10.2 Rural Customer Water Fill Station - Introductory Period Review

REPORT BY THE PROJECT OFFICER, WATER AND SEWER AND MANAGER WATER AND SEWER
TO 19 OCTOBER 2022 ORDINARY MEETING
GOV400098, WAT500087

RECOMMENDATION

That Council:

1. **receive the report by the Project Officer, Water and Sewer and Manager Water and Sewer on the Rural Customer Water Fill Station - Introductory Period Review;**

2. **add the new $3.42 per KL fee to Rural Water Filling Stations for all users (registered and nomads);**

3. **place new fee on public exhibition for 28 days; and**

4. **endorse commencement of the new fee from 1 January 2023 following the 28 days public exhibition period if no submissions are received.**

Executive summary

A report was presented to Council at 16 June 2021 meeting regarding the upgrade of Rural Customer Water Filling Stations in Mudgee, Gulgong and Rylstone. In that report it was proposed to implement an introductory period to allow staff to gather information about the operating requirements to sustain the operation of the upgraded water filling stations.

The following report includes a review of customer feedback, staff resourcing, water usage and operational review since its implementation. This reports highlights the costs to Council to supply the potable water, and recommends introduction of the per KL fee used for residential customers on town water supply.

Disclosure of Interest

Nil

Detailed report

A grant received from the Federal Government under the Drought Communities programme allowed for the upgrade of the Rural Customer Water Fill Stations in the region. New filling stations were installed in Gulgong, Mudgee and Rylstone. The stations provide faster flow rates and quicker filling times for users, and allow Council to monitor usage, which was not possible previously. The upgraded fill points have been operational since October 2021 and have been utilised so far by 134 of the 839 registrants. Registration is only open to customers with a rural address and no connection to town water supply.

Since the commissioning of the filling stations, the region has received higher than average rainfall, and the below usage statistics are not indicative of expected use in a drought situation. The usage terms stipulate that use is for emergency potable water, extracting a maximum of 1000L in one visit.

The statistics indicate that the fill stations are likely not being utilised for their intended purpose, with 7% of users taking more than the allowance per visit. The highest user has extracted 134KL since

their commissioning, which would indicate it is unlikely to be for emergency use and being used for general water supply.

Usage since October 2021

Number of customers to use	134
Number of customers registered	839
Total number of collections	1208
Total KL extracted	1180.82
Value of water not charged ($3.42 per KL)	$4,038.40
% of users taking more than 1KL per visit	7% accounting for 19% of the volume extracted
Average duration of transaction	4 min 37 seconds

Summary of Operational Issues

Power Supply

During the design phase, solar panel and battery was the chosen power source for each filling standpipe. Problems have arisen from insufficient battery power, primarily due to continued overcast days in the cooler months. The Gulgong standpipe is a dual controller, and has had the most voltage alarms from insufficient battery. There have been a handful of times where insufficient battery has coincided with a user trying to extract at the standpipe. These instances have been remedied by manually charging the batteries.

Swipe Cards

The system has the ability to be operated through an App or from a swipe card. It was anticipated that a majority of users would choose the app, however the uptake of cards was higher than expected. The swipe cards have been offered to rural customers at no charge, but the cost to Council $15ext GST per card, plus any processing time by Customer Service Staff. Since commissioning the fill points, Council has spent $4500 ex GST on swipe cards, and there is currently no penalty for lost or damaged cards.

There won't be the need to process this high volume of cards every year, but it is anticipated that at least 100 new cards would need to be generated, which is an annual cost of $1500 ex GST.

Operational costs incurred for investigation or maintenance

When a customer completes a registration online or hard copy the registration requires processing by Customer Service. This process takes approximately 10 minutes per application. This has accounted for at least 100 hours of Customer Service staff, including initial training of registration procedures and standpipe operation.

Water and Sewer staff have had to attend to the fill stations at times, usually to address a no flow alarm, often linked to battery levels. This has accounted for approximately 50 hours of electrician team time since commissioning. Water and sewer operators at times, have been required to attend the fill points, where no flow is recorded when a customer goes to use them. This has accounted for about 50 hours of WS Operator time since commissioning.

Estimate of Annual Operating Costs

Position/Purpose	**Cost estimate annually (incl. on-costs)**
Electrical Team	$5,000
WS Operators	$5,000
Customer Service registration	$3,000
	$13,000

Life of asset estimation and cost to replace parts

Asset renewals are required every 5 years for key components of the standpipes.

Estimate of Asset Renewal – 5 yearly

Item	Renewal Cost
Labour incl. on costs	$3,000
Parts	$16,104
	$19,104

Consideration of Nomad (Tourist) potable water
The Council acknowledges the contribution of the tourism industry to the local economy. Part of being a tourist friendly location is providing safe potable water for travellers, including motor homes and caravans using our region during their travels. While there are safe places for nomadic tourists to source potable water, these are generally connected to a caravan park, or in less conspicuous places.

The Water Filling stations have the ability to allow casual users to access potable water via their smart phone, and therefore offering water to these users is an option for Council. There is risk that offering free potable water for casual users would open us to the chance of misuse, so the recommendation in this report is to keep the fee at the domestic use, so if non rural customers use the fill point they will pay the same fee as if using their own residential supply.

For a nomadic traveller, it is unlikely they would collect more than 300L ($1) per visit.

Introduction of Water Usage Fee
The above discussion highlights the operational cost to provide water for rural customers. Based on these figures the current usage would not cover the operational costs. This report recommends introducing the Potable Water Usage – Residential Fee for all water taken at these fill points.

Introducing a fee would mean that Council has an opportunity to mitigate these costs. Using this functionality, would mean the fill stations are less likely to be misused, and allow for both rural customers and travelling tourist's access to safe potable water.

It should be noted that Council has the facility to be able to easily and quickly switch off any fee requirement at times of emergency or extreme drought as needed.

The fee allows Council to be sure that the service is being used for its intended purpose, and provides more water security to all users in the region.

Community Plan implications

Theme	Protecting Our Natural Environment
Goal	Provide total water cycle management
Strategy	Provide a water and sewer network that balances asset conditions with available resources and community needs

Strategic implications

Council Strategies
Water Supply Systems Asset Management Plan
Strategic Business Plan for Water Supply Services

Council Policies
Drinking Water Quality Policy - to provide a commitment to the sustainable management and supply of safe drinking water to our community

Legislation
The Water Management Act 2000 recognises the need to allocate and provide water for the environmental health of our rivers and groundwater systems.

Requirements to ensure safe drinking water are legislated under the Public Health Act 2010 (NSW) and Public Health Regulation 2012 (NSW)

Financial implications

The operation of the water fill stations is funded by Water Fund – Operational

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2022/23	✓	✓	-
Future Years	✓	✓	-

Associated Risks

Nil

GEMMA WILKINS
PROJECT OFFICER, WATER AND SEWER

JULIAN GEDDES
DIRECTOR OPERATIONS

2 September 2022

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER