



## **THE BAROSSA COUNCIL**

### **STEDS Management**

The Barossa Council is similar to many other councils which operate STED schemes.

About four years ago Council initiated an action plan to address the issues of increasing development and ageing infrastructure.

Council established a STEDS committee, made up of elected members, Directors and the Chief Executive Officer, and a STEDS Operations Committee, which involves key staff.

Issues discussed at these committees include proposed development applications, reoccurring STEDS operations, and capital improvement projects.

To progress to where we are today, Council initially addressed the STEDS issues which required a detailed investigation of current infrastructure and its deficiencies. Studies were undertaken and consultants engaged to look at our overall STED systems in each township. These studies identified the pump station upgrades which were required along with budget estimates, with a schedule of works established based on priorities to minimise Council's risk of environmental spills.

Following this study, consultants were engaged to investigate lagoon capacities and provide recommended staged improvements. This information was collated and included in Council's Infrastructure Plan for consideration of funds allocation.

This approach gave us the ability to look accurately at the funds that were required to meet development demand and the replacement of ageing infrastructure in a scheduled program of works.

Contingency storage at pump stations was the first priority. This was an obvious choice. A power failure at the Tanunda pump station meant that staff had only two minutes to stop effluent discharging into the adjacent North Para River.

The first priority was the upgrading of control panels at those high risk pump stations with minimal storage capacity. In addition, alarms at each pump station can be quickly monitored because they are now linked to a Web page.

Power generators, both portable and fixed, were included in the budget.

Rising and gravity mains were assessed. Upsizing of lines and replacement of lines based on condition assessments were programmed. We needed to get away from a reactive response to addressing the STEDS operations. Environment spills were not acceptable.

With a number of these issues now being addressed, Council's focus is on critical storage at the lagoons.

Now we can breathe a little easier - when the system at the Tanunda pump station detects a power failure this diesel engine automatically starts and provides power for the pumps to transfer effluent to the contingency storage tanks.

Two transportable power generators are strategically located. They can be set up at various pump station locations as required and in a timely manner.

Contingency storage has been built at a number of pumping stations to provide between one to four hours of emergency storage capacity.

The lagoon study confirmed that the critical storage capacities at the Tanunda and Nuriootpa lagoons (the two largest town systems) needed to be given the highest priority. Collectively, these systems service around 4,500 property connections with a current inflow of 1.5 megalitres per day.

An additional storage lagoon, of 70 megalitres capacity, is currently being constructed at Tanunda.

The new Nuriootpa Waste Treatment Plant is also under construction. Nuriootpa has a current population of 4,800. This modular treatment plant, being constructed by Triwater, will cater for a population of 7,000.

How are these improvements funded?

Council has been making provision for future replacement and upgrading of STEDS infrastructure by allocating funds to a STEDS Reserve over the past ten (10) years.

Council has expended \$4 million on STEDS capital improvements over the last 5 years. The STEDS Reserve balance at 30/06/05 is \$ 3.7 million.

For new STED schemes, such as the one at Springton, the users pay a Service Charge for the capital component as well as a Service Rate for maintenance and provision for replacement. Both are allocated to a STEDS Reserve Fund. A common Service Rate is applicable to all STEDS occupied properties in the Barossa area. A Service Charge is applicable to vacant land which has access to a STED scheme. The income from rates and charges has increased by 18% in 2005/2006, compared to the previous year's income.

Council will be undertaking STEDS capital works of \$10 million over the next five (5) years.

As there will not be sufficient funds accumulated in Council's STEDS Reserve, Council will need to take out a Cash Advance Loan from the LGFA of up to \$4 million which will be repaid by 2009/2010. All financing costs will be funded from the STEDS Reserve.

It is expected that from 2010/2011, ongoing STEDS upgrades will be able to be funded from accumulated STEDS Reserve Funds.

In addition to the rates and charges income from connected residential properties last financial year, Council received \$0.7m from developer contributions based on \$3,000 for each new allotment created.

This financial year, the new created allotment fee to developers is \$4,000.

However, further to the additional developer contributions that are provided, this slide indicates that over the last five years Council has taken ownership (been given) \$2.3 million value of new STEDS assets which includes 26 kms of STEDS drain and a pump station, at no cost to Council.

It is important to appreciate the moment a new asset is created it is then being consumed, and funds are needed towards operation and maintenance expenditure and replacement cost. With a maintenance cost of \$27,000 per annum, we need to factor this cost over the life of the new asset, including demolition costs. In this example, demolition is 10% of the capital cost - \$231,000. To annualise all expenses, demolition and annual service cost is \$77,991, which equates to 4.41% of the STEDS income from rates and charges in 2005/2006 (\$1.77 million).

Nothing is free. Whether new or old assets, the whole-of-life cost needs to be considered when setting STEDS rates. The appropriate rate charge now will ease the burden on future generations, when this important community asset needs upgrading or replacing. The rapid development we and other councils are experiencing will cease, unless town boundaries are expanded. We cannot rely on future contributions from developers to supplement our STEDS Reserve for the next round of major improvements.

Whether a community asset is on the grand scale or not, or whether it is above the ground or beneath, Council has a responsibility to maintain all assets to the same standard.

Starting from the home or business premise, the treatment cycle consists of a street pipe system to the pump station through to the rising main to the lagoon.

The Barossa Council re-uses treated effluent water on local vineyards or the golf course.

A healthy, efficient and sustainable effluent management system is a vital service required of the Council by our community.