Recycled Treatment	\$ 559,416	\$ 857,142	\$ 25,464,799	\$ 11,675,589	\$ 38,556,946
	\$ 559,416	\$ 857,142	\$ 33,278,857	\$ 18,803,934	\$ 53,499,349



Depreciation

Annual Depreciation						
	Wardell	Alstonville	Ballina	Lennox		TOTAL
Recycled Reticulation	\$ -	\$ -	\$ 37,184	\$ 58,517		\$ 95,701
Recycled Reservoirs	\$ -	\$ -	\$ 32,374	\$ 6,979		\$ 39,353
Recycled Pump Stations	\$ -	\$ -	\$ 28,261	\$ 25,688		\$ 53,949
Recycled Treatment	\$ 9,505	\$ 13,173	\$ 442,227	\$ 152,955		\$ 617,860
	\$ 9,505	\$ 13,173	\$ 540,047	\$ 244,138		\$ 806,863



Operating Costs - Current

Operating Costs						
	Wardell	Alstonville	Ballina	Lennox		TOTAL
Electrical	\$ 23,589	\$ 80,726	\$ 310,274	\$ 232,503		\$ 647,092
Chemicals	\$ 280	\$ 7,278	\$ 33,901	\$ 34,696		\$ 76,155
Testing	\$ 16,163	\$ 35,352	\$ 115,716	\$ 54,932		\$ 222,163
Other...	\$ 19,916	\$ 79,087	\$ 79,815	\$ 134,372		\$ 313,190
	\$ 59,948	\$ 202,443	\$ 539,706	\$ 456,503		\$ 1,258,600

Estimates only



Summary - Current

Cost / kL						
	Wardell	Alstonville	Ballina	Lennox		TOTAL
Total Costs (Deprecitation + Running)	\$ 69,453	\$ 215,616	\$ 1,079,753	\$ 700,641		\$ 2,065,462.54
Recycled Water Target DWF	50%	50%	10%	20%		23%
Dry Weather Flow (kL)	400	1,500	3,000	4,200		9,100
Resuse Target Volume (ML/a)	73	274	110	307		763
	\$ 0.95	\$ 0.79	\$ 9.86	\$ 2.29		\$ 2.71

Estimates only



Summary – Future?

Cost / kL						
	Wardell	Alstonville	Ballina	Lennox		TOTAL
Total Costs (Deprecitation + Running)	\$ 69,453	\$ 215,616	\$ 4,860,082.39	\$ 1,433,054.30		\$ 6,578,205.36
Recycled Water Target DWF	80%	80%	80%	80%		80%
Dry Weather Flow (kL)	400	1,500	3,000	4,200		9,100
Resuse Target Volume (ML/a)	117	438	876	1,226		2,657
	\$ 0.59	\$ 0.49	\$ 5.55	\$ 1.17		\$ 2.48

Estimates only



Desired Outcomes

- Support the ongoing achievement of Council's RW targets
- Preferential Supply
- Dis-Incentivise Wastage

Price Options

- Fully Variable
- Fully Fixed
- Part Fixed / Part Variable



Proposal

- Reference point of ~ 20 c / kL or 10% of Drinking Water

Drinking Water	\$ 2.14			
Water Usage (in Year)	<1 ML/a	1 - 5 ML/a	5 - 25 ML/a	>25 ML/a
Rate as % of Drinking Water	0%	15%	12%	10%
Variable Rate \$/kL	\$ -	\$ 0.321	\$ 0.257	\$ 0.214
Fixed Charge	\$ 321	\$ 321	\$ 321	\$ 321
Price Range	\$321	From \$321 To \$1605	From \$1605 To \$6741	From \$6741





Discussion

- First impressions
- Phase in
- User Agreements
- Other questions
 - Quality / Security?



Process

- Two weeks to write in prior to Council Report
- Council Report (Dec/Jan)
- Fee will apply from July 2017