Adopted Report

for the

Water Management Committee Meeting

Held on

Wednesday, 16 June 2010

at

9:00 am

G6 Committee Room
Nerang Administration Centre
Nerang Southport Road Nerang

Our positioning statement
Working for our future - today

Our city vision
Defined by our spectacular beaches, hinterland ranges, forests and waterways, the Gold Coast is an outstanding city which celebrates nature and connects distinct communities with the common goal of sustainability, choice and wellbeing for all.

Our mission
Leading the way towards a bold future that can sustain growth and economic development while retaining a lifestyle that is uniquely ‘Gold Coast’.
<table>
<thead>
<tr>
<th>Item</th>
<th>Direct.</th>
<th>File</th>
<th>Page</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>169/2011/99/01(P1)</td>
<td>5</td>
<td>CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>169/2011/98/01(P3)</td>
<td>11</td>
<td>WASTEWATER TREATMENT PLANTS - REMOVAL AND BENEFICIAL REUSE OF BIOSOLIDS 2010 TO 2013</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>WS790/1076(P1)</td>
<td>20</td>
<td>GCW CAPITAL EXPENDITURE - FORECASTED EXPENDITURE TO 30 JUNE 2020</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>WS113/870/09/06(P1)</td>
<td>26</td>
<td>CONTRACT NO. 169/2010/014 - MERRIMAC WEST WASTEWATER UPGRADE - UPDATE ON TARGET OUTTURN COST REPORT AND COMMUNITY AND STAKEHOLDER IMPACT MANAGEMENT</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>169/2010/13(P2)</td>
<td>35</td>
<td>CONTRACT NO. 169/2010/013 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE - APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>PN227939/599/01(P2)</td>
<td>66</td>
<td>PAYMENT OF CATEGORY 3 HEADWORS FUNDS TO STOCKLAND DEVELOPMENT PTY LTD FOR UPGRADING WORKS TO SEWERAGE PUMP STATION OR3 - ORMEAU</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>PN133331/03/DA2(P2)</td>
<td>71</td>
<td>LOCAL PLANNING POLICY 3B – SEWERAGE CONTRIBUTION CREDITS PARK SPRINGS ESTATE, RESERVE ROAD, UPPER COOMERA</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>PN170095/16(P1)</td>
<td>78</td>
<td>EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY – NEGOTIATION FOR ACQUISITION OF SEWERAGE EASEMENT – LOT 13 ON RP835832 - 41 COX ROAD PIMPAMA</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>WS382/358/-(P4)</td>
<td>85</td>
<td>POLICY 3B – POLICY FOR INFRASTRUCTURE SEWERAGE SUPPLY NETWORK DEVELOPER CONTRIBUTIONS – EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY (ECSIS)</td>
</tr>
<tr>
<td>Item</td>
<td>Direct.</td>
<td>File</td>
<td>Page</td>
<td>Subject</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>----------------</td>
<td>------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>WS790/1117(P1)</td>
<td>96</td>
<td>EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY (ECSIS) FOXWELL ROAD SEWERAGE SERVICING PLAN</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Referred Item</td>
</tr>
<tr>
<td>11</td>
<td>PET</td>
<td>PN141398/16</td>
<td>108</td>
<td>PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND - REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Referred Item from City Planning Committee Meeting held 15 June 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>General Business</td>
</tr>
<tr>
<td>12</td>
<td>GCW</td>
<td>WS790/1121(P1)</td>
<td>127</td>
<td>ACKNOWLEDGEMENT OF GOLD COAST WATER</td>
</tr>
</tbody>
</table>

KEY:

CEO  -  Chief Executive Officer  
CG   -  City Governance  
CMS  -  Community Services  
EDMP -  Economic Development & Major Projects  
ES   -  Engineering Services  
GCW  -  Gold Coast Water  
OS   -  Organisational Services  
PET  -  Planning Environment & Transport
ATTENDANCE

Cr D McDonald   Chairperson
Cr G Pforr
Cr D Crichlow
Cr R La Castra
Cr M Grummitt
Cr J Grew
Mr R Went       Director Gold Coast Water
Mr B Lawrence   Manager Infrastructure Delivery
Ms K O’Brien    Manager Commercial Performance
Mr R Hallgath   Executive Coordinator Development Control
Mr K Sijercic   Senior Development Assessment Engineer

APOLOGIES

Nil

PRESENTATIONS

Nil

ADOPTION BY COUNCIL 21 JUNE 2010

RESOLUTION   G10.0621.013   Moved Cr McDonald   Seconded Cr Pforr
That the Report of the Water Management Committee Meeting held on Wednesday, 16 June 2010, covered by Recommendations numbered WM10.0616.001 to WM10.0616.012, be received.

CARRIED

RESOLUTION   G10.0621..014   Moved Cr McDonald   Seconded Cr Pforr

CARRIED
ITEM 1  GOLD COAST WATER
CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT

1 BASIS FOR CONFIDENTIALITY
Not Applicable.

2 EXECUTIVE SUMMARY
Not Applicable.

3 PURPOSE OF REPORT
This report seeks to obtain Council approval to enter into the following three contract packages :-
- Contract No. GCW 169/2011/99 – Gold Coast Region, Various Sites including Wastewater Treatment Plants – Supply and Delivery of Various Chemicals
- Contract No. GCW 169/2011/100 - Cleaning Services for Wastewater Treatment Plant Buildings, Site offices and Associated Facilities, Including Clarifiers
- Contract No. GCW 170/2011/58 – Gold Coast region, Maintenance and Servicing of Low Voltage and High Voltage Electrical Equipment

Each of the proposed contract packages are to replace existing contracts whose term of engagement will expire as at 30 June 2010.

Each contract is proposed to involve an initial term of 15 months, from 1 July 2010 to 30 September 2011, with the option to apply 2 x 1 year extensions at the discretion of the Principal. Consequently the contract may be for a maximum period of 3 years 3 months, being from 1 July 2010 to 30 September 2013.

As each of the proposed contract packages are to take effect as from 1 July 2010, and the scope of works associated with each incorporates only water, wastewater and/or recycled water infrastructure activities, each of the contracts shall be novated to Allconnex Water from and including 1 July 2010.

4 PREVIOUS RESOLUTIONS
Not Applicable.

5 DISCUSSION
In developing the scope for the proposed Panel of Providers for Infrastructure and Asset Related Construction, Refurbishment and Maintenance Services, it was acknowledged that a number of specialist services or activities were not appropriate to be included within the Panel. These specialist activities principally involve activities within the various wastewater facilities and include the removal and beneficial reuse of biosolids, the supply and delivery of chemicals, building and clarifier cleaning services and the maintenance of high voltage and low voltage (HV/LV) electrical equipment.

A separate report has been prepared in relation to tenders received for the removal and beneficial reuse of biosolids, consequently there is no further discussion herein in relation to the biosolids tender/contract.
ITEM 1 CONTINUED

GOLD COAST WATER

CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT


The general title and scope of the three tender packages referred above are as follows :-

<table>
<thead>
<tr>
<th>Description</th>
<th>General Scope / inclusions</th>
</tr>
</thead>
</table>
| Contract No. GCW 169/2011/99 Supply and Delivery of Various Chemicals | • Involves supply, delivery and unloading of chemicals at the Elanora, Merrimac, Coombabah and Pimpama WWTP’s and at some of the major wastewater pump stations located within the Elanora sewerage catchment;  
  • Chemicals involved in the wastewater treatment processes include liquid alum, sodium hypochlorite, polyelectrolyte, methanol, and ferric chloride;  
  • Chemicals to be dosed at the wastewater pump stations are expected to comprise magnesium hydroxide, and used to manage odour generation within the downstream wastewater conveyance network; |
| Contract No. GCW 169/2011/100 Cleaning Services for Wastewater Treatment Plant Buildings, Site offices and Associated Facilities, Including Clarifiers | • Involves cleaning of buildings (ie offices, amenities areas, internal and external windows, etc) and clarifiers at the Elanora, Merrimac, Coombabah, Pimpama and Beenleigh WWTP’s;  
  • Includes cleaning of buildings, workshop and the temporary site offices at Molendinar; |
| Contract No. GCW 170/2011/58 Gold Coast region – Maintenance and Servicing of Low Voltage and High Voltage Electrical Equipment | • Involves inspection and maintenance services of HV/LV electrical equipment located at Elanora, Merrimac, Coombabah and Pimpama WWTP’s;  
  • Includes similar activities for HV/LV equipment at the Benowa site and booster pump station facility, together with the Molendinar Southern Water Booster Pump Station, and several major wastewater pump station installations; |

Each of the proposed contracts are to replace existing contracts whose term of engagement will expire as at 30 June 2010. Although advertised as a single tender, it is also to be noted that the chemical supply and delivery tender has been developed on the basis of a number of Separable Portions relating to each of the individual chemical types, hence it is probable that this will involve the award of more than one contract.

To ensure continuity of existing network performance and access to contractors to maintain network performance standards, each of the proposed contract packages must be appointed prior to 30 June 2010 to ensure immediate activation of each contract from 1 July 2010. It is further proposed that each of the contracts will be appointed for an initial term of 15 months (ie from 1 July 2010 to 30 September 2011) with provision for two 12 month extensions of the term of the contracts at the sole discretion of the Principal. Each of the contracts are therefore proposed to comprise a maximum term of engagement of 3 years 3 month from 1 July 2010 to 30 September 2013. Any extension of the term of each contract would include provision for an increase in the tendered rates based on the changes in the Consumer Price Index (CPI), All Groups, for Brisbane as published by the Australian Bureau of Statistics.
ITEM 1 CONTINUED

GOLD COAST WATER
CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT


Each of the contracts will be novated to Allconnex Water from and including 1 July 2010.

Individual documentation has accordingly been developed for each of the three tender packages, and each tender has also now been publicly advertised. Tenders for the chemical supply package closed on Tuesday, 11 May 2010, and for the cleaning services package closed on Tuesday 25 May 2010. Tenders for the HV/LV electrical equipment maintenance is yet to close and has an advertised closing date of 15 June 2010.

Unfortunately tender assessment for the first two tenders has not yet been completed, with a range of clarifications still being sought from tenderers.

Based on the interim tender assessments undertaken to date it is anticipated that the annual value of the chemical supply contracts would be in the order of $2.5 million (incl. GST), while the cleaning contract and HV/LV equipment maintenance contracts could be in the order of $200,000 and $100,000 respectively.

Noting that no further Council meetings will occur prior to the end of June to allow for consideration of the tender summaries by Council, it is therefore proposed and requested that the consideration of submissions received and the award of each of the new contracts be delegated by Council to the Chief Executive Officer.

6 ALIGMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

The relevant strategic priorities as listed in the Gold Coast City Council Corporate Plan 2009-2014 and Operational Plan are:

- Key Focus Area 1 - A city leading by example
- Key Focus Area 2 - A city loved for its green, gold and blue
- Key Focus Area 5 - A city with a thriving economy
- Key Focus Area 6 - A city shaped by clever design

The activities incorporated within the proposed contracts also contribute to the three Strategic Priorities of Gold Coast Water’s Strategic Plan 2009-2012:

- engaging with our customers and the community
- improving our environmental performance
- sustainably managing our service delivery

7 FUNDING AND RESOURCING REQUIREMENTS

Budget/Funding Considerations

The budget submission for 2010/11 includes allowance for the works included within the relevant contract packages. As part of the tender assessment process the expected annual value of each contract will be compared against the proposed budget, and details then included within the respective tender assessment report.

Human Resources

Noting that the proposed contracts will replace existing contracts for similar activities, each of the proposed contracts will be administered by existing contract management personnel and wastewater operations personnel.
ITEM 1 CONTINUED GOLD COAST WATER
CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT

8 RISK MANAGEMENT

Not Applicable.

9 STATUTORY MATTERS

The procurement process applied in relation to each of the three tender packages complies with the requirements of Sections 481 and 484 of the Local Government Act 1993 where tenders are required.

10 COUNCIL POLICIES

In addition to the above statutory requirements, Council’s Purchasing Policy has been followed in the development of the tender documents and procurement activities associated with this tender process, and will also be applied in the administration, consideration and appointment of each of the proposed contracts.

11 DELEGATIONS

Gold Coast Water delegations for the awarding of contracts are only applicable where sufficient budgeted funds are available for the Works in the current financial year.

As each of the proposed contracts are to extend across several financial years, appropriate funding provisions will need to be adopted by Allconnex Water for the 2011/12 and later financial years. It is proposed that the Allconnex Water Chief Executive Officer endorse the awarding of the contracts.

It is also essential that each of the referred contracts be appointed and in effect prior to 1 July 2010. However noting the time frame associated with invitation, receipt and consideration of submissions for award of each contract, it is considered that the process of appointment be facilitated wherever possible.

It is therefore proposed and requested that the consideration of submissions received and the award of each of the three proposed contract packages be delegated by Council to the Chief Executive Officer following the endorsement of the Chief Executive Officer of Allconnex Water.

12 COORDINATION & CONSULTATION

Internal consultation has been undertaken within Gold Coast Water operations representatives in the development of the tender documentation and in any subsequent appraisal of tenders received to date.

Noting that each of the contract packages will be novated to Allconnex Water from and including 1 July 2010, delegated procurement representatives from Allconnex Water will also be consulted regarding the tender assessment and endorsement sought to any proposed recommendations prior to any contracts being awarded.
ITEM 1 CONTINUED

GOLD COAST WATER
CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT

13 STAKEHOLDER IMPACTS

External / community stakeholder Impacts

- Relevant Stakeholder Engagement procedures will be incorporated into the contract delivery phase to ensure that any stakeholder contact or impacts are appropriately managed.

Internal (Organisational) Stakeholder Impacts

- Internal stakeholders have been consulted in the development of the tender documentation and in the subsequent appraisal of tenders received.

14 TIMING

It is to be noted that the existing contracts for the works or services to be provided by the three proposed contract packages will all expire on 30 June 2010, hence it is necessary to have any new contractors appointed and new contracts awarded prior to the end of June 2010 to ensure the new contracts can be effective from and including 1 July 2010.

It is also noted that tenders have already closed for only two of the proposed work packages, with tender assessment currently in progress. The third tender package currently involves a tender closing date of Tuesday 15 June 2010.

15 CONCLUSION

Several individual tenders involving specific water and/or wastewater related activities have either recently closed or are shortly expected to close, and will require assessment and award prior to 30 June 2010. These specialist activities generally involve activities within the various wastewater facilities and include the supply and delivery of chemicals, building and clarifier cleaning services and maintenance of high voltage and low voltage (HV/LV) electrical equipment.

To ensure continuity of existing network performance and access to contractors to maintain network performance standards, each of the proposed contract packages must be appointed prior to 30 June 2010 to ensure immediate activation of each contract from 1 July 2010.

Each of the new contracts are proposed to involve an initial term of 15 months, from 1 July 2010 to 30 September 2011, with the option to apply 2 x 1 year extensions at the discretion of the Principal. Consequently each of the awarded contracts may be for a maximum period of 3 years 3 months, being from 1 July 2010 to 30 September 2013.

Noting that one tender is still yet to close and tender assessments for the other two tender packages is yet to be completed, it is essential that measures be available and adopted to facilitate the completion of the tender assessment process and subsequent award of the respective contracts.

Noting that no further Council meetings, nor Allconnex Water Board meetings, will occur prior to the end of June to allow for consideration of the tender summaries by Council or the Board, it is proposed and requested that the consideration of submissions received and the award of each of the new contracts be delegated by Council to the Chief Executive Officer, subject to the endorsement by the Chief Executive Officer of Allconnex Water, and that these be novated to Allconnex Water as per the transfer process.
ITEM 1 CONTINUED

GOLD COAST WATER

CONTRACTS FOR SUPPLY OF CHEMICALS, CLEANING SERVICES AND MAINTENANCE OF HIGH AND LOW VOLTAGE ELECTRICAL EQUIPMENT


16 RECOMMENDATION

It is recommended that Council resolves as follows:

That, subject to the endorsement of the Chief Executive Officer of Allconnex Water, the Chief Executive Officer be authorised and delegated to approve the appointment of parties to each of the following contract packages following the completion of the respective tender receipt, appraisal and assessment process:

a Contract No. GCW 169/2011/99 – Gold Coast Region, Various Sites including Wastewater Treatment Plants – Supply and Delivery of Various Chemicals

b Contract No. GCW 169/2011/100 - Cleaning Services for Wastewater Treatment Plant Buildings, Site offices and Associated Facilities, Including Clarifiers


Author: Simon Angus
Project Manager – Infrastructure Delivery

Authorised by: Richard Went
Director Gold Coast Water

Endorsed by: Simon Waite
Manager – Operations & Maintenance

3 June 2010

COMMITTEE RECOMMENDATION WM10.0616.001

Moved Cr Crichlow Seconded Cr Grummitt

That, subject to the endorsement of the Chief Executive Officer of Allconnex Water, the Chief Executive Officer be authorised and delegated to approve the appointment of parties to each of the following contract packages following the completion of the respective tender receipt, appraisal and assessment process:

a Contract No. GCW 169/2011/99 – Gold Coast Region, Various Sites including Wastewater Treatment Plants – Supply and Delivery of Various Chemicals

b Contract No. GCW 169/2011/100 - Cleaning Services for Wastewater Treatment Plant Buildings, Site offices and Associated Facilities, Including Clarifiers


CARRIED
BASIS FOR CONFIDENTIALITY
Not Applicable.

EXECUTIVE SUMMARY
Not Applicable.

PURPOSE OF REPORT
Gold Coast Water has an ongoing commitment to its customers to provide quality wastewater treatment service provision, with an essential element of this service involving the sustainable management, removal and beneficial reuse of biosolids.

This report seeks to obtain Council approval to enter into Contract No. GCW 169/2011/98-01 titled “Gold Coast Region – Wastewater Treatment Plants, Removal and Beneficial Reuse of Biosolids”. The proposed contract is to involve the collection, removal, transport and beneficial reuse of biosolids from the existing wastewater treatment plants located at Elanora, Merrimac, Coombabah and Pimpama, with all works to comply with the statutory requirements for the handling, transport and land application of such materials.

The proposed contract is to replace an existing contract whose term of engagement will expire as at 30 June 2010.

The contract is proposed to involve an initial term of 15 months, from 1 July 2010 to 30 September 2011, with the option to apply 2 x 1 year extensions at the discretion of the Principal. Consequently the contract may be for a maximum period of 3 years 3 months, being from 1 July 2010 to 30 September 2013.

As the proposed contract is to take effect as from 1 July 2010, the contract shall be novated to Allconnex Water from and including 1 July 2010.

PREVIOUS RESOLUTIONS
Not Applicable.

DISCUSSION
As part of the wastewater treatment process, two principal solids waste streams are produced – the first being the screenings and associated grit collected from the screens at the commencement of the treatment process, the second being the biosolids collected from the various clarifiers with the biosolids subsequently dewatered prior to storage for offsite removal and management.

Current contracts for removal of biosolids have provided for consideration of beneficial reuse by way of land application, and the preference for beneficial reuse has also been applied in the development of the proposed tender documentation.
The works are to be undertaken as a Schedule of Rates Contract, and comprises four (4) Separable Portions with each Separable Portion corresponding to one of the wastewater treatment plants (WWTP), as follows:

- Separable Portion A – Elanora WWTP
- Separable Portion B – Merrimac WWTP
- Separable Portion C – Coombabah WWTP
- Separable Portion D – Pimpama WWTP

Although a single contract would be preferred from an administrative perspective, it is always possible that tenderers may submit significant variations in their tendered rates for each individual WWTP. Consequently as part of the tender invitation, the Principal reserved the right to award a Contract based on:

- each Separable Portion individually (ie Separable Portion A only, Separable Portion B only, etc), or
- combinations of any two or more Separable Portions.

Payments will be made to the Contractor based on the tendered rate multiplied by the actual wet tonnage removed from each of the four Wastewater Treatment Plants. Each Separable Portion of the Contract is also to be subject to Rise & Fall adjustment based on CPI adjustment determined at the date of the commencement of any applicable term of extension of the contract (ie 1 October).

A public invitation for the tender was advertised on Saturday 10 April 2010 in accordance with the Local Government Act (1993), with tenders closing on Tuesday 4 May 2010. Thirty-eight (38 No.) companies requested tender documents during the tender period.

A site inspection of all four wastewater treatment plant sites was also arranged for the tenderers on Tuesday 20 April, 2010. Thirteen (13) people attended the site inspection, representing nine (9) companies.

Four (4) tenders were received for GCW 169/2011/98-01 as per the following table:
**ITEM 2 CONTINUED**

**GOLD COAST WATER**

**WASTEWATER TREATMENT PLANTS – REMOVAL AND BENEFICIAL REUSE OF BIOSOLIDS, 2010 TO 2013**

169/2011/98

---

**Table 1 : Details of Tenders Received**

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Separable Portion A Tendered Amount (as opened) $</th>
<th>Separable Portion B Tendered Amount (as opened) $</th>
<th>Separable Portion C Tendered Amount (as opened) $</th>
<th>Separable Portion D Tendered Amount (as opened) $</th>
<th>Discount Offered</th>
<th>Total of All Four Separable Portions Tendered Amount (as opened) $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkwood (Gloucester) Pty Ltd t/a Arkwood Organic Recycling (Lowood, Qld) (conforming tender)</td>
<td>430,710.00</td>
<td>1,040,980.00</td>
<td>1,123,896.00</td>
<td>127,354.00</td>
<td>Nil</td>
<td>2,722,940.00</td>
</tr>
<tr>
<td>(alternative tender)</td>
<td>385,605.00</td>
<td>940,145.00</td>
<td>1,025,096.00</td>
<td>117,754.00</td>
<td>2% if awarded either three or four Portions, nil otherwise</td>
<td>2,468,600.00</td>
</tr>
<tr>
<td>Veolia Environmental Services (Australia) Pty Ltd (Rocklea, Qld)</td>
<td>691,602.00 (2)</td>
<td>1,067,237.00</td>
<td>1,183,177.00</td>
<td>140,197.00</td>
<td>Nil</td>
<td>3,082,213.00</td>
</tr>
<tr>
<td>Transpacific Industries Group t/a Transpacific Bulk Haulage (Yatala, Qld)</td>
<td>774,035.00 (2)</td>
<td>1,428,573.00</td>
<td>1,567,580.00</td>
<td>183,574.00</td>
<td>Nil</td>
<td>3,953,762.00</td>
</tr>
<tr>
<td>Conhur Pty Ltd (Somerton, Vic)</td>
<td>899,184.94 (2)</td>
<td>1,792,584.00</td>
<td>1,910,345.88</td>
<td>265,488.46</td>
<td>3% only if awarded all four portions, nil otherwise</td>
<td>4,867,603.28</td>
</tr>
</tbody>
</table>

**Notes:**

1. All prices include GST
2. Separable Portion A includes one Provisional item comprising the supply and installation of a new biosolids storage hopper to replace the existing hopper owned by the current biosolids management contractor. Those tenders marked thus (2) have included the Provisional Item in the total tender amount.

The tender assessment process has been undertaken as a two-stage exercise.

An initial assessment of all tenders was undertaken in accordance with the criteria advised in the tender conditions, namely:

- A selection basis giving appropriate consideration to all information supplied in the tender schedules and other information available to Council;
- Consideration of both price and non-price attributes in respect to the value of the submission to the Principal’s Gold Coast Water Directorate in meeting their requirements and Policies. (Gold Coast Water has a Quality and Environmental Management System to AS 9001 and AS 14001 in use as a policy);
- Evaluation in respect to:
  - Open and effective competition;
  - Value for money;
  - Enhancement of the capabilities of local business and industry;
  - Environmental protection; and
  - Ethical behaviour and fair dealing.
ITEM 2 CONTINUED

WASTEWATER TREATMENT PLANTS – REMOVAL AND BENEFICIAL REUSE OF BIOSOLIDS, 2010 TO 2013

169/2011/98

The selected short listed tenderers were then subject to more detailed analysis to recommend the most advantageous option for Council.

As a result of the tender short listing and assessment process, the following outcomes were noted:

- there were no particular benefits offered by the two highest tenderers who had tendered to undertake the works (i.e. Transpacific Industries Group and Conhur Pty Ltd), to warrant inclusion on the short list for further detailed consideration;
- there were particular benefits offered by the alternative tender of Arkwood Organic Recycling to warrant inclusion of this alternative offer on the short list for further detailed consideration;
- arrangements have recently been made pursuant to the current biosolids contract for Council to purchase the existing biosolids storage hopper located at Elanora WWTP. Consequently the Provisional Item included in Separable Portion A is no longer necessary or applicable;
- the total tendered amount from Veolia would reduce to $2,816,013.00 with the deletion of the Provisional Item included in Separable Portion A. Veolia have also not offered any discount should a contract be awarded incorporating any two or more Separable Portions;
- noting that the conforming offer from Arkwood Organic Recycling totalled $2,722,940.00 for all Separable Portions, the analysis of all conforming tendered offers indicated that the conforming tender from Arkwood Organic Recyclers for Separable Portion A, B, C and D appears to be the most advantageous to Council.

At this stage of the assessment a comparison of the conforming and alternative tenders from Arkwood Organic Recycling was undertaken. In this regard the Tenderer has proposed that the unit rates proposed in the Alternative Tender shall be based on a quarterly rate adjustment based on the Terminal Gate Price (TGP) – Brisbane for diesel fuel as determined at the end of each quarter. Details of the methodology for determination of the diesel price and the methodology and frequency of the revised adjustment calculations was described in the tender or, where necessary, clarified during post-tender correspondence.

For their existing contracts Arkwood Organic Recycling currently re-use the collected biosolids as a fertiliser and soil conditioner on agricultural land located at various properties around the Toowoomba district in accordance with the Queensland EPA requirements and Arkwood Organic Recycling propose to continue this practice should they be successful in being awarded the new contract. This method of re-use returns nutrients and organic matter to the soil and also helps the soil in holding and maintaining moisture content.

In summary the comparison of all of the conforming and alternative offers indicates that the alternative tender from Arkwood Organic Recycling for Separable Portion A, B, C and D appears to be the most advantageous to Council.

A separate tender analysis report has been completed in relation to this tender, with this report retained in File No. 169/2011/98. It should be noted that the tender evaluation report contains Commercial-in-Confidence information pertaining to the various tenders and is therefore deemed to constitute a Confidential document.
6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

The relevant strategic priorities as listed in the Gold Coast City Council Corporate Plan 2009-2014 and Operational Plan are:

- Key Focus Area 1 - A city leading by example
- Key Focus Area 2 - A city loved for its green, gold and blue
- Key Focus Area 5 - A city with a thriving economy.
- Key Focus Area 6 - A city shaped by clever design

The activities incorporated within the proposed contract also contribute to the three Strategic Priorities of Gold Coast Water’s Strategic Plan 2009-2012:

- engaging with our customers and the community
- improving our environmental performance
- sustainably managing our service delivery

7 FUNDING AND RESOURCING REQUIREMENTS

Budget/Funding Considerations

Based on the recommended alternative tender of Arkwood (Gloucester) Pty Ltd, trading as Arkwood Organic Recycling, as listed above, the estimated annual project expenditure is $2,419,228.00 (incl. GST) and for the 2010/11 financial year is proposed to be funded as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Budget Submission 2010/11</th>
<th>Proposed Contract Value for Separable Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A (Elanora)</td>
</tr>
<tr>
<td>Merrimac WWTP</td>
<td>$ 903,000</td>
<td>-</td>
</tr>
<tr>
<td>Coombabah WWTP</td>
<td>$ 850,000</td>
<td>-</td>
</tr>
<tr>
<td>Elanora WWTP</td>
<td>$ 364,900</td>
<td>343,539.00</td>
</tr>
<tr>
<td>Pimpama WWTP</td>
<td>$ 215,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$2,332,900</td>
<td>$ 2,199,298.19</td>
</tr>
</tbody>
</table>

Note: All amounts listed in the above table are GST exclusive

Based on the current 2010/11 Budget submission, sufficient funds will therefore be available in total to fund the proposed contract.

Human Resources

Noting that the proposed contract will replace an existing biosolids management contract, the proposed contract will be administered by existing contract management personnel and WWTP operations personnel.
8  RISK MANAGEMENT

Based on the acceptance of the alternative tender from Arkwood Organic Recycling, there is a potential risk of increases in the diesel fuel occurring over the life of this contract, resulting in proportional increases in the contract scheduled rates and therefore the contract cost to Allconnex Water.

However in assessing the conforming and alternative tender values offered it is considered that the immediate financial benefits of the alternative tender offset the potential risks, particularly noting that the diesel fuel price would need to increase by approximately 50% (or 61 cents/litre) for the conforming and alternative scheduled rates to be the same.

In addition the contract is for an initial period of 15 months with 12 month extensions available thereafter, hence should the price of diesel fuel increase dramatically the option available to Allconnex Water would be to not apply the option to extend the contract but to readvertise the contract upon expiry of the applicable term.

9  STATUTORY MATTERS

The procurement process complies with the requirements of Sections 481 and 484 of the Local Government Act 1993 where tenders are required.

10  COUNCIL POLICIES

In addition to the above statutory requirements, Council’s Purchasing Policy has been followed in the development of the tender documents and procurement activities associated with this tender process.

11  DELEGATIONS

Gold Coast Water delegations for the awarding of contracts are only applicable where sufficient budgeted funds are available for the Works in the current financial year.

As the proposed biosolids management contract is to extend across several financial years, appropriate funding provisions will need to be adopted by Allconnex Water for the 2011/12 and later financial years.

12  COORDINATION & CONSULTATION

Internal consultation has been undertaken within Gold Coast Water operations representatives in the development of the tender documentation and in the subsequent appraisal of tenders received.

Noting that the contract will be novated to Allconnex Water from and including 1 July 2010, delegated procurement representatives from Allconnex Water have also been consulted regarding the tender assessment and proposed recommendations. In response the following response from Allconnex Water has been received :-

“Allconnex has noted your proposed appointment for the Biosolids contract and has no objection to GCW proceeding with this award.”
13 STAKEHOLDER IMPACTS

External / Community Stakeholder Impacts

- Relevant Stakeholder Engagement procedures will be incorporated into the contract delivery phase to ensure that any stakeholder contact or impacts are appropriately managed.

Internal (Organisational) Stakeholder Impacts

- Internal stakeholders have been consulted in the development of the tender documentation and in the subsequent appraisal of tenders received.

14 TIMING

It is to be noted that the existing contract for the removal of biosolids from the various WWTP’s will expire on 30 June 2010, hence it is necessary to have a new contractor appointed and a new contract awarded prior to the end of June 2010 to ensure the new contract can be effective from and including 1 July 2010.

15 CONCLUSION

Continuation of a biosolids management contract is essential to ensure the ongoing effective performance and efficient operation of the wastewater treatment process activities throughout the Gold Coast region. Noting that the current biosolids management contract will expire on 30 June 2010, tenders were publicly invited for a new biosolids management contract to commence on 1 July 2010.

The new contract is proposed to involve an initial term of 15 months, from 1 July 2010 to 30 September 2011, with the option to apply 2 x 1 year extensions at the discretion of the Principal. Consequently the contract may be for a maximum period of 3 years 3 months, being from 1 July 2010 to 30 September 2013.

Following the receipt and assessment of tenders for Contract No. GCW 169/2010/98-01, being for the removal and beneficial reuse of biosolids from the WWTP’s throughout the Gold Coast region, and completion of a detailed tender assessment report, it is recommended that the alternative tender from Arkwood (Gloucester) Pty Ltd, trading as Arkwood Organic Recycling (ABN 70 055 370 486) be accepted for an initial 15 month term from 1 July 2010 to 30 September 2011, and a maximum 3 year 3 month term (up to and including 30 September 2013) based on the alternative tendered rates (GST inclusive) for the four Separable Portions as follows (note amounts listed are for an annual period):

- Separable Portion A (Elanora WWTP) $ 385,605.00
- Separable Portion B (Merrimac WWTP) $ 940,145.00
- Separable Portion C (Coombabah WWTP) $ 1,025,096.00
- Separable Portion D (Pimpama WWTP) $ 117,754.00
Furthermore, and noting that the tenderer has also offered a 2% discount off their scheduled rates applicable only to the alternative tender, the contract shall be awarded based on the adjusted alternative tendered rates (GST inclusive) for the four Separable Portions as follows (note amounts listed are for an annual period):

- Separable Portion A (Elanora WWTP) $377,892.90
- Separable Portion B (Merrimac WWTP) $921,342.10
- Separable Portion C (Coombabah WWTP) $1,004,594.08
- Separable Portion D (Pimpama WWTP) $115,398.92

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1. That the alternative tender from Arkwood (Gloucester) Pty Ltd, trading as Arkwood Organic Recycling (ABN 70 055 370 486) for the Schedule of Rates Contract No. GCW 169/2001/98-01 – “Gold Coast Region – Wastewater Treatment Plants, Removal and Beneficial Reuse of Biosolids” be accepted for an initial 15 month term from 1 July 2010 to 30 September 2011, and a maximum 3 year 3 month term (up to and including 30 September 2013) based on the alternative tendered rates (GST inclusive and adjusted to include the tenderers offered 2% discount) for the four Separable Portions as follows (note amounts listed are for an annual period):

   - Separable Portion A (Elanora WWTP) $377,892.90
   - Separable Portion B (Merrimac WWTP) $921,342.10
   - Separable Portion C (Coombabah WWTP) $1,004,594.08
   - Separable Portion D (Pimpama WWTP) $115,398.92

2. That Council notes this contract is to be novated to Allconnex Water from 1 July 2010.
COMMITTEE RECOMMENDATION WM10.0616.002
Moved Cr Crichlow  Seconded Cr Grummitt

1  That the alternative tender from Arkwood (Gloucester) Pty Ltd, trading as Arkwood Organic Recycling (ABN 70 055 370 486) for the Schedule of Rates Contract No. GCW 169/2001/98-01 – “Gold Coast Region – Wastewater Treatment Plants, Removal and Beneficial Reuse of Biosolids” be accepted for an initial 15 month term from 1 July 2010 to 30 September 2011, and a maximum 3 year 3 month term (up to and including 30 September 2013) based on the alternative tendered rates (GST inclusive and adjusted to include the tenderers offered 2% discount) for the four Separable Portions as follows (note amounts listed are for an annual period):-

- Separable Portion A (Elanora WWTP) $ 377,892.90
- Separable Portion B (Merrimac WWTP) $ 921,342.10
- Separable Portion C (Coombabah WWTP) $ 1,004,594.08
- Separable Portion D (Pimpama WWTP) $ 115,398.92

2  That Council notes this contract is to be novated to Allconnex Water from 1 July 2010.

CARRIED
ITEM 3  COMMERCIAL PERFORMANCE
GCW CAPITAL EXPENDITURE – FORECASTED EXPENDITURE TO 30 JUNE 2010
WS790/1076(P1)

1 BASIS FOR CONFIDENTIALITY
Not Applicable.

2 EXECUTIVE SUMMARY
Not Applicable.

3 PURPOSE OF REPORT
The purpose of this report is to notify Council that Gold Coast Water’s endorsed capital program is forecasted to exceed budget for the financial year ending 30 June 2010 and to seek endorsement from Council to exceed approved budget.

4 PREVIOUS RESOLUTIONS
Not Applicable.

5 DISCUSSION
As a result of improved financial management practices within Gold Coast Water, there has been a significant improvement in budgeting and end of year forecasting within the capital works program. Historically, Gold Coast Water achieved around 90% of its revised budget at end of year. However in recent years, the forecasting has improved which has resulted in Gold Coast Water projects closely aligning to March Budget review figures. This improved forecasting has resulted in several projects marginally exceeding Gold Coast Water’s approved budget.

5.1 Gold Coast Water End of Year Capital Forecast
Gold Coast Water’s original adopted Capital Expenditure budget was $196.5m. Consequent to the March Budget Review, the Council endorsed revised 2009/10 capital expenditure budget is now $133.582m. Current forecasts estimate that the capital program will exceed the approved budget by approximately $0.950m, however the budget at the Significant Activity level (ie. at the total Gold Coast Water level) will not be exceeded.

At the Activity Level (Cost Centre/Function), while most expenditures will be below the Activity Level budgeted, the following Activities are forecasted to be exceeded at 30 June 2010:

<table>
<thead>
<tr>
<th>CC/Function</th>
<th>Activity</th>
<th>Variance from Budget Under/(Over)</th>
</tr>
</thead>
<tbody>
<tr>
<td>184 8900</td>
<td>WW Cat 1 – By Products Management</td>
<td>$(0.370)m</td>
</tr>
<tr>
<td>188 7838</td>
<td>Recycled Water Network</td>
<td>$(0.395)m</td>
</tr>
<tr>
<td>188 8841</td>
<td>WW Cat 2 Trunk Network</td>
<td>$(0.288)m</td>
</tr>
<tr>
<td>189 8841</td>
<td>WW Cat 2 Trunk Network</td>
<td>$(1.730)m</td>
</tr>
</tbody>
</table>
The major projects that contribute to the variance are:

<table>
<thead>
<tr>
<th>Cost Centre / Function</th>
<th>Project No</th>
<th>Project Name</th>
<th>Variance from Budget Under/ (Over)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Overspends</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>189 8841</td>
<td>AETT</td>
<td>Merrimac East WW</td>
<td>$(1.550)m</td>
<td>Overspend due to revised forecast as a result of insurance claim. Refer to section 5.2</td>
</tr>
<tr>
<td>189 8841</td>
<td>AMEM</td>
<td>Merrimac West WW – Stage 2</td>
<td>$(0.500)m</td>
<td>Extension of the TOC development process to enable further alignment and configuration opportunities.</td>
</tr>
<tr>
<td>188 8841</td>
<td>AHJF</td>
<td>Wastewater Network (Package D)</td>
<td>$(3.000)m</td>
<td>Contract variation from latent ground conditions resulting in additional costs for tunnelling.</td>
</tr>
<tr>
<td>184 8900</td>
<td>ACSH</td>
<td>FC 5 Merrimac/Elanora PS</td>
<td>$(0.370)m</td>
<td>Additional cost required for desludging of a lagoon at the WWTP.</td>
</tr>
<tr>
<td>188 7838</td>
<td>AHJK</td>
<td>Recycled Water Network (Package D)</td>
<td>$(0.410)m</td>
<td>Additional scope of installing a re-chlorination facility at Peamba Park Reservoir and increased drilling on Hope Island Road recycled water main.</td>
</tr>
<tr>
<td><strong>Project Underspends</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>188 8841</td>
<td>AHJG</td>
<td>Regional WW PS (Package A)</td>
<td>$2.700m</td>
<td>Delays in commencement of the project due to wet weather and design period extension.</td>
</tr>
</tbody>
</table>

As all capital projects are still in progress or nearing final stages of completion, additional budget is required to complete projects to ensure contractual obligations are met and constructions is completed.

Following discussion and agreement with Corporate Finance, it is proposed that funding for the additional budget will be funded via the Gold Coast Investment Vehicle.

Consistent with all capital expenditure incurred between the period of 1 July 2008 and 30 June 2010, Council will receive recognition for all capital expenditure incurred during this period via additional Participation Rights in Allconnex Water.

### 5.2 Credit of Insurance Proceeds from Settlement of Insurance Claim

During 2008/09 and 2009/10 financial years, Council received a total of $2.95m in proceeds from an insurance claim in relation to SP68 in project AETT – Merrimac East WW.

In accordance with Clause 24.4(a) of the Project Alliance Agreement, insurance proceeds are to be remitted to the Alliance and offset against the Direct Program Costs. Council is therefore required to remit the $2.95m insurance payout to the Alliance to enable it to be shown as a credit entry in their costing system and the direct program costs can be reduced accordingly.
However, as the costs incurred on SP68 have already been progressively paid by Council as the works proceeded, the Alliance is required to reimburse the payment to Council (via the monthly progress claim process) so that the total payments under Council's project remains unchanged.

Following this payment, and subsequent reimbursement as a part of the June progress claim, the budget for this project is forecasted at $3.7m, an overspend of $1.55m on approved budget.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

The alignment of the additional capital expenditure to the bold future vision is predominately through Key Focus Areas listed below:

- Key focus Area 5 - “A city shaped by clever design” by ensuring we are providing the infrastructure to enhance our environment.
- Key Focus Area 6 - “A city shaped with a thriving economy” by ensuring we develop our economy through work opportunities.

7 FUNDING AND RESOURCING REQUIREMENTS

Budget/Funding Considerations

The Capital Expenditure budget for 2009/10 is as follows:

<table>
<thead>
<tr>
<th>Original 2009/10 Capital Expenditure Budget</th>
<th>March Review Capital Expenditure Budget 2009/10</th>
<th>Forecasted Capital Expenditure Budget</th>
<th>Variance Budget v Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>$196.515m</td>
<td>$133.582m</td>
<td>$134.532m</td>
<td>$0.950m</td>
</tr>
</tbody>
</table>

The 2009/10 approved budget is $133.582m. Following a review of forecasts to 30 June 2010, Gold Coast Water estimates that its end of year result will result in a $0.950m overspend, however the budget at the Significant Activity level for Gold Coast Water will not be exceeded.

Consistent with the GCW Capital Funding Strategy, all capital works will be funded via the Gold Coast Investment Vehicle.

Human Resources

Nil additional Human Resources required.

8 RISK MANAGEMENT

Not Applicable
ITEM 3 CONTINUED

COMMERCIAL PERFORMANCE

GCW CAPITAL EXPENDITURE – FORECASTED EXPENDITURE TO 30 JUNE 2010

WS790/1076(P1)

9 STATUTORY MATTERS

Not Applicable

10 COUNCIL POLICIES

GCCC Budget Review Policy

11 DELEGATIONS

Not Applicable

12 COORDINATION & CONSULTATION

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brett Lawrence, Manager Infrastructure Delivery</td>
<td>GCW</td>
<td>Yes</td>
</tr>
<tr>
<td>Jordan Reeves, Executive Coordinator of Financial Development</td>
<td>CG</td>
<td>Yes</td>
</tr>
<tr>
<td>John Blair, Manager Corporate Finance</td>
<td>CG</td>
<td>Yes</td>
</tr>
</tbody>
</table>

13 STAKEHOLDER IMPACTS

Not Applicable

14 TIMING

Not Applicable

15 CONCLUSION

Gold Coast Water is forecasting to exceed its approved capital expenditure budget at 30 June 2010.

The 2009/10 approved capital expenditure budget is $133.582m. Following a review of forecasts to 30 June 2010, GCW estimates that its end of year result will result in the budget being exceeded by $0.950m, however the budget at the Significant Activity level for Gold Coast Water will not be exceeded.

Funding for the additional expenditure will be funded from the Gold Coast Investment Vehicle.
16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That the Water Management Committee endorse the following recommendations to be referred to the Corporate Governance and Finance Committee to be held on Wednesday 16 June for its consideration.
   a That Council note that in the 2009/10 financial year the following Activities will be exceeded:
      i 184 8900 WW Cat 1 – By Products Management
      ii 188 7838 Recycled Water Network
      iii 188 8841 WW Cat 2 Trunk Network
      iv 189 8841 WW Cat 2 Trunk Network
      However the budget will not be exceeded at the Significant Activity level for Gold Coast Water
   b That Council approve expenditure to be incurred in the following projects funded from the Gold Coast Investment Vehicle.

<table>
<thead>
<tr>
<th>CC/Function</th>
<th>Project No</th>
<th>Project Name</th>
<th>Additional Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>189 8841</td>
<td>AETT</td>
<td>Merrimac East WW</td>
<td>$1.550m</td>
</tr>
<tr>
<td>189 8841</td>
<td>AMEM</td>
<td>Merrimac West WW – Stage 2</td>
<td>$0.500m</td>
</tr>
<tr>
<td>188 8841</td>
<td>AHJF</td>
<td>Wastewater Network (Package D)</td>
<td>$3.000m</td>
</tr>
<tr>
<td>184 8900</td>
<td>ACSH</td>
<td>FC 5 Merrimac/Elanora PS</td>
<td>$0.370m</td>
</tr>
<tr>
<td>188 7838</td>
<td>AHJK</td>
<td>Recycled Water Network (Package D)</td>
<td>$0.410m</td>
</tr>
</tbody>
</table>

Author: Luke Nicholls  
Authorised by: Richard Went  
Coordinator Commercial Projects  
Director Gold Coast Water  
08 June 2010  
08 June 2010
**ITEM 3  COMMERCIAL PERFORMANCE**  
GCW CAPITAL EXPENDITURE – FORECASTED EXPENDITURE TO 30 JUNE 2010  
WS790/1076(P1)

Changed Recommendation  
Late correction from Council officers

**COMMITTEE RECOMMENDATION  WM10.0616.003**

Moved Cr Crichlow  Seconded Cr La Castra

1. That the Water Management Committee endorse the following recommendations to be referred to the Corporate Governance and Finance Committee to be held on Wednesday 16 June for its consideration.

   a. That Council note that in the 2009/10 financial year the following Activities will be exceeded:
      
      i. 184 8900  WW Cat 1 – By Products Management
      
      ii. 188 7838  Recycled Water Network
      
      iii. 188 8841  WW Cat 2 Trunk Network
      
      iv. 189 8841  WW Cat 2 Trunk Network
      
      v. 188 8886  WW-Cat1 WRF Augmentation

      However the budget will not be exceeded at the Significant Activity level for Gold Coast Water

   b. That Council approve expenditure to be incurred in the following projects funded from the Gold Coast Investment Vehicle.

<table>
<thead>
<tr>
<th>CC/Function</th>
<th>Project No</th>
<th>Project Name</th>
<th>Additional Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>189 8841</td>
<td>AETT</td>
<td>Merrimac East WW</td>
<td>$1.550m</td>
</tr>
<tr>
<td>189 8841</td>
<td>AMEM</td>
<td>Merrimac West WW – Stage 2</td>
<td>$0.500m</td>
</tr>
<tr>
<td>188 8841</td>
<td>AHJF</td>
<td>Wastewater Network (Package D)</td>
<td>$3.000m</td>
</tr>
<tr>
<td>184 8900</td>
<td>ACSH</td>
<td>FC 5 Merrimac/Elanora PS</td>
<td>$0.370m</td>
</tr>
<tr>
<td>188 7838</td>
<td>AHJK</td>
<td>Recycled Water Network (Package D)</td>
<td>$0.410m</td>
</tr>
<tr>
<td>188 8886</td>
<td>AEQJ</td>
<td>Pimpama WWTP</td>
<td>$0.500m</td>
</tr>
</tbody>
</table>

CARRIED
ITEM 4  GOLD COAST WATER
CONTRACT NO. 169/2010/014 - MERRIMAC WEST WASTEWATER UPGRADE – UPDATE
ON TARGET OUTTURN COST REPORT AND COMMUNITY AND STAKEHOLDER IMPACT MANAGEMENT
WS113/870/09/06(P1)

1 BASIS FOR CONFIDENTIALITY
Not applicable.

2 EXECUTIVE SUMMARY
Not applicable.

3 PURPOSE OF REPORT
The purpose of this report is to:

- provide Council with an update on the Target Outturn Cost Report for the Merrimac West Wastewater Upgrade Project including investigation of enhancements to the preferred option alignment and configuration;
- outline the proposed consultation activities planned for the community and stakeholders affected by the Project; and
- provide details of the Alliance/Allconnex Water obligations post 1 July, 2010

4 PREVIOUS RESOLUTIONS

Ex Council Minute WM09.1028.002 (in part)

“2 That approval be given for the award of Contract No GCW 169/2010/14 – Merrimac West Wastewater Network Augmentation Stage 2 Alliance to Bovis Lend Lease Pty Ltd and they be appointed as Council’s Alliance partner.

6 That a further report be presented to Council for approval of the Target Outturn Cost for the project.”

Ex Council Minute WM10.0421.002 and G10.0223.014 (in part)

“2 That Council note a report will be presented to the Allconnex Water Board seeking endorsement of the Project and associated commitment of capital expenditure over the next three financial years prior to any recommendation for approval of a Target Outturn Cost being presented to Council.

3 That Council note an approval of the Target Outturn Cost for the Project is scheduled to be presented to Council in June 2010. This report will also address the outstanding issues of community concern in regard to the alignment.”

5 DISCUSSION

The report presented to Council in February 2010 detailed the progress of the Streamline Alliance team since commencing the Project on 9 November 2009, gave an overview of the preferred option and outlined the anticipated Project timeframes. At that time, it was anticipated that a report on the outcome of the Target Outturn Cost (TOC) development phase would be presented to the Allconnex Water Board and subsequently to Council for approval prior to 30 June 2010. As a result of a number of opportunities being identified that provide enhancements to the original preferred alignment and configuration, finalisation of the Target Outturn Cost Report has been delayed by approximately one month.
5.1 Enhancements to the Preferred Option

The preferred option consisted of a gravity tunnel from Nerang to Carrara via Hinkler Drive and Nielsens Road and a major regional pump station adjacent to Nielsens Road Cararra from which a pumped main would then transport the wastewater to the Merrimac Wastewater Treatment Plant. Subsequent to establishing the preferred option, the team has been reviewing several opportunities in respect of localised alignments and configurations that provide benefit in both cost and non-cost (specifically for the community and environment) terms for additional investigation including:

- Revising the gravity pipeline alignment through the Nerang area to reduce the number of tunnel shafts and tunnel length and minimise community and environmental impacts in more sensitive areas such as Batten Reserve;
- Crossing the Motorway further north to make the connection to pump station W13 more efficient;
- Altering the tunnel alignment to the east of the Motorway rather than the west;
- Relocating the proposed new pump station adjacent to existing pump station W39 rather than adjacent to Nielsens Road Cararra;
- Altering the pump station configuration to a dry well only station to make best use of the storage within the gravity tunnel; and
- Revising the rising main alignment to the Merrimac WWTP to install the pipeline in potentially better ground conditions and minimise community and environmental impacts within Boonooroo Park area.

The final solution is likely to include some or all of the above opportunities, which although variances from the earlier preferred option, still offer or enhance the same key defining benefits as listed below:

- the shortest route between Nerang and Merrimac;
- the optimum solution in terms of technical, environmental and social issues;
- the ability to decommission all of the high priority critical pump stations;
- providing the Gold Coast community with an enhanced asset by way of increased emergency storage due to the fact that a larger sized pipe will be installed in the tunneled sections for technical constructability reasons;
- best satisfies Gold Coast Water’s key strategic drivers and objectives and Council’s Corporate Plan Key Focus Areas.

5.2 Effect on Project Timeframe

The anticipated savings associated with these opportunities is estimated to be of the order of $10m and hence their investigation and potential incorporation in the final solution forming the basis of the project Target Outturn Cost is considered prudent. To fully assess the merits of the above opportunities a delay of approximately one month has been incurred to the Target Outturn Cost development phase from what was initially envisaged.
ITEM 4 CONTINUED

GOLD COAST WATER
CONTRACT NO. 169/2010/014 - MERRIMAC WEST WASTEWATER UPGRADE – UPDATE ON TARGET OUTTURN COST REPORT AND COMMUNITY AND STAKEHOLDER IMPACT MANAGEMENT
WS113/870/09/06(P1)

Therefore, instead of the Target Outturn Cost Report being presented in May 2010 for endorsement by the Allconnex Water Board and subsequent approval by Council before 30 June 2010, the Target Outturn Cost Report will now be completed until mid June 2010. Allowing for a period of review by the Alliance Leadership Group and GCW, this results in the submission of the report seeking approval to proceed to the Works Delivery Phase of the Project now being made after 1 July 2010, meaning that it will submitted to the Allconnex Water Board rather than Council.

6 ALIGNMENT WITH BOLD FUTURE VISION, CORPORATE PLAN AND OPERATIONAL PLAN

The relevant Key Focus Areas as listed in the Gold Coast City Council Corporate Plan 2009-2014 and Operational Plan are –

- Key Focus Area 1: - A city leading by example
  - Outcome 1.1.1 - Preferred option selected on environmental, social and economic sustainability criteria
- Key Focus Area 2 - A city loved for its green, gold and blue
  - Outcome 2.2.5 - Nature conservation impacts considered as part of decision making process
  - Outcome 2.5.6 - Reduction of wastewater overflows to waterways
- Key Focus Area 5 - A city with a thriving economy
  - Outcome 5.2.1 – Provision of infrastructure to enable sustainable economic growth of the city.
- Key Focus Area 6 - A city shaped by clever design
  - Outcome 6.3.2 – Deliver Council’s capital works program to keep pace with community growth and needs

The project will also contribute to all five Strategic Priorities of Gold Coast Water’s Strategic Plan 2009-2012:-

- Supporting our people,
- Engaging with our customers and the community,
- Improving our environmental performance,
- Sustainably managing our service delivery, and
- Building our organisational capability

7 FUNDING AND RESOURCING REQUIREMENTS

7.1 Current Budget Allocation

The table below outlines the funds allocated for the Project within the current Budget and the draft 2010/11 to 2013/14 Allconnex Water Four Year Capital Works Program. These amounts are based upon initial preliminary estimates and delivery programs prepared for the project through various planning studies undertaken to date.
ITEM 4 CONTINUED

GOLD COAST WATER

CONTRACT NO. 169/2010/014 - MERRIMAC WEST WASTEWATER UPGRADE – UPDATE ON TARGET OUTFURN COST REPORT AND COMMUNITY AND STAKEHOLDER IMPACT MANAGEMENT

WS113/870/09/06(P1)

Current Budget and Draft Four Year Capital Works Program Allocations (in $M)

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost Centre Function and Project</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merrimac West Wastewater – Stage 2</td>
<td>189 8841 AMEM</td>
<td>$6.0</td>
<td>$75.0</td>
<td>$144.5</td>
<td>$0.5</td>
<td>$226.0</td>
</tr>
</tbody>
</table>

7.2 Current Target Outturn Cost Estimate

The Target Outturn Cost Report will contain the detailed costings of all the components that ultimately make up the final solution. The current estimate presented to the Alliance Leadership Group on 19 May 2010 was $225M. This aligns favourably in total with the current allocations however there may need to be a variation to future year cashflow requirements to suit the construction program. However, if all or even some of the opportunities listed within Section 5 of this report are able to be realised then the team anticipates being able to reduce the Target Outturn Cost by approximately $10M to approximately $215M.

7.3 Independent Estimator Assessment

To confirm the estimates submitted with the Target Outturn Cost Report are representative of current market conditions and provide value for money for this Project, an Independent Estimator has been engaged by Gold Coast Water to review the cost estimates. This assessment is still in progress with extensive interaction being undertaken with the Alliance team to review and reconcile any points of difference identified within the estimates. A report outlining the negotiations and final position of the Independent Estimator will be included within the Target Outturn Cost Report.

8 RISK MANAGEMENT

The relevant Corporate Risk is CO000440 - infrastructure capacity exceeded due to population and legislative requirements. This has, as existing controls against it, the GCW Growth Management Strategy and GCW Asset Management Strategy. The proposed upgrade of the Merrimac West Wastewater network will eliminate current capacity limitations in the system, especially during wet weather and considerably reduce the risk of non compliance with Licensing conditions.

The related GCW Directorate Risks are:

- GCW Asset Management (CO000339)
- GCW Environmental Management (CO000340)
- GCW Water Management Planning (CO000346)
The Merrimac West Wastewater Upgrade Project will assist in mitigating the risks identified through:

- Delivery of high quality reliable assets and handover documentation/information
- Providing an optimised gravity system upgrade will result in the minimisation of Greenhouse Gas Emissions and potential for odour generation
- Greater focus on construction environmental management through an Alliance approach
- Timely delivery of capacity upgrade to satisfy catchment growth.

9 STATUTORY MATTERS

The primary compliance issues associated with implementation of the Merrimac West Wastewater Upgrade project are associated with the following statutes:

- Local Government Act 1993
- Environmental Protection Act 1994
- Acquisition of Land Act 1967
- Water Act 2000, and
- South East Queensland Water (Distribution and Retail Restructuring) Act 2009.

10 COUNCIL POLICIES

The primary Council Policies which have been relied upon to date and are relevant to this project include:

- Community Consultation Policy
- External Communication Policy, and
- Park Usage Policy Temporary Park Occupation and Traverse for Construction Purposes

11 DELEGATIONS

Not applicable.

12 COORDINATION & CONSULTATION

Coordination and consultation with stakeholders external to Gold Coast Water has been occurring since the Project commenced late last year to allow the project team to gather relevant information as required, ensure approval timeframes and requirements are understood and to allow opportunities for input and feedback on preferred alignments. This has included consultation with:

- GCCC Parks and Gardens and Natural Areas Management Unit in relation to impacts on Council’s parks and reserves
- GCCC Engineering Services Directorate in relation to impacts on road reserves controlled by Council
GCCC Planning Environment and Transport Directorate in relation to environmental and future planning issues.

Queensland Department of Transport and Main Roads

Queensland Railways

As the project is currently in its Target Outturn Cost Development Phase, consultation and communication with the wider community has been limited apart from advanced notification of early works activities including ground condition assessments, surveying works, and environmental assessments.

Streamline Alliance is committed to ensuring these lines of communication continue throughout the project’s Delivery Phase and has developed a Stakeholder and Community Management Plan as part of the Works Delivery documentation which sets out the overarching community and stakeholder engagement, customer service and communications framework to be implemented throughout the life of the project. As the project progresses, more detailed Community Relations Site Plans will also be developed to address communication and stakeholder issues associated with recommended pipeline alignments.

13 STAKEHOLDER IMPACTS

13.1 Planned Community Engagement Activities

As the project moves into the Works Delivery Phase, as well as continuing the communication with the stakeholders mentioned in Section 12 above, the project team will be increasing its focus and interaction with the local community. To achieve this, dedicated community engagement activities are scheduled including (but not limited to):

- presentations to key community groups, environmental groups and project stakeholders;
- community displays (prior to construction commencement) providing an overview of the alignment and construction methods;
- community information days prior to the commencement of construction activities;
- active one-on-one engagement with residents and businesses along the alignment corridor both before and during construction works;
- distribution of construction communication materials including letters, newsletters and project factsheets; and
- discussions with private landowners to discuss potential works on their land and future easement requirements.

13.2 Potential Impacts

Discussions have already commenced with a local land care group in the Nerang area to understand potential impacts the project may have within their areas of interest. These discussions have highlighted numerous issues and concerns that may be common to other communities along the pipeline alignment which the project team are currently considering and working towards solutions acceptable to all parties. The principles applied in such considerations include:
minimising local environmental impacts and rehabilitation measures (for example altering the alignment adjacent to Batten Reserve and Crusader Way);

minimising localised impacts/interruption within park areas;

minimising impacts of construction activities and truck movements on neighbouring properties and the wider community;

ensuring a high quality of restoration and rehabilitation of public space areas (ie, park areas) once works are complete; and

Delivery of tangible public legacy outcomes (eg. Additional tree planting or upgraded park infrastructure such as a gazebo)

13.3 Alliance Contractual Obligations

The Project Alliance Agreement is the contractual document executed by Council and Bovis Lend Lease that outlines the responsibilities and obligations of the Alliance partners. It references many other documents which provide the detail on the necessary standards applicable to this project. The project team is therefore fully aware of not only the various procedures and protocols required as part of the approvals process, but from the consultation that has taken place to date understands the expectations of all concerned parties. This is particularly relevant with respect to the reinstatement and rehabilitation of disturbed areas.

On 1 July 2010, this Project Alliance Agreement and all its inherent responsibilities and obligations will be novated from Gold Coast City Council to Allconnex Water. The consultation and communication activities that were planned by the Streamline Alliance team and outlined in the Community and Stakeholder Management Plan to comply with the requirements of the Project Alliance Agreement will therefore continue regardless of the transfer to Allconnex Water.

13.4 Allconnex Water’s Statutory Obligations

The works to be undertaken as part of this project on behalf of Allconnex Water are governed by the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 which authorises Allconnex Water, as an authority under the Act, to carry out infrastructure work within publically controlled places controlled by a local government. The Act prescribes, in Section 53, the approval process (including the setting of conditions) which a local government may impose upon Allconnex Water when carrying out infrastructure work.

To comply with the requirements of the Act, representatives from various sections of Gold Coast City Council have been liaising with representatives from Gold Coast Water (but transferring to Allconnex Water) on how best to protect the interests of all parties and continue with a “business as usual” approach and not cause unnecessary delays. To effect this, a “Standing Approval Deed” is being drafted as an interim approach which includes references to Council’s current standard specifications and requirements. This will ensure that Allconnex Water (and therefore this Project) is obliged to carry out the works in accordance with Council’s conditions and approval processes similar to those which already apply between Council directorates.
Additionally, representatives from Gold Coast City Council’s Engineering Services, Community Services and Planning, Environment and Transport directorates have initiated discussions on a more formal long term process which will be presented to Council for ratification in the near future via the Infrastructure Governance Management Committee.

14 TIMING

Due to alterations to the Project schedule as described in Section 5.2 above, the revised Project Milestones are as shown below:

- Presentation of Target Outturn Cost report to ALG  16 June 2010
- Review of Target Outturn Cost Report  allow 2 weeks
- Allconnex Water Board Meeting  12 August 2010

A detailed construction program will be included within the Target Outturn Cost Report however, in summary, construction is expected to occur from late 2010 to mid 2013.

15 CONCLUSION

A Target Outturn Cost Report was intended to be presented to Council for approval in June 2010 following endorsement by the Allconnex Water Board. As a result of a number of opportunities being identified that provide enhancements to the original preferred alignment and configuration and potential cost savings of the order of $10m, finalisation of the Target Outturn Cost Report has been delayed by approximately one month. The significance of this delay is that approval for the Project will now be submitted to the Allconnex Water Board rather than Council.

Notwithstanding this, post 1 July, 2010, there are contractual and statutory obligations on the Streamline Alliance and Allconnex Water to continue to undertake appropriate community and stakeholder engagement and deliver infrastructure in accordance with any conditions set by Council as part of the approval process under the South East Queensland Water (Distribution and Retail Restructuring) Act 2009.
ITEM 4 CONTINUED

GOLD COAST WATER

CONTRACT NO. 169/2010/014 - MERRIMAC WEST WASTEWATER UPGRADE – UPDATE ON TARGET OUTFURN COST REPORT AND COMMUNITY AND STAKEHOLDER IMPACT MANAGEMENT
WS113/870/09/06(P1)

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That Council note that as a result of the Streamline Alliance pursuing further alignment and configuration opportunities that provide benefit in both cost and non-cost terms for the Merrimac West Wastewater Upgrade Project, the Target Outturn Cost Report has been delayed approximately one month.

2 That Council note that the report seeking approval for the Project to proceed to the Works Delivery Phase will now be presented to the Allconnex Water Board.

3 That Council note that there are contractual and statutory obligations on the Streamline Alliance and Allconnex Water to continue to undertake appropriate community and stakeholder engagement and deliver infrastructure in accordance with any conditions set by Council as part of the approval process under the South East Queensland Water (Distribution and Retail Restructuring) Act 2009.

Author: Mark Hermann
Authorized by: Richard Went
Program Manager: Director Gold Coast Water
7 June 2010

COMMITTEE RECOMMENDATION WM10.0616.004
Moved Cr Pforr Seconded Cr Grew

1 That Council note that as a result of the Streamline Alliance pursuing further alignment and configuration opportunities that provide benefit in both cost and non-cost terms for the Merrimac West Wastewater Upgrade Project, the Target Outturn Cost Report has been delayed approximately one month.

2 That Council note that the report seeking approval for the Project to proceed to the Works Delivery Phase will now be presented to the Allconnex Water Board.

3 That Council note that there are contractual and statutory obligations on the Streamline Alliance and Allconnex Water to continue to undertake appropriate community and stakeholder engagement and deliver infrastructure in accordance with any conditions set by Council as part of the approval process under the South East Queensland Water (Distribution and Retail Restructuring) Act 2009.

CARRIED
ITEM 5  INFRASTRUCTURE DELIVERY

CONTRACT NO. 169/2010/13 - COOMBAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBAH WWTP STAGE 5 PROJECT

169/2010/13

Refer 7 page attachment

1 BASIS FOR CONFIDENTIALITY

Not applicable.

2 EXECUTIVE SUMMARY

The purpose of this report is to inform Gold Coast City Council on the development of the Project Target Outturn Cost (TOC) for the Coombabah Wastewater Treatment Plant Stage 5 project and seek approval to proceed to the Works Delivery Phase. The report is presented at this time to ensure effective utilisation and retention of key Alliance team personnel.

The Coombabah Wastewater Treatment Plant (WWTP) is Gold Coast City’s largest with an existing capacity of 75ML/d (100,000 Equivalent Tenements (ET)). As a result of population growth, the plant is nearing capacity and requires expansion. Council has planned and budgeted for an upgrade and a procurement process commenced in 2009 which resulted in the decision to deliver the project through a program alliance in conjunction with the proposed Stapylton WWTP Stage 1 project.

In accordance with Council Minute No. G09.0918.010, the Alliance team of Abigroup, KBR and Worley Parsons were appointed as Council's Alliance partners. After signing of the Program Alliance Agreement on the 24 September 2009, a foundation workshop was held and the Coombah and Stapylton Program Alliance was named with it's acronym, CaSPA.

A preferred option for Coombabah WWTP Stage 5 project was then determined through a “Value for Money” multi-criteria selection process which included a number of stakeholder workshops. The preferred option of converting the existing bioreactor G to a Biological Nitrogen Removal (BNR) process stream and the construction of an anaerobic digestion facility, has a number of key benefits:

- The 16 ML/d or 21% increase in plant capacity will cater for growth within the Coombabah catchment until approximately 2018;
- Works will be entirely within the existing WWTP developed footprint and not impacting upon the surrounding koala habitat or RAMSAR wetlands;
- The Stage 5 site footprint will be minimised through the conversion of the existing Bioreactor G aerobic digester to a BNR process stream;
- Reduced greenhouse gas emissions through the adoption of anaerobic sludge digestion in preference to aerobic digestion;
- Provision of anaerobic digestion for the whole plant which has greater potential for a future energy recovery based biosolids management strategy;
- Biological removal of phosphorus and biological and chemically assisted (ethanol) nitrogen removal, provides opportunity to achieve higher and more consistent quality of recycled water together with a reduction in nutrient loads released to the environment; and
- The Stage 5 commissioning entails bringing elements of the new process train on line progressively. This strategy minimises risks to the environment by ensuring that the treatment capacity and efficiency of the plant is not compromised.

The TOC for Coombabah WWTP Stage 5 Project is $60,946,220. The owner costs for management, audits, spare parts, contingency, KPI Pool etc are estimated at $3,153,780 resulting in a total future Project Budget of $64,100,000.
### ITEM 5 CONTINUED

**INFRASTRUCTURE DELIVERY**

**CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT 169/2010/13**

The Project Budget has increased from the allocation included in the draft 10 Year Capital Program by approximately $16M including a $7M increase in 2010/11. It is proposed to fund the 2010/11 Budget increase by reallocating funds for projects relating to the provision of water and wastewater services to the existing un-serviced areas of Jacobs Well, Cabbage Tree Point, Steiglitz and Coomera Shores.

The Allconnex Water Board will consider the Coombabah WWTP Stage 5 project at it’s Board meeting on the 10 June 2010. A paper has been submitted which recommends the Board endorses the funding commitment proposal and making a recommendation to Gold Coast City Council to proceed to the Works Delivery Phase of the project.

Therefore, subject to a positive outcome from the Allconnex Water Board, it is recommended that approval be given to proceed to the Works Delivery Phase of the Coombabah WWTP Stage 5 Project and a Notice to Proceed be issued to the Alliance Contractor, Abigroup Contractors Pty. Ltd.

### 3 PURPOSE OF REPORT

The purpose of this report is to:

- Provide background to the Coombabah WWTP Stage 5 project;
- Advise of the outcomes of the Target Outturn Cost (TOC) development process;
- Advise Council of the Allconnex Water Board’s decision in respect of endorsement of the project funding commitments and a recommendation to Council to proceed to the Works Delivery Phase; and
- Subject to a positive outcome to the above, seek approval to proceed to the Works Delivery Phase for the Coombabah WWTP Stage 5 Project.

### 4 PREVIOUS RESOLUTIONS

#### 4.1 Gold Coast City Council

*Ex Council Minute WM09.0429.002*

1. That approval be given for Gold Coast Water to call Requests for Proposals for the establishment of two new Alliances to deliver major infrastructure projects identified in the 2009/10 to 2012/13 draft Four Year Capital Works Program for:

   - **Alliance 1** – Design, Construct, Commission and Prove the Coombabah Wastewater Treatment Plant – Stage 5 and Stapylton Wastewater Treatment Plant and Recycled Water Treatment Plant – Stage 1 and Associated Infrastructure; and

   - **Alliance 2** – Design, Construct and Commission the Merrimac West Wastewater Network Augmentation – Stage 2.
ITEM 5 CONTINUED

INFRASTRUCTURE DELIVERY

CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT

169/2010/13

2 That the Chief Executive Officer be given Delegated Authority to short list proponents for each of the two new Alliances.

3 That further reports be submitted to Council for approval of the preferred proponents for each Alliance.

Ex Council Minute No. G09.0918..010 (WM09.0916.001) (Part Only)

“2 That approval be given for the award of Contract No GCW 169/2010/13 – Coombabah Wastewater Treatment Plant Stage 5 and Stapylton Wastewater and Recycled Water Treatment Plant Stage 1 Alliance to the “WiNA” team of Abigroup, KBR and Worley Parsons and they be appointed as Council’s Alliance partner.

3 That the Chief Executive Officer be given delegated authority to award the contract by the execution of the Program Alliance Agreement.

4 That approval be given for the preferred proponent to commence work immediately pending finalisation and signing of the Program Alliance Agreement.

6 That further reports be presented to Council for approval of Target Outturn Costs for each treatment plant once they has been completed.”

4.2 Allconnex Water Board

Gold Coast Water has submitted a paper to the Allconnex Water Board for consideration at its meeting on the 10 June 2010 recommending that the Board notes and endorses the following :-

- That the Coombabah WWTP Stage 5 project is necessary because of growth occurring within the catchment and the upgrade requires completion as soon as practicable.

- That a Project TOC of $60,946,220 and overall future Project Budget of $64,100,000 and associated cashflow as shown in the table below is required for the Coombabah WWTP Stage 5 project.

<table>
<thead>
<tr>
<th>Year</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$37,000,000</td>
<td>$26,450,000</td>
<td>$400,000</td>
<td>$250,000</td>
<td>$64,100,000</td>
</tr>
</tbody>
</table>
ITEM 5 CONTINUED

CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT

169/2010/13

- That the proposed funding sources as shown in the table below apply to the project:

<table>
<thead>
<tr>
<th>Component</th>
<th>Infrastructure Charges Funded</th>
<th>Revenue Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Treatment for growth</td>
<td>$24,100,000</td>
<td>-</td>
</tr>
<tr>
<td>Biosolids treatment for growth</td>
<td>$7,500,000</td>
<td>-</td>
</tr>
<tr>
<td>Biosolids treatment for existing Coombabah WWTP capacity</td>
<td>-</td>
<td>$32,500,000</td>
</tr>
<tr>
<td>Sub-Totals for project</td>
<td>$31,600,000</td>
<td>$32,500,000</td>
</tr>
</tbody>
</table>

- That a recommendation be made to Gold Coast City Council to proceed to the Works Delivery Phase of the Coombabah WWTP Stage 5 project.”

A verbal update on the resolution of the Board meeting will be given at the Committee meeting.

5 DISCUSSION

5.1 Coombabah Wastewater Treatment Plant and Site

The Coombabah Wastewater Treatment Plant (WWTP) is Gold Coast City’s largest WWTP with an existing capacity of 75ML/d (100,000 Equivalent Tenements (ET)). It is located to the east of Coombabah Lake on Lot 21 RP 883601 as shown in Appendix A.

It should be noted that, whilst the Coombabah WWTP is presently located in the centre of this large allotment, only the immediate area around the treatment plant site is being subdivided off and transferred to Allconnex Water. A number of local Gold Coast City Council operations are located along the main access road of the Coombabah WWTP and adjacent to the main entrance to the WWTP. These services include:

- GCCC Nursery
- Animal Care and Husbandry Centre

5.1.1 General Description

The Coombabah WWTP consists of four stages constructed progressively over a 26 year period as shown in Appendix B. The treatment capacity of each of these stages is listed below:
Table 1 - Coombabah WWTP Existing Treatment Capacity

<table>
<thead>
<tr>
<th>Treatment Plant Stage</th>
<th>Commissioning Year</th>
<th>Stage Capacity</th>
<th>Cumulative Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>1979</td>
<td>25,000ET</td>
<td>25,000ET</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18.75ML/d</td>
<td>18.75ML/d</td>
</tr>
<tr>
<td>Stage 2</td>
<td>1985</td>
<td>25,000ET</td>
<td>50,000ET</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18.75ML/d</td>
<td>37.5ML/d</td>
</tr>
<tr>
<td>Stage 3</td>
<td>1991</td>
<td>50,000ET</td>
<td>100,000ET</td>
</tr>
<tr>
<td></td>
<td></td>
<td>37.5ML/d</td>
<td>75ML/d</td>
</tr>
<tr>
<td>Stage 4A</td>
<td>2005</td>
<td>Stage 4A provided additional aerobic digestion capacity to maintain plant capacity at 75 ML/d</td>
<td></td>
</tr>
</tbody>
</table>

The Coombabah WWTP has an existing operational development approval EPA Permit Ref No. IPDE00987908 - July 2008) and provides secondary treatment including biological nitrogen and limited phosphorus removal.

5.1.2 Previous Investigations

A series of investigations have been completed to assess the performance of the existing plant, identify improvement opportunities and master plan potential expansion of the site.

The most recent planning reports which are relevant to the Stage 5 upgrade include:

- Coombabah WWTP Upgrade Sub-program C (KBR, June 2003)
- Short Term Biosolids Strategy and Review of Coombabah Capacity (TYR Group, November 2008)

A brief summary of each of these reports follows.

5.1.2.1 Coombabah WWTP Upgrade Sub-program C

As part of the Coombabah Waterfuture project, an investigation was undertaken by consultants KBR into the options available for the upgrade of the Coombabah WWTP as part of Sub-program C. This investigation focussed on a review of previous investigations and current operations to develop options for the upgrade of the Coombabah WWTP, and to facilitate the development of concept design options. The investigation developed a total of six different process options which were evaluated using economic and non-economic criteria culminating in the selection of Option 3C.

Option 3C became Stage 4A and involved the construction of a new reactor and clarifier to operate initially as an aerobic digester, with future conversion to a bioreactor. The timing of the conversion was dependent on the establishment of a centralised biosolids facility, proposed to be located at Coombabah.
5.1.2.2 Short Term Biosolids Strategy and Review of the Coombabah Capacity

An investigation into the management of biosolids for all GCW WWTP’s and a review of the Coombabah WWTP treatment capacity was undertaken by TYR Group in November 2008.

The treatment capacity review identified that the existing secondary treatment process was approaching capacity. A number of options were identified to manage the wastewater loading on the WWTP, including:

- Investigation of operating all stages at a minimum sludge age;
- The transfer of additional wastewater load to Pimpama WWTP, through the diversion of wastewater catchments; and
- The development of Stage 5 of the Coombabah WWTP.

These options were evaluated on cost and non-cost criteria and the investigation recommended the immediate development of Stage 5 of the Coombabah WWTP.

5.1.3 Catchment Population Growth and Wastewater Volumes

The estimated population projections measured in Equivalent Tenements (ET) for the Coombabah catchments based on GCW’s Infrastructure Demand Model (IDM) Version 5.6 are summarised in the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2009</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2056</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET</td>
<td>109,587</td>
<td>115,541</td>
<td>119,511</td>
<td>127,874</td>
<td>137,294</td>
<td>182,472</td>
</tr>
</tbody>
</table>

The recorded wastewater inflows into the Coombabah WWTP have been analysed as part of project planning and have reduced to an average of 540 L/ET/day due largely to water restrictions and implementation of associated water efficiency initiatives. They are significantly below the current Average Dry Weather Flow (ADWF) in the GCW Desired Standard of Service (DSOS) of 700L/ET/day.

Previous stages of Coombabah WWTP (Stage 1 to 3) were designed with a rated hydraulic capacity based on the previous GCW DSOS of 750L/ET/day. Stage 5 will be designed with a rated hydraulic capacity of 700L/ET/day.

5.1.3.1 Staging of WWTP Development

The staging of capacity upgrades of the plant is based on the expected population growth and projected wastewater hydraulic and organic inflows. Based on the wastewater loadings projected in the coming years, the future development of the Coombabah WWTP is shown graphically below.
From the above graph, Coombabah WWTP is operating above its theoretical capacity based on the number of ET’s connected and the DSOS of 700 L/ET/Day (existing capacity 75 ML/day and predicted flow of around 81 ML/day) however below the actual average hydraulic loading of approximately 64 ML/day. Whilst this indicates that augmentation may not be required yet from an average daily flow hydraulic perspective, it is required due to the other critical driver for an upgrade, namely the organic mass loading on the plant.

The organic loading continues to increase regardless of the inflow volume variation and is based on the ET growth as the community continues to discharge a similar amount of mass load per ET. The mass load is independent of water consumption and discharge to the sewer and the concentration of parameters such as Chemical Oxygen Demand (COD), increase with the reduction in flows.

The current plant is nominally rated for an organic mass loading of 100,000 ET and, as shown in Table 2 above, the current connected population is estimated at some 116,000 ET. Therefore, whilst the plant continues to perform within licence requirements under normal flow conditions, it is theoretically overloaded from a mass load perspective and the upgrade is required to be completed as soon as practicable to avoid potential licence excursions especially in wet weather flow conditions.

The proposed capacity upgrade of 16 ML/day will provide theoretical plant capacity until 2018. The 16 ML/day is based upon the design capacity of the existing bioreactor G (presently used as an aerobic digester) and generally provides for three future equal upgrades to reach the ultimate plant capacity. This staging also provides for an acceptable period of growth within the catchment before augmentation of the plant is again required.
The City Planning Scheme is being reviewed at present and any revisions to the future growth areas in the Coombabah catchment will need to be included in plant inflow predictions once they are known to assess any timing impacts on future upgrade strategies. The Coombabah wastewater catchment includes a number of Council, State and Federal strategic development initiatives which could have significant impacts on the future growth rates. These include:

- The University Hospital and Knowledge Precinct at Parklands
- Updated Local Areas Plans for Central Southport, Central Surfers Paradise and Broadbeach
- Gold Coast Rapid Transit project and associated Transport Oriented Development outcomes, and
- 2018 Commonwealth Games bid.

At the time of writing this report, only the impact of the University Hospital and Knowledge Precinct has been quantified. The impact of these projects are not included in the wastewater volumes outlined above.

### 5.2 Coombabah Stage 5 Upgrade Project Drivers

The following are the primary project drivers associated with the provision of an additional stage of wastewater treatment capacity for the Coombabah WWTP:

#### 5.2.1 Increased demand due to population growth

The primary project driver for the construction of the Coombabah Stage 5 Project is to provide additional wastewater treatment capacity to accommodate increasing flows from population growth and corresponding increases in mass load requiring treatment. The existing secondary treatment process requires augmentation as a priority to avoid potential licence excursions under wet weather conditions. An additional hydraulic capacity of 16 ML/d (or 22,500 ET) has been identified as the preferred configuration.

#### 5.2.2 Protection of receiving water quality

Coombabah WWTP releases excess recycled water to the Seaway on the ebb tide cycle in accordance with DERM licence conditions and ensuring the ongoing protection of receiving waters is another key driver for this project. The augmentation of Coombabah WWTP will ensure that the volume and mass loading of the wastewater influent into the Plant can be treated to the required licence standard and its completion as early as practical will ensure the ongoing quality of recycled water to be released to the environment.

#### 5.2.3 Compliance with licence requirements

Whilst the plant continues to perform within licence requirements under normal flow conditions, it is theoretically overloaded from a mass load perspective and the upgrade is required to be completed as soon as practicable to avoid future licence excursions especially in wet weather flow conditions.
5.2.4 Beneficial reuse of recycled water

GCW has identified recycled water as a valuable resource which, if reused, has a dual benefit of reducing the amount of recycled water released from the plant to the environment as well as augmenting water supply leading to a reduction in the demand for potable water. Increasing the supply of recycled water for reuse is also a long term driver for the development of this facility and consistent recycled water quality is an essential prerequisite. Currently approximately 14% of the recycled water produced from Coombabah WWTP is reused, primarily for onsite process uses and for irrigation.

5.3 Project Delivery Background

In accordance with previous Council decisions, the Coombabah WWTP Stage 5 project is being delivered through a program alliance in conjunction with the proposed Stapylton WWTP Stage 1 project with Abigroup, KBR and Worley Parsons appointed as Alliance partners.

The Program Alliance Agreement was signed on the 24 September 2009, a foundation workshop was held shortly thereafter and the Coombabah and Stapylton Program Alliance was formed and named with it's acronym, CaSPA.

Since then, the project has progressed through the Options Assessment phase followed by preliminary design of the preferred option and TOC Development.

5.4 Options Assessment for Coombabah WWTP Stage 5 Project

Several process options were developed for the upgrade of the Coombabah WWTP and the following four were included in the final options selection process:

Option 1
Construct new process train H including bioreactor, clarifiers, sludge return and wasting, disinfection facility.

Option 2
Construction of a new digestion facility and clarifier while converting the existing process train G to BNR including a disinfection facility.

Option 3
Convert process trains C and D to a Membrane Bio-Reactor treatment process.

Option 4
Convert the bypass balance tank into an aerobic digester and convert process train G to BNR while installing a new clarifier.

Option 1 was located outside of the existing WWTP development footprint and could have resulted in the clearing of an intact mapped regional ecosystem, vegetation and koala habitat under the Nature Conservation (Koala) Conservation Plan 2006. The remaining options were located within the existing developed footprint of the WWTP and differed by treatment process and location.
ITEM 5 CONTINUED

A comprehensive cost and non-cost multi criteria “Value for Money” analysis was conducted by both GCW and CaSPA representatives from design, construction, environmental management and approvals. The following non-cost criteria were developed for inclusion in the assessment model in line with GCW strategic objectives:

- Business Continuity
- Our People
- Environmental
- Sustainability
- Community and Stakeholders
- Constructability

The cost criteria component of the assessment model was based on the Net Present Value (NPV) of the options.

A summary of the outcomes of the assessment process is included in Appendix C - Coombabah WWTP Stage 5 Project – Preferred Option Selection Process Summary.

The resultant scores after dividing the non-cost score for each option by the NPV were:

<table>
<thead>
<tr>
<th>Option</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>5.0</td>
<td>7.6</td>
<td>4.0</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Option 2 has the highest “Value for Money” Score and was therefore selected as the preferred option.

Some of the main points of difference which contributed to Option 2 being preferred were as follows:

- Continuity of service as there would be limited disruption to the existing operations
- Reduced delivery time through less delays with statutory approvals.
- Improved safety in operation and construction.
- Lowest Greenhouse Gas emissions
- Reduced construction and commissioning complexity
- Least
- NPV cost option (by 20%)

5.5 Preferred Stage 5 Option

The preferred Stage 5 option (Option 2) involves reconfiguring the existing aerobic digester, to a biological nutrient removal (BNR) reactor (referred to as Bioreactor G). Bioreactor G will be designed to give a capacity of 16 ML/d and will receive flows from a new flow splitter located downstream of the inlet works.
ITEM 5 CONTINUED

INFRASTRUCTURE DELIVERY

CONTRACT NO. 169/2010/13 - COOMBA gdbaB WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBAGBW WWTP STAGE 5 PROJECT

169/2010/13

Biological nitrogen and phosphorus removal will be achieved within the new Bioreactor G. An additional carbon source (ethanol) will be required to achieve the level of nutrient removal sought. Flows exiting the Bioreactor G will be split between the existing clarifier, G1 (currently utilised as a thickener) and an additional clarifier, G2 (to be constructed). In addition to this, a new structure to provide for the chlorination of the recycled water will also be provided. The recycled water will then be released to on site lagoons and then the residual after reuse will be pumped to the Seaway for release.

In addition to the liquid stream modifications, the provision of anaerobic digestion to treat sludge produced from the entire treatment plant will be provided. Anaerobic digestion allows for greater solids reduction than aerobic digestion and hence results in less sludge required to be removed and disposed off site. Biogas generated via the digestion process will be utilised to heat the digesters and achieve greater solids reduction. During start up and winter months, it is possible that gas will need to be supplied to achieve sufficient levels of digester heating and a facility for Liquid Natural Gas (LNG) will need to be included in the works.

The existing Dissolved Air Floatation facility will be converted to secondary digesters to condition the sludge. The sludge will then be dewatered in an existing facility and transferred to drying beds and ultimately removed from site.

The digestion facility has been designed with capacity to also accommodate the future Stage 6 upgrade of the plant. The incremental cost to provide the slightly larger structures and mechanical equipment now is estimated at some $500,000 and its inclusion in the current project is considered to represent better value than the alternative of spending several million dollars for a stand alone facility during the Stage 6 works which will be required by around 2018.

5.6 Stage 5 Infrastructure

A description of each component of Stage 5 infrastructure is provided below.
Table 5 - Stage 5 Infrastructure

<table>
<thead>
<tr>
<th>Component</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Existing inlet works pipe tie in</td>
</tr>
<tr>
<td>2</td>
<td>New flow splitter</td>
</tr>
<tr>
<td>3</td>
<td>New clarifier (G2)</td>
</tr>
<tr>
<td>4</td>
<td>New returned activated sludge (RAS) pump</td>
</tr>
<tr>
<td>5</td>
<td>New pump stations (scum pumps)</td>
</tr>
<tr>
<td>6</td>
<td>New waste mixed liquor (WML) thickening facility – Gravity drainage deck (GDD)</td>
</tr>
<tr>
<td>7</td>
<td>New chlorine contact tank</td>
</tr>
<tr>
<td>8</td>
<td>Removal and reinstatement of scum lagoon</td>
</tr>
<tr>
<td>9</td>
<td>Two new anaerobic digesters - A1 and A2</td>
</tr>
<tr>
<td>10</td>
<td>New underground ethanol/methanol storage and dosing facility</td>
</tr>
<tr>
<td>11</td>
<td>Liquefied natural gas (LNG) storage tank</td>
</tr>
<tr>
<td>12</td>
<td>Dissolved air flotation (DAF) modifications</td>
</tr>
<tr>
<td>13</td>
<td>Chlorine day storage and dosing facilities</td>
</tr>
<tr>
<td>14</td>
<td>Interconnecting pipework and service utilities for the above components</td>
</tr>
</tbody>
</table>

A general layout of the new works is shown in Appendix D.
5.7 Commissioning and Integration of the Upgrade Works

The Coombabah WWTP Stage 5 commissioning depends upon having the newly constructed equipment and facilities progressively completed and operational prior to the decommissioning and/or refurbishment of other items within the existing treatment plant. This can be achieved as the splitting of flow streams and augmentation to the treatment process is enabled both within the existing and proposed layout. This will not affect either the treatment capacity or the treatment end product.

Upon confirmation of the performance of the anaerobic digestion facility, the retrofitted reactor G will be brought on line and the treatment output will be included within the existing recycled water stream. Processes will be implemented to ensure that no unacceptable impacts to the existing ongoing treatment process will occur during the commissioning program.

5.8 Key Benefits Of Coombabah WWTP Stage 5 Project

The key benefits of the preferred option for Stage 5 are:

- The 21% (or 16 ML/day) increase in treatment capacity will cater for growth within the Coombabah catchment until approximately 2018;
- Works will be entirely within the existing developed footprint of the WWTP and not impacting upon the surrounding koala habitat or RAMSAR wetlands;
- The Stage 5 site footprint will be minimised through the conversion of the existing Bioreactor G aerobic digester to a BNR process stream;
- The reduction of greenhouse gas emissions through the adoption of anaerobic sludge digestion in preference to aerobic digestion;
- Provision of anaerobic digestion for the whole plant which has greater potential for a future energy recovery based biosolids management strategy;
- Biological removal of phosphorus and biological and chemically assisted (ethanol) nitrogen removal, provides opportunity to achieve more consistent high quality recycled water together with a reduction in nutrient loads released to the environment; and
- The commissioning of the Stage 5 upgrade relies upon the progressive completion of newly constructed facilities prior to commissioning. Importantly, this strategy minimises risks to the environment by ensuring that the treatment capacity and efficiency of the plant during the upgrade is not compromised.

5.9 Target Outturn Cost (TOC) Development and Review

The TOC was developed following selection of the preferred upgrade option. Design drawings and specifications were completed to sufficient detail to carry out an estimate of the final cost to design, construct, commission and optimise performance of the wastewater treatment plant upgrade.
Once the Option had been selected, a Cost Plan was prepared followed by an extensive process of Value Engineering to ensure the Value for Money principles established by the Alliance were being achieved. This in turn led to a review of the selected treatment process and further Value Engineering sessions providing validation of the selected option. The process design was also peer reviewed by an independent reviewer who has provided a statement endorsing the process. The KBR and Worley Parsons’ design joint venture team have also provided a signed statement on the appropriateness of the proposed process design to meet the project performance requirements.

An Independent Estimator, Project Support Pty Ltd, was engaged by Gold Coast Water to carry out a detailed review of the project schedule and cost estimate. They have confirmed that the proposed estimate is a reasonable and defendable estimate of what it is likely to cost to deliver the Project within the Target Schedule, using professional engineering, construction and management practices and have provided a signed statement to this effect without any qualifications.

A TOC Report has also been prepared and contains supporting documentation of the basis upon which the Project TOC has been developed. The Report includes information on the following:-

- Scope of Work
- Clarifications of Basis of TOC
- Direct and Overheads Cost Summary
- Construction and Resourcing Schedules
- Risk and Opportunity Allowances
- Detailed Cost Estimates
- Vendor Prices Received and Comparison with Cost Estimates
- Various Reports and Calculations
- Specifications
- KPI’s and Scope Change Guidelines
- Works Delivery Documents including Management Plans, and
- Drawings and Schedules.

The TOC has been considered by the Alliance Program Management Team and subsequently approved by the Alliance Leadership Group which consists of members from GCW, Abigroup, KBR and Worley Parsons.

The TOC for Coombabah WWTP Stage 5 Project is $60,946,220 and is detailed in Appendix E. The associated future owner costs for management, audits, spare parts, contingency, KPI Pool etc are estimated at $3,153,780 resulting in a total project budget of $64,100,000. The KPI pool allocation included in this budget is $500,000.

Details of the funding requirements are discussed in Section 8 of this paper.
5.10 Key Result Areas (KRA’S) and Key Performance Indicators (KPI’s)

A suite of KRA’s and KPI’s as detailed below have been developed for the project to incentivise exceptional performance. The KRA’s and KPI’s are based upon outcome areas of importance to the client. A total pool of plus/minus $500,000 has been nominated. This represents approximately 0.8% of the TOC amount.

<table>
<thead>
<tr>
<th>Key Result Areas (KRA)</th>
<th>Key Performance Indicators (KPIs)</th>
<th>% of Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Continuity</td>
<td>Knowledge Transfer:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Development of Competency Program for each GCW O&amp;M role</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality and timeliness of GCW O&amp;M staff Training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality and timeliness of documentation</td>
<td>20</td>
</tr>
<tr>
<td>Our People</td>
<td>Workforce Safety</td>
<td>See Note 1</td>
</tr>
<tr>
<td>Environmental Performance</td>
<td>Environmental Compliance:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- No unplanned plant process interruptions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Compliance with Site EMP’s</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Timely response to excursions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Whole of Life Performance:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Robustness/reliability of process and plant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Present value of operations cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Quality</td>
<td>Quality People, Processes and Outcomes:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Development of a quality culture involving a fully integrated collaborative team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Early identification and rectification of quality excursions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
</tr>
</tbody>
</table>

**Note 1:** Safety is included a negative modifier only based upon exceptional performance being a “Business As Usual” expectation.

5.11 Material Change of Use Application

The existing Development Approval (EPA Permit Ref No. IPDE00987908 - July 2008) for the Coombabah WWTP is for the operation of an environmentally relevant activity (ERA 63 - sewage treatment having a capacity to treat sewage of 100,000 equivalent persons (EP) or more). The Stage 5 augmentation results in a material increase in the intensity or scale of the existing ERA of around 20% on the premises (as defined under section 10 of the Sustainable Planning Act 2009) and this triggers a requirement for a Material Change of Use application.
An application has been submitted to the Department of Environment and Resource Management and is presently being assessed.

6  **ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN**

The relevant Key Focus Areas as listed in the Gold Coast City Council Corporate Plan 2009-2014 and Operational Plan are –

- Key Focus Area 1: - A city leading by example
  - Outcome 1.1.1 - Preferred option selected on environmental, social and economic sustainability criteria
- Key Focus Area 2 - A city loved for its green, gold and blue
  - Outcome 2.2.5 - Nature conservation impacts considered as part of decision making process
  - Outcome 2.5.6 - Reduction of wastewater overflows to waterways
- Key Focus Area 5 - A city with a thriving economy
  - Outcome 5.2.1 – Provision of infrastructure to enable sustainable economic growth of the city.
- Key Focus Area 6 - A city shaped by clever design
  - Outcome 6.3.2 – Deliver Council’s capital works program to keep pace with community growth and needs

The project contributes to all five Strategic Priorities of Gold Coast Water’s Strategic Plan 2009-2012, namely:

- Supporting our people
- Engaging with our customers and the community
- Improving our environmental performance
- Sustainably managing our service delivery
- Building our organisational capability

7  **FUNDING AND RESOURCING REQUIREMENTS**

As noted above, the future Budget requirement for the Coombabah Stage 5 project is estimated at $64,100,000 made up as follows:

- Project TOC $60,946,220
- Owners Costs
  - Project Management $1,560,000
  - Audits and Reviews $150,000
  - Spare Parts $200,000
  - Warranty Period Involvement $125,000
  - Other Items eg access road repairs and testing $100,000
  - KPI Pool $500,000
  - Contingency (~0.8%) $518,780

  Total $64,100,000

The projected expenditure on the project to date to end of this financial year is $4,452,000.
The proposed cash flow for the Coombabah project and the current allocation in GCW’s capital program budget submission is shown in the table below. This submission has been incorporated into the current Allconnex Water financial model.

**Table 7 – Coombabah WWTP Proposed Cash Flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010/11 $m</th>
<th>2011/12 $m</th>
<th>2012/13 $m</th>
<th>2013/14 $m</th>
<th>TOTAL $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCW Budget Submission</td>
<td>$30.00</td>
<td>$17.60</td>
<td>$0.25</td>
<td>$0.15</td>
<td>$48.00</td>
</tr>
<tr>
<td>TOC Budget</td>
<td>$37.00</td>
<td>$26.45</td>
<td>$0.40</td>
<td>$0.25</td>
<td>$64.10</td>
</tr>
</tbody>
</table>

The project budget has increased from the original cost plan used in GCW’s capital program budget submission by approximately $16M due to the inclusion of the following issues during the TOC development process:—

**Table 8 – Additional Cost Items**

<table>
<thead>
<tr>
<th>Item</th>
<th>Increase from Original Cost Plan ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anaerobic digester facility capacity and complexity increase</td>
<td>3.95</td>
</tr>
<tr>
<td>Anaerobic digester building changes</td>
<td>0.85</td>
</tr>
<tr>
<td>Removal of scum lagoon</td>
<td>2.9</td>
</tr>
<tr>
<td>Level of redundancy in pumps etc increased</td>
<td>3.5</td>
</tr>
<tr>
<td>Change to building layouts and size</td>
<td>1.6</td>
</tr>
<tr>
<td>Chemical storage and handling</td>
<td>1.8</td>
</tr>
<tr>
<td>Management costs, KPI and contingency</td>
<td>1.5</td>
</tr>
<tr>
<td>Other items eg new scum handling arrangement</td>
<td>0.8</td>
</tr>
</tbody>
</table>

The project costs included in the initial budget submission was based on an estimate provided early in the project after the preferred option was initially selected. The estimate was based on an “Optioneer” model of basic historical costs. The estimate was adjusted as design development continued and pricing was obtained from potential vendors and subcontractors. Further explanation on some of the items is as follows:—

- The capacity and complexity of digester facility increased due to more detailed investigation and understanding of the performance requirements as well as allowances to accommodate future plant upgrades. In addition, previous cost information on anaerobic digestion was not readily available for the original cost planning exercise and the competitive vendor pricing used to develop the Project TOC was higher than the original estimates.
- The removal of the scum lagoon involves greater volumes to be removed than was originally estimated and the method of removal was not clearly established at the early stages of the project. Competitive pricing has been used in the Project TOC.
ITEM 5 CONTINUED

INFRASTRUCTURE DELIVERY

CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT

169/2010/13

- Level of redundancy required by GCW was greater than allowed for in the original cost plan. When stakeholders were consulted and the process design was developed further, it was necessary to add additional pump sets, heat exchangers etc to provide for continuation of process if there was a failure with an item of equipment.
- The building housing the gravity drainage decks needed to be enlarged following more detailed design.
- Increased chemical dosing equipment is required in the anaerobic digestion process.

As detailed in Tables 7 and 8, the project budget has increased from the allocation included in GCW's capital program budget submission by approximately $16M, including a $7M increase in 2010/11. It is proposed to fund the 2010/11 budget increase by reallocating funds for projects relating to the provision of water and wastewater services to the existing unserviced areas of Jacobs Well, Cabbage Tree Point, Steiglitz and Coomera Shores. The planning for these projects has not been progressed as far as anticipated and reprioritisation of the delivery phase of the works and reallocation of part of the funding allocation is recommended.

As the Coombabah WWTP Stage 5 project entails both growth and improvements, it will be funded from both infrastructure charges and water rates revenue. The growth portion of the plant upgrade will be funded from infrastructure charges. This comprises the treatment process infrastructure including the bioreactor conversion, clarifiers and disinfection as well as the proportion of the biosolids digestion works to be provided over that required for the existing plant capacity.

Based upon a 16 ML/day upgrade to a total site capacity of 91 ML/day, the applicable proportion of the biosolids digestion works aligned to the Stage 5 effluent stream upgrade is approximately 17.6% (ie 16/91). However, as previously stated, capacity has also been included in the biosolids digestion facility to accommodate the future Stage 6 upgrade of the plant at an estimated incremental cost of $500,000. For funding purposes, this cost should also be added to the above proportional split to determine the total infrastructure charges funding requirement for the project.

The remainder of the project will be funded via water rates revenue as the digestion process also provides capacity for all of the biosolids generated by the existing wastewater treatment plant.

The resultant split in funding of the capital costs is as follows:

<table>
<thead>
<tr>
<th>Table 9 – Capital Costs Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component</td>
</tr>
<tr>
<td>Wastewater Treatment for growth</td>
</tr>
<tr>
<td>Biosolids treatment for growth</td>
</tr>
<tr>
<td>Biosolids treatment for existing</td>
</tr>
<tr>
<td>Coombabah WWTP capacity</td>
</tr>
<tr>
<td>Sub-Totals for project</td>
</tr>
</tbody>
</table>
ITEM 5 CONTINUED

CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT

169/2010/13

Economic and Regulatory Considerations

From 1 July 2010, the Queensland Competition Authority (QCA) commences oversight of the Interim Price Monitoring Framework (the Framework). The introduction of this Framework of economic regulation is a new environment for South East Queensland Water Businesses who have been relatively free from any form of economic regulation.

The Framework states that for capital expenditure to be included in the Regulated Asset Base (RAB) it must be prudent and efficient, as determined by independent review and consultation. The review and open consultation will commence shortly after the commencement of Allconnex Water’s operations.

The QCA will engage independent experts to review the capital program and a report will be released for comment. The QCA will take into account the findings of the independent advice as well as submissions from stakeholders in coming to its view on the level of capital expenditure to be included in the RAB. A key element in the review of the expenditure is to ensure that it is prudent and efficient. An analysis against the criteria is detailed below.

PRUDENT EXPENDITURE

In accordance with the Framework, this project is considered prudent as the project is deemed necessary for:

- Growth – upgrade of the plant is required due to increased population growth in the catchment area.
- Renewals – the project converts existing infrastructure to ensure existing desired standards of service are maintained.
- Compliance – plant is currently theoretically overloaded from a mass load perspective. Upgrade is required to avoid licence excursions under wet weather conditions.

EFFICIENT EXPENDITURE

From an efficiency perspective this project meets the criteria:

- Scope of Works – the preferred option was determined through a ‘Value for Money’ multi-criteria selection process which included a number of stakeholder workshops and the least “Whole of Life” cost option selected.
- Standard of Work – the standards of work conforms with GCW standard specifications, are detailed in GCW Strategic Asset Management Plan (SAMP) and outlined in GCW Water and Wastewater Priority Infrastructure Plan (PIP).
- Costs and Timings – An Independent Estimator (Project Support) and an Alliance Financial Auditor (KPMG) provided external scrutiny of the process and reviewed costing information.

RISK MANAGEMENT

The relevant Corporate Risk is CO000440 - infrastructure capacity exceeded due to population and legislative requirements. This has as existing controls against it, the GCW Growth Management Strategy and GCW Asset Management Strategy. The proposed increase in capacity of the Coombabah WWTP from 75 ML/day to 91 ML/day will assist in reducing the capacity risks at the Coombabah WWTP.
The related GCW Directorate Risks are:

- GCW Asset Management (CO000339)
- GCW Environmental Management (CO000340)
- GCW Water Management Planning (CO000346)

The Coombabah WWTP Stage 5 Project will assist in mitigating the risks identified through:

- Delivery of high quality reliable assets and handover documentation/information
- Providing of new anaerobic digestion facilities for the whole plant will:
  - Result in minimisation of Greenhouse Gas Emissions, and
  - Provide a platform for future energy recovery biosolids management strategies
- Robust process design to ensure the volume and mass loading of the wastewater influent into the plant can be treated to the required licence standard.
- Greater focus on construction environmental management through Alliance approach
- Timely delivery of capacity upgrade to satisfy catchment growth

9 STATUTORY MATTERS

All procurement activities required under the proposed Alliance delivery methodology have been undertaken in accordance with the requirements of the Local Government Act 1993 and an independent Probity Officer and Financial Auditor were engaged during the proponent selection phase of the program.

10 COUNCIL POLICIES

Not applicable

11 DELEGATIONS

The Chief Executive Officer has the required delegations to undertake the actions outlined in this Agenda Item and no new delegations are required.

12 COORDINATION & CONSULTATION

Various Branches within Gold Coast Water have been consulted during the TOC development phase and in particular Commercial Performance, Service Delivery, Stakeholder Management, Operations and Maintenance and Strategy and Business Improvement.

13 STAKEHOLDER IMPACTS

Limited external stakeholder interaction is expected with this project due to its location and being a brownfield site. A Community Relations Plan has been prepared and funds have been budgeted for relevant activities in the Project TOC.
14 TIMING

Based upon a project commencement of late June 2010, construction completion is scheduled for the end of February 2012 and handover of the end of May 2012 after commissioning. There is a two year Defects and Liability Period after this date and also a program for the further optimisation of the plant.

15 CONCLUSION

The primary project drivers for the provision of an additional wastewater treatment capacity for the Coombabah WWTP are:

- Increased demand due to growth
- Protection of receiving water quality
- Compliance with licence requirements
- Beneficial reuse of recycled water

After a “Value for Money” multi criteria assessment process, a preferred option for the Stage 5 upgrade was selected and comprises converting the existing bioreactor G to a Biological Nitrogen Removal (BNR) process stream and construction of an anaerobic biosolids digestion facility for the whole plant. This option demonstrates a number of key benefits:

- The increase in treatment capacity will cater for growth within the Coombabah catchment until approximately 2018;
- Works will be entirely within the existing developed footprint of the WWTP and not impacting upon the surrounding intact koala habitat or RAMSAR wetlands;
- The new works site footprint will be minimised through the conversion of the existing Bioreactor G aerobic digester to a BNR process stream;
- Reduced greenhouse gas emissions through the adoption of anaerobic biosolids digestion in preference to aerobic digestion;
- Provision of anaerobic digestion for the whole plant which has greater potential for a future energy recovery based biosolids management strategy;
- Biological removal of phosphorus and biological and chemically assisted (ethanol) nitrogen removal, provides opportunity to achieve more consistent high quality recycled water together with a reduction in nutrient loads released to the environment; and
- The commissioning of the Stage 5 upgrade relies upon the progressive completion of newly constructed facilities prior to commissioning. Importantly, this strategy minimises risks to the environment by ensuring that the treatment capacity and efficiency of the plant is not compromised.

The Project TOC has been developed after design drawings and specifications were completed to sufficient detail and has been reviewed by an Independent Estimator, Project Support Pty Ltd. They have confirmed the proposed estimate is a reasonable and defendable estimate of what it is likely to cost to deliver the Project within the Target Schedule, using professional engineering, construction and management practices and have provided a signed statement to this effect without any qualifications.

The Project TOC and associated TOC Report has been considered by the APMT and agreed to by the ALG.
The Project TOC for Coombabah WWTP Stage 5 is $60,946,220. The associated future owner costs for management, audits, spare parts, contingency, KPI Pool etc are estimated at $3,153,780 resulting in a total future project budget of $64,100,000. The KPI pool allocation included in this budget is $500,000.

The Project Budget has increased from the allocation included in GCW’s capital program budget submission by approximately $16M, including a $7M increase in 2010/11. It is proposed to fund the 2010/11 Budget increase by reallocating funds for projects relating to the provision of water and wastewater services to the existing un-serviced areas of Jacobs Well, Cabbage Tree Point, Steiglitz and Coomera Shores.

The Allconnex Water Board will consider the Coombabah WWTP Stage 5 project at it’s Board meeting on the 10 June 2010. A paper has been submitted which recommends the Board notes and endorses the funding commitment proposal and making a recommendation to Gold Coast City Council to proceed to the Works Delivery Phase of the Coombabah WWTP Stage 5 Project. A verbal update will be given at the meeting on the outcome of the Allconnex Water Board meeting.

Therefore, subject to a positive outcome from the Allconnex Water Board meeting, it is recommended that approval be given to proceed to the Works Delivery Phase of the Coombabah WWTP Stage 5 Project and a Notice to Proceed be issued to the Alliance Contractor, Abigroup Contractors Pty. Ltd.

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That the Coombabah Wastewater Treatment Plant Stage 5 project is necessary because of growth occurring within the catchment and the upgrade requires completion as soon as practicable.

2 That a Project Target Outturn Cost of $60,946,220 and overall future Project Budget of $64,100,000 and associated cashflow as shown in the table below be noted for the Coombabah Wastewater Treatment Plant Stage 5 project.

<table>
<thead>
<tr>
<th>Year</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$37,000,000</td>
<td>$26,450,000</td>
<td>$400,000</td>
<td>$250,000</td>
<td>$64,100,000</td>
</tr>
</tbody>
</table>

3 That the proposed funding sources as shown in the table below be noted:

<table>
<thead>
<tr>
<th>Component</th>
<th>Infrastructure Charges Funded</th>
<th>Revenue Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Treatment for growth</td>
<td>$24,100,000</td>
<td></td>
</tr>
<tr>
<td>Biosolids treatment for growth</td>
<td>$7,500,000</td>
<td></td>
</tr>
<tr>
<td>Biosolids treatment for existing</td>
<td></td>
<td>$32,500,000</td>
</tr>
<tr>
<td>Coombabah WWTP capacity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Totals for project</td>
<td>$31,600,000</td>
<td>$32,500,000</td>
</tr>
</tbody>
</table>
4 That approval be given for the Coombabah Wastewater Treatment Plant Stage 5 project to proceed to the Works Delivery Phase.

5 That the Chief Executive Officer issue a Notice to Proceed to the Alliance Contractor, Abigroup Contractors Pty Ltd.

Author: Brett Lawrence
Reviewed by: Richard Went
Manager Infrastructure Delivery
Director Gold Coast Water
7 June, 2010
ITEM 5 CONTINUED

INFRASTRUCTURE DELIVERY

CONTRACT NO. 169/2010/13 - COOMBABAH WWTP STAGE 5 AND STAPYLTON WWTP AND RWTP STAGE 1 ALLIANCE – APPROVAL TO PROCEED TO THE WORKS DELIVERY PHASE FOR THE COOMBABAH WWTP STAGE 5 PROJECT
169/2010/13

Changed Recommendation

COMMITTEE RECOMMENDATION  WM10.0616.005
Moved Cr Crichlow  Seconded Cr Grummitt

1  That Council note that the Coombabah Wastewater Treatment Plant Stage 5 project is necessary because of growth occurring within the catchment and the upgrade requires completion as soon as practicable.

2  That a Project Target Outturn Cost of $60,946,220 and overall future Project Budget of $64,100,000 and associated cashflow as shown in the table below be noted for the Coombabah Wastewater Treatment Plant Stage 5 project.

<table>
<thead>
<tr>
<th>Year</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$37,000,000</td>
<td>$26,450,000</td>
<td>$400,000</td>
<td>$250,000</td>
<td>$64,100,000</td>
</tr>
</tbody>
</table>

3  That the proposed funding sources as shown in the table below be noted:

<table>
<thead>
<tr>
<th>Component</th>
<th>Infrastructure Charges Funded</th>
<th>Revenue Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Treatment for growth</td>
<td>$24,100,000</td>
<td></td>
</tr>
<tr>
<td>Biosolids treatment for growth</td>
<td>$7,500,000</td>
<td></td>
</tr>
<tr>
<td>Biosolids treatment for existing Coombabah WWTP capacity</td>
<td>-</td>
<td>$32,500,000</td>
</tr>
<tr>
<td>Sub-Total for project</td>
<td>$31,600,000</td>
<td>$32,500,000</td>
</tr>
</tbody>
</table>

4  That approval be given for the Coombabah Wastewater Treatment Plant Stage 5 project to proceed to the Works Delivery Phase.

5  That the Chief Executive Officer issue a Notice to Proceed to the Alliance Contractor, Abigroup Contractors Pty Ltd.

6  That Council note the Allconnex Water Board considered this matter at its meeting held on 10 June 2010 and had no objection to proceeding with this project.

CARRIED
APPENDIX A - COOMBABAH WWTP STAGE 5
PROJECT– SITE LOCALITY PLAN
APPENDIX B - COOMBAH WWTP STAGE 5
PROJECT – EXISTING COOMBAH WWTP LAYOUT
APPENDIX C - COOMBABAH WWTP STAGE 5 PROJECT - PREFERRED OPTION
SELECTION PROCESS SUMMARY

SELECTION PROCESS

A number of upgrade alternatives were detailed in the Request for Proposal submission by the Alliance Contractor and these were further refined with Gold Coast Water’s input and reduced to 4 viable options. A process selection workshop was held for which a briefing report was prepared to compare and contrast the options and identify advantages and disadvantages. The options considered were:

- **Option 1:** Build a plant to the north of Reactor G, consisting of 1 or 2 oxidation ditches and 2 clarifiers. Reactor G would remain as an aerobic digester.

- **Option 2:** Build a new aerobic digester, located near to the existing Dissolved Air Flotation (DAF) plant, which would receive sludge from all parts of the plant. Reactor G would be converted to a BNR plant.

- **Option 3:** Convert Reactors C and D to a Membrane Batch Reactor (MBR) facility, with the membranes located in one of the secondary clarifiers. This allowed Reactor G to remain as an aerobic digester. The spare clarifier for C and D would be added to Plants A and B to increase their wet weather capacity.

- **Option 4:** Rebuild the storm tank incorporating an aerobic digester, a balance tank and a storm tank.

PROCESS SELECTION WORKSHOP

The final process selection workshop was held on the 24th November 2009 to select the preferred option from the 4 listed above. The workshop was structured in the following way:


- The options were presented and discussed.

- Each group ranked the options against non cost criteria which were selected to reflect Gold Coast Water’s key objectives of including Business Continuity, Our People, Environmental, Sustainability, Community and Stakeholders and Constructability.

- Each groups ranks were converted to weighted scores using predefined weighting criteria and aggregated to a single score for each option. “Value for Money” scoring was then assessed as the ratio of NPV and the final score.

Table 1 below summarises the weighted scoring from the selection process and indicates a clear preference for Option 2 – i.e. to build a new aerobic digester located near to the existing DAFs. The indicative cost comparison developed for the process selection workshop is given in Table 2. These costs are comparative based on the “Optioneer” model.
Table 1: Weighted Process Selection Scores

<table>
<thead>
<tr>
<th>Cost</th>
<th>Units</th>
<th>Option</th>
<th>1 New Stage</th>
<th>2 Aerobic Digester</th>
<th>3 MBR Conversion</th>
<th>4 Storm Tank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital cost</td>
<td>$</td>
<td>56,220,000</td>
<td>42,940,000</td>
<td>52,830,000</td>
<td>56,140,000</td>
<td></td>
</tr>
<tr>
<td>Power cost</td>
<td>$/yr</td>
<td>617,000</td>
<td>485,000</td>
<td>539,000</td>
<td>818,000</td>
<td></td>
</tr>
<tr>
<td>Operating cost</td>
<td>$/yr</td>
<td>859,000</td>
<td>902,000</td>
<td>2,486,000</td>
<td>1,069,000</td>
<td></td>
</tr>
<tr>
<td>Whole of life cost (NPV)</td>
<td>$</td>
<td>63,657,000</td>
<td>50,755,000</td>
<td>74,368,000</td>
<td>65,400,000</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Comparative Costs for Each Option

It should be noted the discount rate of 9.79% pre tax nominal was used. This was based on the PricewaterhouseCoopers October 2009 GCW Cost of Capital Review and adjusted to reflect the current risk free rate. The Inflation Rate per Producer Price Index (Construction specific index) of 5.9% was used and the NPV was calculated for a timeframe 20 years.

It should also be noted the Capital costs nominated above represent the estimates developed through the “Optioneer” model process and have been developed further to the Project TOC through design and more rigorous estimating with market testing of various packages.
FINAL OPTION SELECTION

Although the aerobic digester option selected provided a good fit to Gold Coast Water’s current requirements, it is not entirely consistent with the long term objective of an anaerobic digestion based centralised processing facility. Consequently, an investigation was undertaken to determine if the aerobic digesters could be constructed in such a way as to be convertible to anaerobic units in the future.

The investigation undertaken determined this was possible, but was likely to lead to a compromise design to accommodate both objectives. Consequently a cost analysis was undertaken to assess the viability of implementing anaerobic verses aerobic digestion of Waste Activated Sludge now. This is summarised in Table 3.

When the NPV for the overall project was estimated, the anaerobic digester now option offers net savings of about $7.5 million. For this reason, it was decided to process the sludge anaerobically – being the most cost effective and in line with Gold Coast Water’s long term objectives.

<table>
<thead>
<tr>
<th>Cost</th>
<th>Units</th>
<th>Aerobic</th>
<th>Anaerobic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage 5 Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital (power &amp; maintenance)</td>
<td>$M</td>
<td>36.9</td>
<td>34.4</td>
</tr>
<tr>
<td>Operating (Maghydroxide, ferric and gas)</td>
<td>$M/yr</td>
<td>0.57</td>
<td>0.26</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>$M/yr</td>
<td>0.57</td>
<td>0.63</td>
</tr>
<tr>
<td>Whole of life (NPV: 9.7%, 20 years)</td>
<td>$M</td>
<td>41.8</td>
<td>39.8</td>
</tr>
</tbody>
</table>

Conversion to a Centralised Anaerobic Facility in Year 5

<table>
<thead>
<tr>
<th>Cost</th>
<th>Units</th>
<th>Aerobic</th>
<th>Anaerobic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$M</td>
<td>34.2</td>
<td>25.8</td>
</tr>
<tr>
<td>Operating (Maghydroxide, ferric and gas)</td>
<td>$M/yr</td>
<td>0.36</td>
<td>0.38</td>
</tr>
<tr>
<td>Total operating costs</td>
<td>$M/yr</td>
<td>0.78</td>
<td>0.80</td>
</tr>
<tr>
<td>Whole of life (NPV: 9.7%, 20 years)</td>
<td>$M</td>
<td>40.9</td>
<td>32.8</td>
</tr>
</tbody>
</table>

Total NPV for project $M 64.5 57.0

Table 3: Comparative Costs for Aerobic and Anaerobic Digestion Systems
APPENDIX D - COOMBABAH WWTP STAGE 5 PROJECT
– LAYOUT PLAN
## APPENDIX E - TOC ESTIMATE SUMMARY FOR COOMBABAH WWTP STAGE 5 PROJECT

<table>
<thead>
<tr>
<th>COST SUB-SECTIONS</th>
<th>TOC ESTIMATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct costs</strong></td>
<td></td>
</tr>
<tr>
<td>Civil \ Structural</td>
<td>17,880,642</td>
</tr>
<tr>
<td>Mechanical</td>
<td>6,184,818</td>
</tr>
<tr>
<td>Electrical</td>
<td>5,624,965</td>
</tr>
<tr>
<td>Other items</td>
<td></td>
</tr>
<tr>
<td>Mechanical Digesters</td>
<td>6,548,615</td>
</tr>
<tr>
<td>Scum Lagoon</td>
<td>1,653,040</td>
</tr>
<tr>
<td><strong>Sub Total - Direct Costs</strong></td>
<td><strong>$ 37,892,080</strong></td>
</tr>
<tr>
<td><strong>Sub Total - Indirect Costs Overheads</strong></td>
<td><strong>$ 10,059,757</strong></td>
</tr>
<tr>
<td><strong>Maintenance Period Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Maintenance period costs for Civil, Structural, Electrical, Instrumentation and Supervision</td>
<td>$528,675</td>
</tr>
<tr>
<td><strong>Sub Total - Maintenance Costs for</strong></td>
<td><strong>$ 528,675</strong></td>
</tr>
<tr>
<td><strong>Design, Support &amp; Other Project Specific Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Detail Design</td>
<td>$2,738,341</td>
</tr>
<tr>
<td>Construction Support</td>
<td>$617,936</td>
</tr>
<tr>
<td>Commissioning</td>
<td>$758,827</td>
</tr>
<tr>
<td>Alliance Health</td>
<td>$187,400</td>
</tr>
<tr>
<td>Stakeholder Management</td>
<td>$50,010</td>
</tr>
<tr>
<td><strong>Sub Total - Design, Support &amp; Other Project Specific Costs</strong></td>
<td><strong>$4,352,514</strong></td>
</tr>
<tr>
<td><strong>Opportunities &amp; Risks (P50 Median)</strong></td>
<td></td>
</tr>
<tr>
<td>Estimate/Planned Risk on Quantities (2.5%)</td>
<td>$616,659</td>
</tr>
<tr>
<td>Project/Unplanned Risk &amp; Opportunity</td>
<td>$1,035,531</td>
</tr>
<tr>
<td>Buying Gain</td>
<td>-($600,920)</td>
</tr>
<tr>
<td><strong>Sub Total - Opportunities &amp; Risks</strong></td>
<td><strong>$1,051,270</strong></td>
</tr>
<tr>
<td><strong>Sub Total - Escalation</strong></td>
<td><strong>$818,116</strong></td>
</tr>
<tr>
<td><strong>TOTAL TOC Excluding Fee</strong></td>
<td><strong>$54,702,412</strong></td>
</tr>
<tr>
<td>Fee on TOC</td>
<td><strong>$6,243,808</strong></td>
</tr>
<tr>
<td><strong>TOTAL TOC including Fee</strong></td>
<td><strong>$60,946,220</strong></td>
</tr>
</tbody>
</table>
ITEM 6  INFRASTRUCTURE PLANNING
PAYMENT OF CATEGORY 3 HEADWORKS FUNDS TO STOCKLAND DEVELOPMENT PTY LTD FOR UPGRADING WORKS TO SEWERAGE PUMP STATION OR3 - ORMEAU
PN227939/599/01(P2)

1 BASIS FOR CONFIDENTIALITY
Not Applicable.

2 EXECUTIVE SUMMARY
Not Applicable.

3 PURPOSE OF REPORT
This report is presented to seek Council’s approval to pay Stockland Development Pty Ltd an amount of $255,086.40 for their funding of upgrading works at Sewerage Pump Station OR3, Pacific Highway Service Road, Ormeau.

4 PREVIOUS RESOLUTIONS
Council resolution, ExMin.No.WS07.0531.004 is relevant to this matter:

1 That Council negotiate and enter into an Integrated Planning Act agreement with Stockland Developments Pty Ltd for the upgrading of Pump Station OR3 and trunk gravity associated works at Motorway Circuit, subject to the following:
   a Terms and conditions being satisfactory to the Chief Executive Officer; and
   b Augmentation works operational within nine (9) months.

2 That the Chief Executive Officer be granted delegated authority to enter into an agreement with Stockland Developments Pty Ltd for the upgrade works at OR3 nominated in Item 1.

3 That in the event that Council is unable to negotiate a satisfactory agreement with Stockland Developments Pty Ltd, the Chief Executive Officer is granted delegated authority to award the upgrade works to the Pimpama Coomera Package D Managing Contractor, subject to the following:
   a Augmentation works operational within nine (9) months.

4 That a further report be brought forward once negotiations are completed.

5 That the contra-variations to cost centre function 184.8841 to fund the OR3 augmentation works be made at the September 2007 budget review.

5 DISCUSSION
Council has previously adopted a Category 3 sewerage scheme (External Works Scheme) to fund upgrading works in the Ormeau area. This scheme is designed to provide adequate sewerage capacity for development in the area (includes the Jacobs Ridge Estate, Pimpama Rivers, Ormeau Ridge Estate, the Holmes Property and various subdivisions around Eggersdorf and Goldmine Roads). The scheme provides temporary capacity for the region until the Stapylton Wastewater Treatment Plant and associated infrastructure is built.
ITEM 6 CONTINUED INFRASTRUCTURE PLANNING
PAYMENT OF CATEGORY 3 HEADWORKS FUNDS TO STOCKLAND DEVELOPMENT PTY LTD FOR UPGRADING WORKS TO SEWERAGE PUMP STATION OR3 - ORMEAU
PN227939/599/01(P2)

Due to the rapid rate of development in the catchment, certain works were identified as being required to cater for that growth. These works included upgrading of pump station OR3 and the duplication of the downstream gravity sewers. The estimated cost of these works were $402,250.

Council subsequently built the gravity sewer works and Stockland Developments carried out the OR3 upgrading works. The system has been commissioned and is operating satisfactorily.

With regard to the OR3 works, Mortons Urban Solutions, Stocklands engineering consultants, have provided test sheets showing the pumps and switchboard are performing to specification and invoices attesting to the cost for which Stocklands have funded for the works. The cost claimed is $255,086.40.

Gold Coast Water’s Service Delivery section have confirmed that all ancillary works (installation of pumps, guiderails and protective coating within the wet well) have been carried out satisfactorily.

It is therefore recommended that Council approves the payment to Stockland Developments for their funding of the OR3 upgrade work.

6 ALIGMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

These focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon key principles. The following three are relevant to the OR3 upgrade works:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.

Corporate Plan (2009-2014)

The OR3 upgrade works fall within two key focus areas of Council’s Corporate Plan:

Key focus area: 1 – A city leading by example

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city
Key focus area: 6 – A city shaped by clever design

6.3 Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1 Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city

GCW Strategic Plan (2009-2012)

The OR3 upgrade works fall within GCW’s Strategic Plan:

- Strategic Priority – “Sustainably managing our service delivery”
- Strategy - “Growth Management Strategy”.
- A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Councils standards ensuring assets meet their design life”.

7 FUNDING AND RESOURCING REQUIREMENTS

Sufficient funding is available in Control Project AKFW.1004 in Cost Centre Function 184.8032 (Planning/Development Control). For quality assurance purposes, payment will be made from a sub-account related to this Control Project number.

However while sufficient monies are available in the Budget, the Ormeau Category 3 trust account from which the monies will ultimately be drawn, has only $252,971 available. This represents a deficit of $2,115.40. As Stockland Developments have another development (the Holmes property) within the same catchment and they are required to pay contributions to the Category 3 scheme, it is proposed that this deficit be “paid” via a credit to that further development. Based upon the current Category 3 contribution rate of $633.75/ET, the credit is calculated as 4 ET (rounded).

From time to time we can get a miss-match between the Budget and individual trust accounts. This is because budgets are prepared at an aggregated level. When the mismatch occurs, the difference is managed through loans and/or credits. Credits have been used in this instance.

8 RISK MANAGEMENT

Not applicable.

9 STATUTORY MATTERS

Policy 3B, Section 12.4 Local Area Works applies. In particular, this section allows Council to reimburse developers where they have acted as a “banker” in constructing headworks infrastructure.
ITEM 6 CONTINUED INFRASTRUCTURE PLANNING
PAYMENT OF CATEGORY 3 HEADWORKS FUNDS TO STOCKLAND DEVELOPMENT
PTY LTD FOR UPGRADING WORKS TO SEWERAGE PUMP STATION OR3 - ORMEAU
PN227939/599/01(P2)

10 COUNCIL POLICIES

Council Policy 3B – Policy for Infrastructure Sewerage Supply Network Developer Contributions applies.

11 DELEGATIONS

Not applicable.

12 COORDINATION & CONSULTATION

The following stakeholders have been consulted:

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justin Barnes</td>
<td>GCW/Service Delivery</td>
<td>Yes</td>
</tr>
</tbody>
</table>

13 STAKEHOLDER IMPACTS

Not applicable

14 TIMING

The OR3 upgrade works have been constructed and therefore payment for those works is now due.

15 CONCLUSION

The sewerage pump station OR3 upgrade works have been constructed in accordance with Council’s adopted Ormeau Sewerage Category 3 (External Works) Scheme to cater for growth in the catchment up until the construction of the planned permanent works (Stapylton Wastewater treatment Works and associated infrastructure).

Stockland development Pty Ltd have funded the works and in accordance with Section 12.4 of Policy 3B are eligible for a refund for the upgrading of OR3.
16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That Council refund Stockland Development Pty Ltd the sum of $252,971, being the amount currently available in the Ormeau Category 3 trust account, for the upgrading of sewerage pump station OR3, Pacific Highway Service Road, Ormeau.

2 That the amount be refunded from Control Project Number AKFW 1004.

3 That Council approves a 4 ET credit against the future Ormeau Category 3 contributions payable on Stockland Development’s Holmes property development.

Author: Brian Burrows  Authorised by: Richard Went
Coordinator Operational Works  Director Gold Coast Water
2 June 2010
ITEM 7 INFRASTRUCTURE PLANNING
LOCAL PLANNING POLICY 3B – SEWERAGE CONTRIBUTION CREDITS
PARK SPRINGS ESTATE, RESERVE ROAD, UPPER COOMERA
PN133331/03/DA2

1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

This report, prepared for Council’s consideration, recommends that Hardel Investments Pty Ltd, the developers of the Park Springs Estate at Upper Coomera be reimbursed for the construction of a 300mm trunk sewer main along Reserve Road to the development site.

4 PREVIOUS RESOLUTIONS

On the 15th March 2005, City Planning Committee (CP05.0315.004) approved a 102 lot residential development in Coomera, known as “Park Springs”, which was developed by Hardel Investments Pty Ltd (PN133331/12/DA1).

A Negotiated Decision Notice under delegated authority was later issued, which included the following Condition (Condition 4) regarding Sewerage Developer Contributions:

4 Contributions toward Sewerage Network Infrastructure shall be paid to the Council in accordance with Planning Scheme Policy 3B prior to the endorsement of the plan of survey, the issue of a certificate for building works or the carrying out of final plumbing inspection whichever occurs first. The amount of the contribution shall be as follows:

- Sewer 2 Infrastructure - Pimpama
  Account: 74648 S1PIMPMA 172.0000 Equivalent Tenements @ $1,605.00 = 276,060.00
- Sewer 1 Infrastructure - Pimpama
  Account: 74648 S2PIMPMA 172.0000 Equivalent Tenements @ $3,432.00 = 590,304.00
TOTAL
  $866,364.00

Contributions shall be calculated at rates current at due date for payment.

5 DISCUSSION

5.1 Background

To service the development with reticulated sewerage the developer constructed works to connect to Council’s existing sewerage system in Reserve Road, Upper Coomera.

The construction of the 300mm trunk sewer main was in accordance with Condition 23a of Development Permit PN133331/12/DA1:

23 A reduced infiltration gravity sewerage reticulation system is to be provided and constructed, at no cost to Council, to service all lots within the subdivision. This is to include the following:
ITEM 7 CONTINUED
LOCAL PLANNING POLICY 3B – SEWERAGE CONTRIBUTION CREDITS
PARK SPRINGS ESTATE, RESERVE ROAD, UPPER COOMERA
PN133331/03/DA2

a Any external works necessary to connect to Council’s reticulation system at a point nominated by Council. The developer shall be responsible for the design and construction of 300 mm gravity sewer from manhole 1/9 (located in Reserve Road to the east of the proposed development site) along Reserve Road to the eastern boundary of the development site. The construction of the 300 mm main is defined as a headworks main in accordance with Council’s Our Living City Gold Coast Planning Scheme Policy 3B - Policy for Infrastructure - Sewerage Network Developer Contributions and its construction will attract headworks credits.

The work is shown in Figure 1. The works comprised of a 300mm trunk sewer main from the existing 300mm trunk main at the intersection of Old Coach Road and Reserve Road, along Reserve Road to the Park Springs property boundary.

Figure 1 – Location of Trunk Sewerage Works

The developer has subsequently built the works and has applied for headworks credits for that construction. Gold Coast Water has assessed the value of the work and Hardel Investments Pty Ltd have accepted Council's valuation.
5.2 Value of creditable works

Gold Coast Water has valued the works in accordance with Section 12.3 of Policy 3B – Policy for Infrastructure Sewerage Developer Contributions (“Headworks” policy). As Developer Contributions for the estate were paid under the old Developer Contribution rates as at June 2006, the works have been valued using the Unit Cost Report by KBR, valued as at June 2004. Costs have been adjusted for CPI increases from the time headworks contributions for Stage 1 were paid.

A summary of the valuation is shown in Table 1.

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity</th>
<th>$ June 06</th>
</tr>
</thead>
<tbody>
<tr>
<td>300mm trunk sewer (Various depths)</td>
<td>468 m</td>
<td>$ 256,735</td>
</tr>
<tr>
<td>Manholes (Various depths)</td>
<td>11</td>
<td>$ 59,587</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$316,322</strong></td>
</tr>
</tbody>
</table>

5.3 Acceptance of Headworks by Council

The trunk sewer works have been completed and accepted “On Maintenance”.

5.4 Payment of Category 2 Sewerage Developer Contributions

Category 2 Sewerage Developer contributions have been paid for 75 ET out of the 172 ET calculated for the development. Sewerage Category 2 contributions fund gravity sewerage mains, pump stations and emergency storages. This payment is detailed in Table 2.

<table>
<thead>
<tr>
<th>Stage</th>
<th>No of ET</th>
<th>$ per ET</th>
<th>Payment (June 06)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>75</td>
<td>$2,565</td>
<td>$ 192,375</td>
</tr>
</tbody>
</table>

5.5 Future Component 2 liabilities

Table 3 shows the balance of future Sewerage liabilities, calculated at the time headworks contributions for Stage 1 were payable.

<table>
<thead>
<tr>
<th>Item</th>
<th>Contribution Rate $/ET</th>
<th>ET</th>
<th>$ (June 06)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 2 Sewerage</td>
<td>$ 2,565</td>
<td>97</td>
<td>$ 248,805</td>
</tr>
</tbody>
</table>

The table shows the value of creditable works (shown in Table 1) exceeds the value of headworks liabilities remaining. This means that they have funded more than they need too over-all in Category 2 Sewerage contributions.
5.6 Reimbursement Payable

The reimbursement was calculated by deducting Hardel Investments’s Category 2 liability for past and future development from the Value of Sewerage Works, as shown in Table 4.

Table 4 – Sewerage Transactions

<table>
<thead>
<tr>
<th>Sewerage Transaction</th>
<th>$ (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Sewerage Works</td>
<td>316,322</td>
</tr>
<tr>
<td>Plus Category 2 payments</td>
<td>192,375</td>
</tr>
<tr>
<td>Less Hardel Investments’s Category 2 liability for past</td>
<td></td>
</tr>
<tr>
<td>(Stage 1)</td>
<td>- 192,375</td>
</tr>
<tr>
<td>Less Hardel Investments’s Category 2 liability for future</td>
<td></td>
</tr>
<tr>
<td>Stages (Stage 2) (97 ET)</td>
<td>- 248,805</td>
</tr>
<tr>
<td>Net reimbursement due to Hardel Investments Pty Ltd</td>
<td>67,517</td>
</tr>
</tbody>
</table>

From Table 4 it can be observed that the developer Hardel Investments Pty Ltd is entitled to be reimbursed $67,517. As part of this assessment, an allowance in the form of a Sewerage Category 2 Credit of 97ET has been made for future Stages at Park Springs Estate, Upper Coomera.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

These focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon key principles. The following three are relevant to the construction of the 300mm trunk sewer main:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.

Corporate Plan (2009-2014)

The construction of the trunk main falls within two key focus areas of Council’s Corporate Plan:

Key focus area: 1 – A city leading by example

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city
ITEM 7 CONTINUED  
LOCAL PLANNING POLICY 3B – SEWERAGE CONTRIBUTION CREDITS  
PARK SPRINGS ESTATE, RESERVE ROAD, UPPER COOMERA   PN133331/03/DA2

Key focus area: 6 – A city shaped by clever design

6.3  Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1  Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city

GCW Strategic Plan (2009-2012)

The construction of the trunk main falls within GCW’s Strategic Plan:

Strategic Priority – “Sustainably managing our service delivery”

Strategy - “Growth Management Strategy”.

A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Council’s standards ensuring assets meet their design life”.

7  FUNDING AND RESOURCING REQUIREMENTS

Funding is available in Control Project AKFW.1004 which currently has $411,000 (as at 26 May 2010). For quality purposes, payment will be made from a sub-account related to this Control Project Number.

8  RISK MANAGEMENT

Not Applicable.

9  STATUTORY MATTERS

Not Applicable.

10  COUNCIL POLICIES

This report has been prepared in accordance with Clause 12.3 of Council’s Local Planning Policy 3B – Policy for Infrastructure Sewerage Network Developer Contributions.

11  DELEGATIONS

Not Applicable.

12  COORDINATION & CONSULTATION

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burchill VDM (c/o Hardel Investments)</td>
<td></td>
<td>Developer is satisfied with Council’s valuation of works</td>
</tr>
</tbody>
</table>
13  STAKEHOLDER IMPACTS

Not Applicable.

14  TIMING

The works have been built and accepted “on maintenance”. All works are operational.

15  CONCLUSION

In conclusion, this report recommends that Hardel Investments Pty Ltd be credited 97 ET to be used against future Sewerage Category 2 contributions at Park Springs Estate. As part of this assessment it is also recommended that Hardel be reimbursed the amount of $67,517 as a contribution towards the construction of sewerage trunk infrastructure as part of Development Permit PN133331/12/DA2.

16  RECOMMENDATION

It is recommended that Council resolves as follows:

1  That in accordance with Council’s Local Planning Policy 3B, Council acknowledges Sewerage Category 2 contribution credits to Hardel Investments Pty Ltd valued at $316,322 for construction of the trunk sewerage works located at Reserve Road, to be credited as follows:

   a  Council grant a developer contribution credit of 97ET to Hardel Investments Pty Ltd to be used against Sewerage Category 2 contributions at Park Springs Estate, Reserve Road, Upper Coomera.

   b  Council reimburse Hardel Investments Pty Ltd (or nominated holding company) the sum of $67,517 being the balance of the reimbursement of Sewerage Category 2 contributions over-subscribed to Council after taking into consideration contribution liabilities for the Park Springs development, and this amount be reimbursed from Control Project Number AKFW.1004.
ITEM 7  INFRASTRUCTURE PLANNING
LOCAL PLANNING POLICY 3B – SEWERAGE CONTRIBUTION CREDITS
PARK SPRINGS ESTATE, RESERVE ROAD, UPPER COOMERA
PN133331/03/DA2

COMMITTEE RECOMMENDATION  WM10.0616.007
Moved Cr Grew  Seconded Cr Grummitt

1 That in accordance with Council’s Local Planning Policy 3B, Council acknowledges Sewerage Category 2 contribution credits to Hardel Investments Pty Ltd valued at $316,322 for construction of the trunk sewerage works located at Reserve Road, to be credited as follows:

a Council grant a developer contribution credit of 97ET to Hardel Investments Pty Ltd to be used against Sewerage Category 2 contributions at Park Springs Estate, Reserve Road, Upper Coomera.

b Council reimburse Hardel Investments Pty Ltd (or nominated holding company) the sum of $67,517 being the balance of the reimbursement of Sewerage Category 2 contributions over-subscribed to Council after taking into consideration contribution liabilities for the Park Springs development, and this amount be reimbursed from Control Project Number AKFW.1004.

CARRIED
ITEM 8 INFRASTRUCTURE PLANNING

EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY
NEGOTIATION FOR ACQUISITION OF SEWERAGE EASEMENT
LOT 13 ON RP835832 - 41 COX ROAD PIMPAMA
PN170095/16

Refer 1 page attachment

1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

This report seeks Council's approval to commence negotiations to acquire an easement at 41 Cox Road, Pimpama for future sewerage services that will ultimately be extended into Rifle Range Road. The landowner has recently lodged a development application for the property. That application makes provision for this sewerage service. The service is clear of the development footprint. This agenda item merely allows the administration of this matter to continue during the Water Reform process, so as not to impede the timing of delivery of essential sewerage services to the Pimpama / Coomera area.

4 PREVIOUS RESOLUTIONS

Not applicable.

5 DISCUSSION

5.1 Background

Council developed the East Coomera Sewerage Infrastructure Strategy (ECSIS) in response to significant and sustained development in the East Coomera area. It was advertised and subsequently adopted by Council in May 2004.

Clause 12 of the East Coomera Sewerage Infrastructure Strategy deals with the process for assessment of development applications. The following comment is made in respect of coordination of services between landowners:

“In many instances developments will only be able to connect to the sewerage network by constructing sewers through neighbouring properties. It may be difficult for some developments to gain access to the neighbouring lands. In some cases it may be appropriate for Council to initiate land resumption processes along the sewer alignment in accordance with the preferred sewerage network” (page 10).

Thus council's policy was to initiate land acquisition negotiations along the sewer alignment in accordance with the preferred sewerage network, where it is appropriate.

5.2 Preferred sewerage network

The preferred sewerage network for the Coomera area is detailed in the East Coomera Sewerage Infrastructure Strategy (Jan 2006). The Strategy sets out the preferred sewerage servicing arrangements that are made up of trunk works, non-trunk works and temporary works. All these works form part of the ultimate sewerage network. The preferred sewerage network and 41 Cox Road (Lot 13 on RP835832) is shown in Figure 1.
5.3 Coordinating infrastructure and development

Development areas like Pimpama / Coomera requires the coordination of services with the development fronts. The trunk infrastructure (large sized works) are constructed first. This is followed by non-trunk infrastructure that forms part of Council’s ultimate infrastructure networks but funded by local developers. Non-trunk is usually small sized works.

The Yawalpah Road Trunk Sewerage is nearing completion. Thus it is timely to consider how properties can now be connected to that trunk system.

The proposed 225mm diameter sewerage gravity main that will drain through 41 Cox Road (Lot 13 on RP835832) is a key piece of the sewerage network. It will connect a number of properties on the western side of the Gold Coast railway (and Motorway) to the Yawalpah Road Trunk Sewerage Main. These properties include developments known as Quinnco, Valad and Young Corporation “One Properties” as well as others. The size of the sewerage main is to be confirmed. Arrangements for the easement on the western side of the railway are in hand.
5.4 Proposed easement acquisition

The proposed sewerage service is planned to traverse the property as shown in Attachment 1. The plan shows the approximate location of the proposed easement. An easement survey will be undertaken should negotiations with the land owner be successful. A 6m wide easement with an area of approximately 844m² is considered to be adequate.

5.5 Review of acquisition

Review of the topography of the site and Council’s Planning Scheme constraint layers for the area indicate that the proposed easement corridor traverses that portion of the property which is likely to be dedicated as open space when the property is developed. The owner is therefore unlikely to be disadvantaged in terms of future development potential. Indeed the sewerage service will benefit the development of the site.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

These focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon principles. The following three are relevant to the acquisition of the easement:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.

Corporate Plan (2009-2014)

The negotiation for acquisition of the easement falls within two key focus areas of Council’s Corporate Plan:

Key focus area: 1 – A city leading by example

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city

Key focus area: 6 – A city shaped by clever design

6.3 Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1 Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city
GCW Strategic Plan (2009-2012)

The acquisition of the easement falls within GCW's Strategic Plan:

- Strategic Priority – “Sustainably managing our service delivery”
- Strategy - “Growth Management Strategy”.
- A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Council's standards ensuring assets meet their design life”.

7 FUNDING AND RESOURCING REQUIREMENTS

Sufficient funding is available in Cost Centre Function 184.8032 (GCW Asset Coverage /Growth), Project AMYB (AKMF – Land Acquisition). Council’s normal acquisition process is to be followed. Tasks will be managed by Mr Hallgath (GCW / Allconnex) and Mr Madden of Council’s Property section.

8 RISK MANAGEMENT

Not applicable.

9 STATUTORY MATTERS

The statutory processes outlined in the Acquisition of Land Act (1967) and the Sustainable Planning Act (2009) will be followed.

10 COUNCIL POLICIES

This report is consistent with Council’s adopted East Coomera Sewerage Infrastructure Strategy.

11 DELEGATIONS

Not applicable.
12 COORDINATION & CONSULTATION

The following internal and external stakeholders were consulted:

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brendon Madden Executive Coordinator City Property</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Philip Halliday Senior Lawyer</td>
<td>Satisfied with the thrust of the recommendations.</td>
<td></td>
</tr>
<tr>
<td>Henry Prokuda Council's legal panel: Corrs Chambers Westgrath</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Council PET Directorate have issued Preliminary Approvals in the catchment. This is a precursor to development permits and development itself.

13 STAKEHOLDER IMPACTS

Refer to section 5.3.

14 TIMING

The key issue is to retain the momentum of delivery of sewerage services to the Pimpama / Coomera area. The landowner has now submitted a development application for the site. Therefore it is timely to pursue the negotiation for a sewerage services easement and construction within the jurisdiction of the Sustainable Planning Act (2009) and Acquisition of Land Act (1967).

15 CONCLUSION

This report seeks Council’s approval to commence negotiations to acquire an easement at 41 Cox Road for future sewerage services to Rifle Range Road. The landowner has recently lodged a development application for the property. This agenda item merely allows the administration of this matter to continue during the Water Reform process, so as not to impede the timely delivery of essential sewerage services.
ITEM 8 CONTINUED

EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY
NEGOTIATION FOR ACQUISITION OF SEWERAGE EASEMENT
LOT 13 ON RP835832 - 41 COX ROAD PIMPAMA
PN170095/16

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That Council commence negotiations to acquire a 6m wide easement for sewerage works (approximately 844 m²), subject to survey, over part of Lot 13 on RP835832 as shown on Attachment 1.

2 That the Chief Executive Officer (or delegate) commence negotiations for the acquisition of the easement.

3 That the costs incurred in acquisition of the 6m wide over part of Lot 13 on RP835832 be funded from 2009/10 Capital Expenditure Program under the Project Number AMYB in Cost Centre Function 184.8032.

4 That Council notes that Allconnex Water will assume responsibility for these negotiations from 1 July 2010.

Author: Ray Hallgath
Executive Coordinator Development Control
26 May 2010

Authorised by: Richard Went
Director Gold Coast Water
Final alignment to be consistent with proposed development footprint for Lot 13 on RP835832
ITEM 9
INFRASTRUCTURE PLANNING
POLICY 3B – POLICY FOR INFRASTRUCTURE SEWERAGE SUPPLY NETWORK
DEVELOPER CONTRIBUTIONS
EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY (ECSIS)
WS382/358/-(P3)

Refer 3 page attachment

1 BASIS FOR CONFIDENTIALITY
Not Applicable.

2 EXECUTIVE SUMMARY
Not Applicable.

3 PURPOSE OF REPORT

The purpose of this report is to advise Council that part of Zone B and all of Zones C, D and E of the East Coomera Sewerage Infrastructure Strategy (ECSIS), are no longer required to pay the Category 3 Sewerage Developer Contributions pursuant to Policy 3B and the PIP. This is because obligations under Policy 3B, subsequent agreements and Council’s PIP have been met in these areas. Attachment 1 shows that part of the ECSIS that will no longer be required to pay the Category 3 Sewerage charge.

4 PREVIOUS RESOLUTIONS
Council has previously resolved the following (Ex.Min.No.WS08.0214.002):

1 That the amendment to Clause 11 of the East Coomera Sewerage Infrastructure Strategy, advertised between 10 November 2007 to 10 December 2007 be adopted as advertised.

2 That the revised East Coomera Sewerage Infrastructure Strategy be known as Revision No. 04 dated December 2007.

3 That this report be forwarded to the UDIA (Gold Coast Branch) for its information.

5 DISCUSSION

5.1 Background

In 2004, Council resolved to adopt the East Coomera Sewerage Infrastructure Strategy (ECSIS). It involved the construction of permanent and temporary sewerage works to allow development to continue while the Pimpama Wastewater Treatment Plant and accompanying network infrastructure was built.

Policy 3B - Policy for Infrastructure Sewerage Supply Network Developer Contributions was amended to include an “external works charge” to be paid by the developer to fund the cost of the temporary works. This “external works charge” is what we call the Category 3 Sewerage Developer Contributions under Policy 3B and Category 3 Sewerage Charges under the PIP. The water and sewerage elements of the PIP commenced on 25 January 2010.
5.2 Amendment of ECSIS

The original intention was that developers would only pay the Category 3 Sewerage Developer Contributions for the temporary works identified in the ECSIS until 31 December 2007. After a meeting with developers in Zone C on 24 August 2007, Council accepted the proposition that development in Zone C could be released immediately provided developers continued to pay the Category 3 Sewerage Developer Contributions until such time as the temporary works were completed (Ex.Min.No.WS07.0913.010). That is, the sewerage capacity limitations imposed by the ECSIS for Zone C were lifted.


"Category 3 charges are proposed for works of a temporary nature only. These works will become redundant some time after 2007. It is therefore appropriate that sunset provisions are applied to the category charges to reflect their temporary nature. This report proposes that a sunset date of 31 December 2007 be applied to the category 3 charges. Developers in a zone/catchment will continue to pay the Category 3 charge up until the temporary infrastructure works provided in that particular zone/catchment is decommissioned. Likewise developers whom have constructed temporary works in accordance with the ECSIS will continue to be reimbursed as Category 3 funds are received from other developments up until the temporary infrastructure provided in that particular zone/catchment is decommissioned. All local agreements would expire after this date from the date the temporary works are decommissioned. This provision is assessed at zone/catchment level."

Note: In the above extract, double strike through indicates the words that were deleted and the part italicised indicates the words that were added, when the ECSIS was amended.

As a result of this policy amendment, Council would no longer require developers to pay the Category 3 Developer Contributions once the ECSIS temporary sewerage infrastructure was decommissioned in their catchment.

5.3 Temporary works being decommissioned

Attachment 1 shows that part of Pimpama / Coomera development area that will no longer be required to pay Category 3 Sewerage charge. The area includes part of Zone B of the ECSIS and all of Zones C, D and E.

The reason for not requiring the payment of Category 3 Sewerage charges is because the temporary works envisaged under the ECSIS are either decommissioned or no longer required because the permanent works are now available. The analysis that led to Attachment 1 is provided in Attachment 2. The developer who financed the temporary works has been fully reimbursed during the process. The nominated decommissioning date is the 13 January 2010.
5.4 Temporary works are still required

Attachment 1 also shows that part of Pimpama / Coomera development area that will continue to pay the Category 3 Sewerage charge. The area includes the balance of Zone B and Zones A and F.

The reason for the continuation of the Category 3 Sewerage charges is because the temporary works are still required, and in addition, the “builder” of these works have not been fully reimbursed. The analysis is provided in Attachment 3.

5.5 Implementation

The cessation of Category 3 Sewerage charges from 13 January 2010 (as this is the date that Temporary Pump Station C was decommissioned) requires the following actions under both Policy 3B and Council’s PIP (Priority Infrastructure Plan):

**Policy 3B**

The cessation of Category 3 Sewerage Developer Contributions for part of Zone B and Zones C, D and E under Policy 3B requires the following actions:

- Refund of Trust payments made after 13 January 2010, which is estimated at about $90,000; and
- Amendments to existing development permits issued under Policy 3B to delete the requirement for the payment of Category 3 Sewerage Developer Contributions when paid after the 13 January 2010.

**Priority Infrastructure Plan**

The cessation of Category 3 Sewerage Infrastructure Charges for part of Zone B and Zones C, D and E under the PIP requires the following actions:

- Re-issuing of Infrastructure Charges Notices (ICNs) for developments that have been decided under the PIP and where that ICN has included sewerage Category 3 infrastructure charges; and
- Future Infrastructure Charges Notices (ICNs) for part of Zone B and Zones C, D and E be issued without the ECSIS Category 3 Sewerage Infrastructure Charges charge.

Under Clause 9.12 of Council’s PIP Category 3 charges have a limited life. While not explicit, the clear intention of the provision is that the Category 3 charge will cease, either when (i) the obligation is met, (ii) subject to any agreements made, or (iii) closed by Council.
ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

These focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon principles. The following three are relevant to this report:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.

Corporate Plan (2009-2014)

The two key focus areas of Council’s Corporate Plan are involved:

**Key focus area: 1 – A city leading by example**

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city

**Key focus area: 6 – A city shaped by clever design**

6.3 Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1 Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city

GCW Strategic Plan (2009-2012)

This agenda item falls within GCW’s Strategic Plan:

- Strategic Priority – “Sustainably managing our service delivery”
- Strategy - “Growth Management Strategy”.
- A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Council’s standards ensuring assets meet their design life”.

FUNDING AND RESOURCING REQUIREMENTS

The cessation of collecting Category 3 ECSIS charges/developer contributions is only being recommended where the temporary sewerage works have been built and the constructing developer have been fully paid or where the statutory commitments have been met.
8 RISK MANAGEMENT

Although legal advice legitimates the process, the administration of the collection / refunding process associated with Category 3 (temporary infrastructure) charges has been identified as a low risk. Improvements to the process will be included in the next PIP (Version 2) to further lower the risk.

9 STATUTORY MATTERS

Council is required to comply with the Integrated Planning Act (1997), the Sustainable Planning Act (2009) and the Gold Coast Planning Scheme 2003 Priority Infrastructure Plan (Version Amended January 2010). As well, Council is required to comply with the requirements of any statutory trust.

10 COUNCIL POLICIES

Policy 3B - Policy for Infrastructure Sewerage Supply Network Developer Contributions, Council’s East Coomera Sewerage Infrastructure Strategy and PIP apply.

11 DELEGATIONS

The report requires a number of actions to be undertaken. The recommendations address the delegation issues.

12 COORDINATION & CONSULTATION

The following internal and external stakeholders were consulted:

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Cramp - Infrastructure Planning Team Leader</td>
<td>PET</td>
<td>Yes – recommended the report include a map showing those areas that will continue to pay category 3 ECSIS charges pursuant to Policy 3A/3B and PIP – Attachment x.1 added.</td>
</tr>
<tr>
<td>Henry Prokuda - Partner</td>
<td>Council’s legal panel: Corrs Chambers Westgarth</td>
<td>Yes.</td>
</tr>
<tr>
<td>Cherie Watt – Executive Coordinator</td>
<td>Legal Services</td>
<td>No - Referred to Corrs Chambers Westgarth.</td>
</tr>
<tr>
<td>Kathy Baker - Coordinator Priority Infrastructure Plan</td>
<td>Infrastructure Planning GCW</td>
<td>Yes</td>
</tr>
</tbody>
</table>
13 STAKEHOLDER IMPACTS

Industry representatives have approached Council officers concerning when the Category 3 Sewerage charge would stop. This request came about the time Council commenced decommissioning temporary sewerage works. The report is timely.

GCW will need to work closely with the Developer Contributions Group to implement the proposed changes.

14 TIMING

The recommendations address the timing issues. Many of the actions noted in the recommendations may need to be expedited before 30 June 2010. This will reduce any confusion associated with the Water Reform and also assist the development industry by lowering infrastructure charges.

15 CONCLUSION

This report deals with the procedural issue of ceasing the collection of Category 3 Sewerage Developer Contributions / Infrastructure Charges for some areas identified in the East Coomera Sewerage Infrastructure Strategy area. The recommendations step through the procedural actions to be undertaken to achieve this.

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Developer Contribution identified in Table 4.2 of Policy 3B be no longer applied in the following areas from 13 January 2010:
   a That part of Zone B that is serviced by gravity sewer to Pump Station B constructed by Council on Yawalpah Road,
   b Zones C, D, and E, and
   c Being that area identified in Attachment 1.

2 That the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Infrastructure Charges identified in Table 2-32 of Council’s Gold Coast Planning Scheme Priority Infrastructure Plan be no longer applied in the following areas from 13 January 2010:
   a That part of Zone B that is serviced by gravity sewer to Pump Station B constructed by Council on Yawalpah Road, and
   b Zones C, D and E, and
   c Being that area identified in Attachment 1.
ITEM 9 CONTINUED

INFRASTRUCTURE PLANNING

POLICY 3B – POLICY FOR INFRASTRUCTURE SEWERAGE SUPPLY NETWORK

DEVELOPER CONTRIBUTIONS

EAST COOMERA SEWERAGE INFRASTRUCTURE STRATEGY (ECSIS)

WS382/358/-(P3)

3 That the following administrative arrangements be made in respect of Policy 3B as a result of Recommendation 1 above:
   a Any monies received from 13 January 2010 be refunded;
   b Applicant’s be requested to make a request to Council to amend an existing development permit to delete the requirement for the payment of Category 3 Sewerage Developer Contributions when paid after the 13 January 2010;
   c That the fee for the request to Council in Recommendation 3(b) be waived.

4 That the following administrative arrangements be made in respect of Council’s Gold Coast Planning Scheme Priority Infrastructure Plan as a result of Recommendation 2 above:
   a Any monies received from 13 January 2010 be refunded;
   b Council where appropriate re-issue an Infrastructure Charges Notices for developments, that have already been decided under the Council’s Gold Coast Planning Scheme Priority Infrastructure Plan, to facilitate the desired outcome in Recommendation 2 above;
   c Infrastructure Charges Notices not apply the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Infrastructure Charges for those areas identified in Recommendation 2 above from 13 January 2010.

Author: Ray Hallgath
Executive Coordinator Development Control
27 May 2010

Authorised by: Richard Went
Director Gold Coast Water
## COMMITTEE RECOMMENDATION WM10.0616.009

Moved Cr Grew     Seconded Cr La Castra

1. That the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Developer Contribution identified in Table 4.2 of Policy 3B be no longer applied in the following areas from 13 January 2010:
   - a That part of Zone B that is serviced by gravity sewer to Pump Station B constructed by Council on Yawalpah Road,
   - b Zones C, D, and E, and
   - c Being that area identified in Attachment 1 of the Report.

2. That the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Infrastructure Charges identified in Table 2-32 of Council's Gold Coast Planning Scheme Priority Infrastructure Plan be no longer applied in the following areas from 13 January 2010:
   - a That part of Zone B that is serviced by gravity sewer to Pump Station B constructed by Council on Yawalpah Road, and
   - b Zones C, D and E, and
   - c Being that area identified in Attachment 1.

3. That the following administrative arrangements be made in respect of Policy 3B as a result of Recommendation 1 above:
   - a Any monies received from 13 January 2010 be refunded;
   - b Applicant’s be requested to make a request to Council to amend an existing development permit to delete the requirement for the payment of Category 3 Sewerage Developer Contributions when paid after the 13 January 2010;
   - c That the fee for the request to Council in Recommendation 3(b) be waived.

4. That the following administrative arrangements be made in respect of Council’s Gold Coast Planning Scheme Priority Infrastructure Plan as a result of Recommendation 2 above:
   - a Any monies received from 13 January 2010 be refunded;
   - b Council where appropriate re-issue an Infrastructure Charges Notices for developments, that have already been decided under the Council’s Gold Coast Planning Scheme Priority Infrastructure Plan, to facilitate the desired outcome in Recommendation 2 above;
   - c Infrastructure Charges Notices not apply the East Coomera Sewerage Infrastructure Strategy Category 3 Sewerage Infrastructure Charges for those areas identified in Recommendation 2 above from 13 January 2010.

CARRIED
Temporary works being decommissioned

The East Coomera Sewerage Infrastructure Strategy divided the east Coomera area into Zones. The situation is reported by these zones.

**Zones C and D**

On or around 13 January 2010, Temporary Pump Station C (TPSC) in Amity Road was decommissioned. This pump station was built by Chauffer Pty Ltd as part of the Heritage Pacific / Genesis Development at the intersection of Amity Road and Foxwell Road. Council entered an infrastructure agreement to refund Chauffer Pty Ltd for the construction of Temporary Pumps Station C. Chauffer have now been fully repaid.

This decommissioning of Temporary Pump Station C means that development in ECSIS Zones C and D is no longer dependent upon temporary infrastructure supplied under the ECSIS. The permanent infrastructure has been provided. According to Council’s adopted policy outlined in Section 5.1 above, Category 3 Sewerage Developer Contributions are no longer required.

**Zone E**

Zone E is essentially serviced by Council’s Pump Station PA9, which is operational. Category 3 Sewerage Developer Contributions are no longer required.

**Part of Zone B**

Part of Zone B is serviced by Council’s Pump Station B (TPSB) located on Yawalpah Road. It became operational when the Pimpama Wastewater Treatment Plant commenced full operations in July 2008. Part of Zone B can gravitate to this pump station. Category 3 Sewerage Developer Contributions are no longer required for those developments that can drain by gravity to Pump Station B (TPSB). Council constructed this temporary pump station for its own purposes as part of making the Pimpama Wastewater Treatment Plant operational. Category 3 Sewerage Developer Contributions are no longer required.
Developments will still require temporary sewerage works in the balance of Zone B and in Zone A and Zone F. These are considered below:

**Balance of Zone B**

The remainder of Zone B can not be serviced by Council’s Pump Station B (TPSB). This zone relies upon Temporary Pump Station B1 (TPSB1) located in Mirvac’s land. Developments that rely upon TPSB1 have been conditioned to pay the Category 3 Developer Contribution until such time as TPSB1 is decommissioned. TPSB1 will be decommissioned when the Regional Pump Station B, located near the Pimpama Wastewater Treatment Plant, becomes operational. At this stage, TPSB1 is likely to be decommissioned by around late this calendar year or early year 2011.

**Zone A and F**

Zone A and F continues to be served by Temporary Pump Station A (TPSA), which was constructed as part of the Hawthorne Woods Development managed by Mr Marc Nuss. This area will continue to rely upon TPSA until such time as the Regional Pump Station B, which is now located near the Pimpama Wastewater Treatment Plant becomes operational. At this stage TPSA is likely to be decommissioned by around late this calendar year or early year 2011.

In summary Category 3 Sewerage Developer Contributions will be required in the balance of Zone B and Zone A and Zone F until late this calendar year or early year 2011. This area is shown in Figure 1 (Attachment 1).
1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

The purpose of this report is to advise Council of the outcome of workshops held with landowners and their consultants to plan sewerage services on the southern side of Foxwell Road, Coomera. Council’s endorsement of the Foxwell Road Sewerage Servicing Plan is requested.

4 PREVIOUS RESOLUTIONS

Not applicable.

5 DISCUSSION

5.1 Background

Development areas like Pimpama / Coomera requires the coordination of services with the development fronts. The trunk infrastructure (large sized works) is constructed first. This is then followed by non-trunk infrastructure that forms part of Council’s ultimate infrastructure networks but funded by local developers. Non-trunk is usually small sized works.

The delivery of trunk infrastructure is now drawing to a close with the new Pimpama Wastewater Treatment Plant operational. The Yawalpah Road Trunk Sewerage is nearing completion. Council prepared the *East Coomera Sewerage Infrastructure Strategy (2004, 2006)* to allow development to continue while the trunk infrastructure was being built. The remaining trunk sewerage mains need to be coordinated with development.

It is now time to address how the non-trunk infrastructure and remaining trunk infrastructure will be provided in order for individual properties to the existing sewerage system. One such area includes the properties south of Foxwell Road.

5.2 Options Study

Council’s Infrastructure Planning Branch prepared a options study entitled *Foxwell Road Sewerage Servicing Plan (2010)*. The Plan identified a number of options; four options were fully costed. A multi-criteria analysis was also undertaken.

The results of this analysis is outlined in the following table:
Option 3 was the preferred option. The option had the lowest cost, the lowest net present value and the highest multi-criteria score. A high multi-criteria means that the project has excellent economic, social and environmental attributes.

5.3 Workshops

The outcomes of the Foxwell Road Sewerage Servicing Plan (2010) was presented to key stakeholders including landowners, consultants and government departments (TAFE & Main Roads). Options were presented at the first workshop. Representative of Council’s Planning Environment and Transport Directorate attended these meetings and provided advice concerning development matters. Council’s environmental assessment officers also provided input.

The following workshops were held:

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Date</th>
<th>Topic</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12 April 2010</td>
<td>Presentation of study. Initial feedback.</td>
<td>Catchments needed re-evaluation because of the ridge line between 298 and 306 Foxwell Road. Decided to break study area up into three sub-catchments.</td>
</tr>
<tr>
<td>2</td>
<td>22 April 2010</td>
<td>Middle sub-catchment.</td>
<td>Re-examine route of proposed trunk main from Dreamworld to Shipper Drive.</td>
</tr>
<tr>
<td>3</td>
<td>6 May 2010</td>
<td>Eastern sub-catchment.</td>
<td>Contact with Main Roads – requires service conduits under the proposed Inter-Regional Transport Corridor (ITRC).</td>
</tr>
<tr>
<td>4</td>
<td>13 May 2010</td>
<td>Western sub-catchment.</td>
<td>Local service issues to be resolved.</td>
</tr>
</tbody>
</table>

Over the duration of the workshops, the project team re-evaluated Option 3 based upon the feedback from participants including landowners and consultants. At the end of the four workshops, a new preferred strategy, Option 3A.
A briefing statement was then prepared (Attachment 1). Participants were then given two weeks to respond. Council received five (5) submissions, which are supportive of the preferred strategy. A couple of landowners have individual concerns that are being worked through. This confirmed the informal feedback the team received during the process. Many were impressed with the level of consultation. Thomson Project Pty Ltd, one of the major landowners, wrote:

“We have very much appreciated the course you have taken to bring land owners together to settle any issues which might arise with respect to sewerage connections. Not only was there a good consultation process but there has been a good and speedy outcome from the meetings, with fewer pump stations than were originally proposed, and for this you personally should be complimented. If the land owners had not sat in a room together and shared their needs and thoughts, the process would have taken much longer and, in our opinion, would still not be settled.”

5.4 Preferred Strategy

A plan of the preferred strategy, Option 3A, will be made available for the committee meeting. The option includes the following elements:

- Permanent Pump Station, PSI (on Thomson Property)
- Possible permanent Pump Station, PSJ
- Temporary Pump Station, TPSH (may never be built)
- Temporary Pump Station, TPSJ (may never be built)
- Deep gravity sewer from Pump Station, PA9, to Shipper drive:
  - Deep section in front of Lot 100 on SP165053, which is currently owned by Trust Company Limited (“Dreamworld”), under sale we believe to QIC— 380 metres;
  - The remaining length of 1400m is less than 4 metres deep;
  - The capacity of the deep gravity sewer is capable of accommodating a diversion from Pump Station CO13 and future development on Lot 98 on SP150731, which is currently owned by Trustee – Maritime Quays Pty Ltd.

The advantage of this solution is that Council can manage the release of land (landowner expectations) with the provisioning of infrastructure. Option 3A includes two temporary pump stations. At this stage, and after talking with the landowners, it is likely that both pump stations will not be built. This assumption is based upon the trunk sewer from Dreamworld to the Shipper Drive being constructed in 2012/2013 fiscal year.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

The Bold Future focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon principles. The following three are relevant to the this report:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.
Corporate Plan (2009-2014)

The two key focus areas of Council’s Corporate Plan are involved:

Key focus area: 1 – A city leading by example

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city

Key focus area: 6 – A city shaped by clever design

6.3 Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1 Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city

GCW Strategic Plan (2009-2012)

This agenda item falls within GCW’s Strategic Plan:

Strategic Priority – “Sustainably managing our service delivery”

Strategy - “Growth Management Strategy”.

A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Councils standards ensuring assets meet their design life”.

7 FUNDING AND RESOURCING REQUIREMENTS

Refer to section 5.2 and 5.4.

8 RISK MANAGEMENT

The alignment between when the delivery of trunk infrastructure and the expectation of landowners has been mitigated by the Foxwell Road Sewerage Servicing Plan having included two temporary pump stations. Following discussions with landowners many, we believe, will wait until the trunk infrastructure is delivered. Given the size, and in places the depth of the proposed sewerage trunk main, this work is best delivered by the water utility, Allconnex Water.

The timing between when Allconnex Water can deliver the trunk infrastructure and the expectations of landowners will need to be carefully monitored by Council. A recommendation has been included along these lines.
9  STATUTORY MATTERS

The preparation of the Foxwell Road Sewerage Servicing Plan is a necessary precursor for the assessment of development applications in the Foxwell Road area.

10  COUNCIL POLICIES

The report focuses upon the implementation of Council’s *East Coomera Sewerage Infrastructure Strategy (2004, 2006)*.

11  DELEGATIONS

Not applicable.

12  COORDINATION & CONSULTATION

Refer to section 5.

13  STAKEHOLDER IMPACTS

Refer to section 5.

14  TIMING

The Dreamworld to Shipper Drive trunk sewerage main is required in the 2012/2013 fiscal year to service the needs of local developers and also progress the development of the Gold Coast Marine Industry Centre.

15  CONCLUSION

In conclusion, a number of workshops have been conducted with landowners, consultants, government agencies and Council officers concerning the delivery of sewerage services south of Foxwell Road, Coomera. As a result of this consultation, a new preferred option emerged, Option 3A. The participants are in general agreement with this option. Council is now requested to endorse the Foxwell Road Sewerage Servicing Plan to allow this servicing plan to progress to the next stages in the delivery process, which will be undertaken by Allconnex Water.
16 RECOMMENDATION

It is recommended that Council resolves as follows:

1. That Council endorse the Foxwell Road Sewerage Servicing Plan (Option 3A) shown Attachment 1.
2. That the Foxwell Road Sewerage Servicing Plan progress to the next stages, option refinement, economic regulatory review test and choice of delivery method.
3. That Council liaise with Allconnex Water to deliver the Foxwell Road Sewerage Servicing Plan (or equivalent) in the 2012/13 fiscal year.
4. That Council commence negotiations with the Department of Main Roads to acquire service crossings under the Inter-Regional Transport Corridor.
5. That Council notes the responsibility of the delivery of the Foxwell Road Sewerage Servicing Plan will be advanced by Allconnex Water.
6. That Council acknowledges the cooperation and valuable assistance of landowners (and their consultants) at the workshops conducted by Gold Coast Water.

Author: Ray Hallgath
Authorised by: Richard Went
Executive Coordinator Development Control Director Gold Coast Water
6 June 2010
FOXWELL ROAD SEWERAGE SERVICING STRATEGY

PREFERRED OPTION

Consultation:

Submissions concerning the Foxwell Road Sewerage Servicing Strategy may be made up to the close of business on 28 May 2010, addressed as follows:

Chief Executive Officer
Gold Coast City Council
PO Box 5042 GCMC Q. 9729

Attention: Ms Priya Singh
File: WS392/358

We would like to scan submissions, and attach to the agenda item. With this mind, it is best to restrict your comments to two pages where possible. Keep it concise; we can always contact you to discuss the matter further. We are seeking comments for both support and constructive criticism.

Participants are reminded that the consultations have been undertaken within a "without-prejudice" environment; open and transparent.

Gold Coast Water proposes to submit an agenda item to Council’s Water Management Committee on 16 June 2010. The agenda must be completed by 4 June 2010. This will be the last agenda to a Council committee prepared by Gold Coast Water.

Cooperation:

We would like to express our appreciation for the commitment made by all stakeholders to the process that we have been engaged in to resolve sewerage servicing challenges south of Foxwell Road. In our assessment, the cooperation is unprecedented; thankyou. We gained valuable information and feedback, and as you will see, the preferred option, Option 3 has been modified to reflect that input.

Planning Report:

The planning report, Foxwell Road Sewerage Servicing Strategy (GCCW, 2010) was prepared for this study. The report, which is draft awaiting the outcome of these public consultation sections, forms the basis for this investigation and consultation.

The report was prepared by Akhtaruzzaman Md (Akhtar) and James Lewis of Gold Coast Water’s Planning Services Unit and reviewed by senior infrastructure planners as part of GCCW’s quality assurance system. Both Akhtar and James are to be commended.

Preferred Option:

The preferred option, Option 3A is shown on the attached plan – Option 3A. This option has the following features:
• Permanent Pumps Station, PSI
• Possible permanent Pump Station, PSJ
• Temporary Pump Station, TPSH
• Temporary Pump Station, TPSJ
• Deep gravity sewer from Pump Station, PA8, to Shipper drive:
  o Deep section in front of Lot 100 on SP165053, which is currently owned by Trust Company Limited ("Dreamworld"), under sale we believe to QIC – 380 metres,
  o Remainder around 4 metres or less
• The catchment water shed, along Foxwell Road is between Lot 5 and 6 on RP172948. Lot 5 on RP172948 will drain eventually to PA9, while Lot 6 on RP172948 will drain to Pump Station, PSI
• The capacity of the deep gravity sewer is capable of accommodating a diversion from Pump Station CO13 and future development on lot 98 on SP150731, which is currently owned by Trustee – Maritime Quays Pty Ltd.

Temporary pump stations
The preferred option, Option 3A, includes two temporary pump stations. Each pump station advances the needs of several landowners. These stations also manage the potential mis-match in delivery (the constructing authority for the trunk infrastructure) and expectations of landowners. It is likely that one, if not both, pumps stations will not be built. It remains a commercial decision with landowners. Council will not warrant the timing of trunk infrastructure.

The East Coomera Sewerage Infrastructure Strategy (2004, 2006) was about the orderly development of infrastructure that minimised waste and costs. It sought, for example to reduce the number of temporary pump stations (p. 1, ECSIS 2006).

That principle has carried through. What the ECSIS stood against was the construction of infrastructure in an ad-hoc manner merely to advance out-of-sequence development. It was also stood against the installation of temporary sewerage pump stations for individual developments where these individual developments sought to avoid their obligations to cooperate with neighbours to advance necessary and essential infrastructure for the common good in this high growth area of the City. This infrastructure adds considerable value to properties and development potential. Thankfully, this has not been evident in this study. Neither have we seen individual landowners holding out.

Rules of engagement
The following principles / comments apply.

General:

1. We are seeking general consensus from all stakeholders that the preferred option, Option 3A, is supported.
2. Easements are provided in fee simple and at no cost to the ratepayer, and

3. Landowners provide adequate access to other landowners, and Council (including Alconnex), to construct sewerage works.

**Central area:-**

4. Generally concerns Lots 1 to 5 on RP172948 (252 to 298 Foxwell Road) and potentially Lot 5 on RP161802 (240 Foxwell Road). A watershed has been identified between 298 and 308 Foxwell Road.

5. The preliminary design means that this area can drain to Pump Station PA9.

6. There is potentially a timing issue between when the gravity trunk sewer can be delivered and the expectation of landowners to develop.

7. The construction of the trunk sewer, which is a “headworks” creditable sewerage main, is generally beyond the scope of local developers to finance and construct and therefore is best delivered by Council (Alconnex).

8. As an interim measure, Council would consider favourably a temporary pump station, TPSJ, on the property at 252 Foxwell Road (Lot 1 on RP172948).

9. Pursuant to the Sustainable Planning Act (2009), the temporary pump station represents either (i) additional trunk infrastructure costs pursuant to s.850/s.852, or (ii) may be conditioned as local infrastructure (non-trunk) pursuant to s.626.

10. Accordingly Council will expect landowners whom benefit from the temporary pump station, TPSJ, to wholly pay for it, at no cost to the ratepayer. This work is thus not headworks creditable.

11. Before development approvals are granted easement documents will need to be signed for the gravity sewerage main corridor (at least the section upstream of TPSJ) and a letter from the landowner of Lot 1 on RP172948 that the site for this future temporary pumps station will be dedicated.

**Eastern area:-**

12. Generally concerns Lots 1 and 2 on SP145396, Foxwell Road, and from 348 to 436 Foxwell Road.

13. The preliminary design means that this area can drain to a new pump station PSH, located on the Waterway Downs property (Lot 1 on SP150729).

14. There is potentially a timing issue between when pump station, PSH, sewerage mains can be delivered and the expectation of upstream landowners to develop.

15. To state the obvious, these properties require downstream sewerage mains and pump station, PSH, to be constructed by Waterway Downs.

16. As an interim measure, Council will consider favourably a temporary pump station, TPSH, somewhere between 348 (Lot 13) and 384 (Lot 15).
17. The final arrangements in this area are subject to a siting study working involving Main Roads, local landowners and Waterway Downs. Landowners/developers are responsible for the study.

18. Pursuant to the Sustainable Planning Act (2009), the temporary pump station represents either (i) additional trunk infrastructure costs pursuant to s.650/s.652, or (ii) may be conditioned as local infrastructure (non-trunk) pursuant to s.626.

19. Accordingly Council will expect landowners whom benefit from the temporary pump station, TPSH, to wholly pay for it, at no cost to the ratepayer. This work is thus not headworks creditable.

20. Before development approvals are granted easement documents will need to be signed for the gravity sewerage main corridor upstream of TPSH and an approval letter from the landowner of the lot upon which the temporary pump station is to be built.

21. Council may consider pump station, PSH, being headworks creditable provided Waterway Downs are able to decommission TPSH and that the only other pump station in the development is located at the marina, which is under the control of a body corporate. Other than the pump station, no other works would be headworks creditable despite that these works might meet the criteria. This will represent an agreement with the local developer.

Western area:-

22. In the western area, two issues arise. First we need to facilitate the installation of a deep gravity sewer, up to 12 metres deep through the frontage of Lot 100 on SP165053 currently owned by Dreamworld but we believe, under contracted to QIC.

23. This deep main has many advantages in servicing the QIC site south of Foxwell Road.

24. The other issue concerns the temporary and permanent servicing of two properties immediately east of the railway on the south side of Foxwell Road: (i) Lot 14 on SP191952 (Coomera Development Corporation Pty Ltd), and (ii), the first stage of TAFE.

25. Since the formal approval for the TAFE to connect to Council’s network has not been issued, there is the potential to negotiate a common rising main to be installed by the parties (maintained by Council) and also connection to a permanent solution.

26. We are expecting that TAFE will make a financial contribution to the construction of the gravity trunk sewerage main.

27. We are expecting Lot 14 to contribute to the construction of a gravity main in Foxwell Road.

28. I believe properties on the northern side of Foxwell Road, and to the east of the railway, are the subject of the Coomera Town Centre Master Planning Process at Ministerial direction. These properties will also use the gravity main in Foxwell Road mentioned in clause 27 and should therefore share costs.
Recommendations:

The following recommendations are made:

29. That the preferred option, Option 3A, be adopted as the sewerage servicing strategy for the Foxwell Road area.

30. That a report be prepared for Council's Water Management Committee meeting targeting the 16 June 2010 committee meeting.

31. That stakeholders be given until 28 May 2010 to respond to the "preferred option" (two weeks).

32. That Council engage with Allconnex to build the trunk sewerage gravity sewer (between Shipper Drive and Pump Station PA9) during the 2012/2013 financial year.

33. That Council, where it has power, assist with coordinating the establishment of easements subject to landowners providing appropriate funding.

34. That following adoption of the "preferred strategy", Gold Coast Water commence negotiations with individual and groups of landowners (i) to refine the preferred option and (ii) progress development approvals.

35. The report, Foxwell Road Sewerage Servicing Strategy, may be purchased in accordance with Council policy once this process and the report is completed.

References:

GCW (2004), *East Coomera Sewerage Infrastructure Strategy (ECSIS)*, Gold Coast
GCW (2006), *East Coomera Sewerage Infrastructure Strategy (ECSIS)*, Gold Coast
GCW (2010), *Foxwell Road Sewerage Servicing Strategy*, Gold Coast, unpublished (draft)

Queries:

If you have any queries, please contact me.

Yours faithfully

Ray Hallgath
Executive Coordinator Development Control
for the Chief Executive Officer

*Gold Coast Water*
Ph: (07) 5582 8936  Mob: 0437 932 673  Fax: (07) 5582 8884
PO Box 5042 Gold Coast Mail Centre Qld 9720
www.goldcoastwater.com.au
At its meeting held on 15 June 2010, City Planning Committee made the following recommendation (ex Minute CP10.0615.004)

1. That the City Planning Committee endorse the following recommendation which is to be referred to the Water Management Committee to be held on 16 June 2010 for its consideration:

   a. That the Applicant be advised that Council grants in-principle agreement to accept a monetary contribution for a 2 lot subdivision at 90 Holyrood Road towards the provision of a potable water main in Holyrood Road provided:

      i. That the development is limited to 2 allotments,

      ii. That the applicant, after consulting the Queensland Fire and Rescue Service, is able to demonstrate that the development is at low fire risk if serviced by rainwater tanks,

      iii. That the applicant demonstrates that a 40,000L tank per dwelling is sufficient to provide for the needs of the future landowner without reliance upon surface and ground water sources at the site,

      iv. That the monetary contribution being calculated based upon the following principles:

         a) Costs evenly shared over 16 allotments,

         b) Costs based upon Council’s Unit Cost Report (Hyder 2008) with factors at least based upon soft-rock conditions and brownfield area, and

         c) Contingency factor equals 1.2 based upon Policy 11.

   b. That the development pay the current water supply PIP charges at the time of reconfiguration.

   c. That Council’s offer in Recommendation (a) expire within 18 months of the date of Council’s decision (that is, the applicant has 18 months to obtain a development permit).

   d. That the landowner be advised that any future application for subdivision will be assessed on its merits, in accordance with the SPA (2009).
ITEM 11 GOLD COAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16 REFERRED ITEM (CONTINUED)

COMMITTEE RECOMMENDATION WM10.0616.011
Moved Cr Crichlow  Seconded Cr Grummitt

1 That the Applicant be advised that Council grants in-principle agreement to accept a monetary contribution for a 2 lot subdivision at 90 Holyrood Road towards the provision of a potable water main in Holyrood Road provided:
   a That the development is limited to 2 allotments,
   b That the applicant, after consulting the Queensland Fire and Rescue Service, is able to demonstrate that the development is at low fire risk if serviced by rainwater tanks,
   c That the applicant demonstrates that a 40,000L tank per dwelling is sufficient to provide for the needs of the future landowner without reliance upon surface and ground water sources at the site,
   d That the monetary contribution being calculated based upon the following principles:
      i Costs evenly shared over 16 allotments,
      ii Costs based upon Council’s Unit Cost Report (Hyder 2008) with factors at least based upon soft-rock conditions and brownfield area, and
      iii Contingency factor equals 1.2 based upon Policy 11.

2 That the development pay the current water supply PIP charges at the time of reconfiguration.

3 That Council’s offer in Recommendation (a) expire within 18 months of the date of Council’s decision (that is, the applicant has 18 months to obtain a development permit).

4 That the landowner be advised that any future application for subdivision will be assessed on its merits, in accordance with the SPA (2009).

CARRIED
ITEM 4   GOLD COAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16

Refer 5 page attachment

1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

This report concerns the delivery of potable water supply services in Holyrood Road, Maudsland. The landowners of 90 Holyrood Road have requested that the requirement to connect to Council’s water supply network be delayed until the water main has been extended along Holyrood Road at some time in the future. The request concerns compliance with Council’s Planning Scheme Reconfiguration a Lot (ROL) code and the normal practice to require developers to construct relevant and necessary infrastructure. Council has previously considered a similar matter.

4 PREVIOUS RESOLUTIONS

The Water Sustainable Committee (WS07.1129.007) and the City Planning Committee (CP07.1204.023) have previously considered a similar matter:

1 That Council endorses the following recommendation as proposed by the Water Sustainability Committee held on 29 November 2007, Minute No. WS07.1129.07:

   a That the Applicant be advised that Council grants in-principle agreement to Development Permit PN135654/02/DA1 not being required to connect to Council’s water supply network provided:

      (i) That the Applicant, after consulting the Queensland Fire and Rescue Service, is able to demonstrate that the development is at low fire risk if serviced by rainwater tanks; and

      (ii) That the Applicant demonstrates that a 40,000L tank per dwelling is sufficient to provide for the needs of the future landowner without reliance upon surface and ground water sources at the site.

   b That the Applicant be advised that the following minimum standards of service apply:

      (i) A 10,000L rainwater tank, dedicated solely for fire fighting purposes, shall be supplied for each allotment;

      (ii) A 40,000L rainwater tank shall be supplied for each dwelling constructed in the development;

      (iii) The tanks are supplied and installed prior to any Certificate of Classification being issued; and
ATTACHMENT

ITEM 4 CONTINUED  GOLDCOAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16

(iv) The 10,000L fire fighting tank being full (or filled) prior to any Certificate of Classification being issued.

c That Gold Coast Water and Planning Environment and Transport Directorates prepare an interim guideline to administer alternative water supply solutions for remote Park Living areas with each case referred to Council for its consideration and determination.

The matter was also referred to the Strategic Growth Committee (SG08.0115.007):

1 That Council endorses the following recommendation as proposed by the Water Sustainability Committee held on 29 November 2007, Minute No. WS07.1129.07:

a That the water supply provisions for remote Park Living areas with low fire hazards be re-examined in any future revision of the Park Living requirements of “Our Living” Gold Coast Planning Scheme.

5 DISCUSSION

5.1 Background

Mr and Mrs Lang of 90 Holyrood Road, Maudsland are proposing a 2 lot subdivision. The landowners are requesting that the requirement to connect to Council’s water supply network be delayed until the water main has been extended along Holyrood Road at some time in the future. The letter of request is attached as Attachment 1.

The argument presented may be summarised as follows:

1. The applicant’s advise that in early December 2009 they contacted Council. It is alleged that Council provided advice to the effect that they would not be required to connect to water. No information was provided to confirm this conversation,

2. Based upon preliminary information provided by Gold Coast Water, the applicant believes it is unreasonable for Council to require the applicant to construct a water main some 950 metres long, together with a booster pump station – an “unreasonable imposition” as defined in the Sustainable Planning Act 2009,

3. That Council has previously relaxed the requirement to connect to Council’s reticulated water supply for a property in Ruffles Road, Willowvale.

The application is at the ‘pre-lodgement’ stage. The site is located in Councillor Division 5.

5.2 Proposal

The landowners wish to make an application to subdivide Lot 8 on RP179783 being 90 Holyrood Road, Maudsland. The allotment is 4.581 hectares. At this stage, the proposal is to create a 2.025 hectare allotment and a 2.558 hectare allotment. In this regard it is similar to an application Council dealt with at 289 Ruffles Road, Willowvale in 2007 (refer to section 5.8).
5.3 Planning Scheme

The site is located within the Kopps Road Structure Plan of Council’s Planning Scheme as shown in Figure 1. The allotment is at the eastern most end of Holyrood Road. It’s access point is from the end of the cul-de-sac. At this point the land is at a height of 70 metres above sea level (AHD - Australian Height Datum).

Pursuant to the Kopps Road Structure Plan, the subject site is identified as having a Park Living Designation.

The intent of the Park Living Designation as defined in the Planning Scheme is:

“To retain the semi-rural nature of the area in locations where urban development is not desirable. This land is generally well vegetated, steep in sections and lies at the foot slopes of the ridge. The desire to retain vegetation, reduce sedimentation, establish habitat corridors and retain the visual significance of the ridge has provided the opportunity for low density development on larger lots.”
In relation to lot sizes, the Park Living Designation is subject to the requirements of the Park Living Domain pursuant to PC15 and AS15 of the Emerging Communities Domain, which states:

“As15
The subdivision of land for any particular use is consistent with the provisions of any relevant Structure Plan contained in Clause 6.0 to Clause 14.0, and complies with the requirements for lot size and dimensions for the relevant Domain set out in Specific Development Code 28 – Reconfiguring a Lot as follows…”

As such, subdivision of the subject site is to comply with a minimum lot size of 4,000m² and an average lot size of 8,000m².

The proposal put forward by the applicant achieves the minimum and average lot sizes, and in fact is proposing lots in excess of these requirements. It is also noted that the proposal would be generally compliant with the intent of the Park Living Designation or would be able to be conditioned to do so.

5.4 ROL and Works for Infrastructure Code

It is important to note, that pursuant to the Reconfiguring a Lot Code (PC24), the subject site is required by the Planning Scheme to connect to water. “Reconfiguring a Lot” is equivalent to land subdivision under the former planning legislation. Developments are required to comply with the relevant codes under the Planning Scheme.

5.4.1 Performance Criteria 24 (PC24)

Water supply is required to be supplied in all areas except Extractive Industry, Rural Conservation or Village Domains under the Planning Scheme. Performance Criteria 24 (PC 24) of the Reconfiguring a Lot Code, relates to infrastructure connections. A number of criteria are specified. Amongst these is the requirement for water utility services. In this instance, Acceptable Solution AS24.3 is relevant:
ITEM 4 CONTINUED
GOLD COAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16

Given the discussion above, the subject site is akin to development in the Park Living Domain. Based on the Acceptable Solution, neither the Park Living Domain nor the Emerging Communities Domain is exempt from the requirement to connect to Council’s reticulated water supply.

5.4.2 Battle-axe allotments

Future development at this site will need to comply with Council’s requirements concerning proximity to fire hydrants. This is of particular concern for battle-axe allotments. A battle-axe allotment is proposed. Where building envelopes are proposed more than 40 metres from a hydrant, the application must be accompanied by a design submission that details the fire protection methodology proposed for the battle-axe allotments (Policy 11, Clause 4.2.11).

5.5 Water servicing

Holyrood Road, which is a cul-de-sac, comes off Maudsland Road. A water supply main is proposed along Holyrood Road to support the objectives of the Planning Scheme. The water main is non-trunk infrastructure under Council’s Priority Infrastructure Plan (PIP 2010).

The provisioning of water supply services involves the construction of some 950 metres of 150 mm diameter water main together with hydrants placed at least every 80 metres. The work is estimated at around $ 546,000 based upon Council’s Unit Cost Report (Hyder 2008), which will be the basis of the next version of the PIP, the future PIP2.
As mentioned earlier, Holyrood Road rises to a level of 70 metres (AHD). At the moment Council is unable to supply water to this level. Once the future Maudsland Reservoir is constructed nearby, Council expects water pressures to be adequate at the end of the Holyrood Road cul-de-sac based upon the draft Desired Standards of Service for PIP2.

5.6 Development potential

The ROL Code has already been applied to development applications for properties in the area. These are shown as “A”, “B” and “C” on Figure 1.

At property “A”, Condition 7 of Development Permit PN132881/02/DA1 dated 11 January 2008 requires that applicant to construct a 100mm water supply main from Maudsland Road, a distance of 330 metres. The development proposes 3 allotments.

At property “C”, Condition 7 of Development Permit PN141386/12/DA2 dated 26 March 2010 requires that applicant to construct a 150mm water supply main along Holyrood Road from Maudsland Road. The conditions for property “C” reflect the latest water supply planning. The development proposes 3 allotments.

If property “A” and “C” develop then water would be at least a third of the way to the proposed development at 90 Holyrood Road, at the end of the cul-de-sac.

Development at property “B” has been conditioned to connect to the Maudsland Road water main. However this development does not have frontage to Holyrood Road and thus will not require a water supply from Holyrood Road.

5.7 Options

The options are:

- Require applicants to build the water main in Holyrood Road, or
- Accept a monetary contribution in lieu, or
- A combination of both.

A “combination” strategy is recommended. Developers within 500 metres of the Maudsland water main should be required to build the water main. Developers more than 500 metres of the Maudsland water main should be allowed to make a contribution. The requirement of 500 metres was selected to retain the integrity of Council’s power to require developments to extend essential services in development areas.

This strategy means contributions collected from upstream developers can be used to assist developers who are required to build the water main. Further where the water main is extended, Council could require benefiting landowners, as part of the development process, to enter an infrastructure agreement to make their fair share.

This scenario forms the basis of the recommendations being put before Council.
5.8 Issues with establishing equitable share

5.8.1 Valuation of works

Valuations of works is problematic, especially where estimates are prepared for cash contributions. First the design has not been prepared. Therefore there is a degree of uncertainty about what ground conditions will be encountered at the time of construction. Second, there is natural tendency by an applicant to make the costs as low as possible by using favourable research that does not necessarily reflect the actual costs encountered by the Authority in the future construction.

In response, the appropriate way to estimate the cost of the potable water main to be constructed in Holyrood Road is to use Council’s Unit Cost Report (Hyder 2008). This Report will be used to prepare the water supply and sewerage components of Council’s future PIP2. It represents the latest cost information. The work is estimated at $ 546,000 (rounded).

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Components</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base cost per metre:</td>
<td>$ 168 / m</td>
<td></td>
</tr>
<tr>
<td>Length</td>
<td>950 m</td>
<td></td>
</tr>
<tr>
<td>Factors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Planning, design and supervision</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>* Brownfields</td>
<td>1.76</td>
<td></td>
</tr>
<tr>
<td>* Soft-rock</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>* Contingency factor from Policy 11</td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td>Estimated Cost</td>
<td></td>
<td>$ 546,000</td>
</tr>
</tbody>
</table>

As a matter of caution, Council’s Policy 11 – Land Development Guidelines applies a contingency factor of 20% to uncompleted works bonds. The cost estimate above is informed by this practice.

5.8.2 Demand

Demand projections are also problematic. First, there is an uncertainty to how many allotments that will be ultimately created, and will ultimately share the infrastructure. There are 20 existing allotments that will benefit from these works. All these allotments are generally around 3 hectares in area and thus potentially have similar yields. In this instance, the number of existing allotments can be used as a basis of cost sharing.
Second, re-development areas often do not fully re-develop. Often the take-up happens relatively quickly up to around 80%. Thereafter re-development is much slower and in most instances does not fully re-develop. This leads to funding gaps.

A reasonable approach therefore is to share the cost of the water main works as follows:

\[
\text{Cost per existing allotment} = \frac{\$546,000}{(0.8 \times 20 \text{ allotments})} = \$34,125 \text{ say } \$34,500
\]

**5.9 289 Ruffles Road Willowvale**

Council considered the matter of supplying potable water to Ruffles Road in November 2007. The issue in that matter was whether Council would ever supply potable water to the Ruffles Road area. The Planning Scheme had identified a pocket of park living area that was some 2 kilometres from Council’s water supply network. It was found that only around 12 dwellings would be constructed in that precinct and benefit from the water supply works. Given the length of pipe, the maintenance of water quality was identified as a key concern.

On balance it was concluded that in the Ruffles Road area, the provisioning of water supply was questionable. Accordingly the recommendation to Council, which Council adopted, was that the Strategic Growth Committee re-examine the requirement to supply water for remote Park Living areas in any revision of the park living requirements of the Planning Scheme.

Holyrood Road though can not be considered remote in terms of water supply provisioning when contrast to Ruffles Road. In the case of Ruffles Road, the water main would pass through rural living area to get to the development area. At Holyrood Road, development is proposed along full length of the proposed water main.

**5.10 Sequencing**

The landowner is asking Council to effectively accept an alternative solution in complying with PC 24 of the ROL code. This issue really concerns the sequencing of water supply infrastructure and risk; in this instance, fire risks.

The prognosis for sequencing is very poor. Landowners will only get around two extra allotments on average from their existing holdings – making a total of three. This means that no one landowners / applicant will be able to finance the provision of water supply services along Holyrood Road. There are really two alternatives. First Council could step in and build the works, however, Council may not be able to recoup its expenditure since amendments to the PIP would be required; these are time consuming given the Schedule 1 amendment process, which involves 2 state interest checks.

The second way is to take a more pragmatic approach. If Council did agree to accept a contribution from 90 Holyrood Road, then that contribution could be used to assist developers “A” and “C” (Figure 1) to extend the water supply main up Holyrood Road. Attachment 2 illustrates the type of condition involved. When others develop, they too could either contribute or build.
5.11 Non-trunk infrastructure and SPA

Section 626 of the Sustainable Planning Act (2009) (SPA) concerns Council’s power in relation to non-trunk infrastructure. Council may condition a development to provide works to connect the development to external infrastructure, which is the case here. Under subsection (2) the condition must state the infrastructure to be supplied and when the infrastructure must be supplied. This sub-section contemplates the delayed provisioning of services.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Bold Future Key Focus Area

The Bold Future focus areas are nominated in Council’s Corporate Plan (2009-2014). The Bold Future is based upon principles. The following three are relevant to the this report:

- Responsible decisions,
- Collaborative Approach, and
- People and Economy.

Corporate Plan (2009-2014)

The two key focus areas of Council’s Corporate Plan are involved:

Key focus area: 1 – A city leading by example

1.3 Outcome – there is collaborative leadership and strong partnerships in the city

1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community’s vision for the city

Key focus area: 6 – A city shaped by clever design

6.3 Outcome – infrastructure is planned and delivered to meet the needs of a growing community

6.3.1 Develop and implement long-term infrastructure plans that are driven by the priorities of a growing city

GCW Strategic Plan (2009-2012)

This agenda item falls within GCW’s Strategic Plan:

Strategic Priority – “Sustainably managing our service delivery”

Strategy - “Growth Management Strategy”.

A key result area - “timely infrastructure upgrades to accommodate planned growth built in accordance with Councils standards ensuring assets meet their design life”.
ATTACHMENT

GOLD COAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16

ITEM 4 CONTINUED

7 FUNDING AND RESOURCING REQUIREMENTS

Refer to discussion at section 5.

8 RISK MANAGEMENT

Refer to discussion at section 5.

9 STATUTORY MATTERS

This report has been prepared using the Planning Scheme and the Sustainable Planning Act (2009).

10 COUNCIL POLICIES

Not applicable.

11 DELEGATIONS

Not applicable.

12 COORDINATION & CONSULTATION

The following stakeholders were involved:

<table>
<thead>
<tr>
<th>Name and Title of the Stakeholder Consulted</th>
<th>Directorate or Organisation</th>
<th>Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr Young – Area Councillor</td>
<td>GCCC</td>
<td>Initial discussions but did not read the report.</td>
</tr>
<tr>
<td>Jordanna Blanch – Supervising Planner ROL North</td>
<td>PET</td>
<td>Yes.</td>
</tr>
</tbody>
</table>

13 STAKEHOLDER IMPACTS

Refer to section 5.8 concerning equal opportunity.

14 TIMING

The recommendation includes a time limit of 18 months. Circumstances can change over time, especially development patterns. This limit allows Council to re-assess the situation at some time in the future.
15 CONCLUSION

This report concerned the delivery of potable water supply services in Holyrood Road, Maudsland. The landowners of 90 Holyrood Road have requested that the requirement to connect to Council’s water supply network be delayed until the water main has been extended along Holyrood Road at some time in the future. After reviewing this case study and also Ruffles Road, this report recommends the principle that the applicants closer to the water main in Maudsland Road be required to build while those further out be allowed to make a contribution. This means contributions collected could be directed to assist those applicants who are required to build the infrastructure. Further where the water main is constructed, Council could require benefiting landowners, as part of the development process, to enter an infrastructure agreement to make their fair. This scenario forms the basis of the recommendations being put before Council.

16 RECOMMENDATION

It is recommended that Council resolves as follows:

1 That the City Planning Committee endorse the following recommendation which is to be referred to the Water Management Committee to be held on 16 June 2010 for its consideration:

a That the Applicant be advised that Council grants in-principle agreement to accept a monetary contribution for a 2 lot subdivision at 90 Holyrood Road towards the provision of a potable water main in Holyrood Road provided:

v That the development is limited to 2 allotments,
vi That the applicant, after consulting the Queensland Fire and Rescue Service, is able to demonstrate that the development is at low fire risk if serviced by rainwater tanks,

vii That the applicant demonstrates that a 40,000L tank per dwelling is sufficient to provide for the needs of the future landowner without reliance upon surface and ground water sources at the site,

viii That the monetary contribution being calculated based upon the following principles:

a) Costs evenly shared over 16 allotments,
b) Costs based upon Council’s Unit Cost Report (Hyder 2008) with factors at least based upon soft-rock conditions and brownfield area, and
c) Contingency factor equals 1.2 based upon Policy 11.

b That the development pay the current water supply PIP charges at the time of reconfiguration.
**ATTACHMENT**

<table>
<thead>
<tr>
<th>ITEM 4 CONTINUED</th>
<th>GOLD COAST WATER PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY PN141398/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td>That Council’s offer in Recommendation (a) expire within 18 months of the date of Council’s decision (that is, the applicant has 18 months to obtain a development permit).</td>
</tr>
<tr>
<td>d</td>
<td>That the landowner be advised that any future application for subdivision will be assessed on its merits, in accordance with the SPA (2009).</td>
</tr>
</tbody>
</table>

*Author:* Ray Hallgath  
*Authorised by:* Richard Went  
*Executive Coordinator Development Control:*  
*Director Gold Coast Water:*  
1 June 2010
April 21, 2010

Chief Executive Officer
Gold Coast City Council
hand delivered

Dear Sir,

RE: ROL Preliminary Application – 90 Holyrood Road, Maudsland

We refer to a preliminary, and subsequent meeting with Town Planning and Gold Coast water in regard to sub-dividing our land into two lots.

In light of the extraordinary condition regarding our sub-division approval being subject to us funding the entire cost of water trunk infrastructure, booster stations and the payment of five years infrastructure maintenance costs to have water supplied to our blocks, we submit the following items for consideration:

When we contacted Council early December, 2009 regarding sub-dividing our block into two lots, we were advised that we would NOT be required to connect to water if we sub-divided. (We have been informed we can consider legal action in light of being advised such a major piece of incorrect information. This is not our intent. Our intent is to sub-divide our block of land.)

In February 2010 we proceeded with the preliminary requirements to submit an application to Council to sub-divide our block into two lots (engaging the services of Bennett + Bennett Surveyors, etc.)

GCW was not present at the Preliminary Meeting held with Council, however we subsequently received email advice from Gold Coast Water as follows:

The applicant will be required to comply with the ROL code, in particular Performance Criteria 24 - Infrastructure Connections (PC24). PC24 in this instance requires reticulated water to be provided as part of any ROL at this location.

In relation to the subject site, the applicant is advised that due to the height of the land, it cannot be serviced at the moment until a new reservoir is built on an adjoining development.

Accordingly GCW would condition any development to extend the water main to service the proposed 2 allotments, as well as construct a booster pump station, and also require the applicant to pay for 5 years operational costs which is permitted under the SPA.

Additionally, GCW will not enter an ‘external works scheme’ to recover costs from others in the area as they develop.

Apart from the fact we were originally informed by GCWC that we would NOT be required to connect to water, this advice had us shocked and confused.
The cost of providing this infrastructure (and subsequent maintenance costs) would be more than the block of land is worth. We are located approx. one kilometre from water infrastructure.

GCW were not able to provide us with any costings, however, we are led to believe the total cost could be in the vicinity of $400,000. Our sub-divided block is worth approx. $360,000. (The slope of our land dictates that it could possibly only be sub-divided into two lots - in this instance the two lots would be 3 acres and 6.5 acres.)

We refer to extracts regarding infrastructure from the Sustainable Planning Act (below)

Sustainable Planning Act 2009
Chapter 8 – Infrastructure
Part 1, Section 625  
The purpose of this part is –
(c) to establish an infrastructure funding framework that is equitable and accountable

Part 632 Infrastructure Charges

(1) The infrastructure charge –

(b) must not be more than the proportion of the establishment cost of the network that reasonable can be apportioned to the premises for which the charge is stated, taking into account –
(i) the usage of the network by the premises; or
(ii) the capacity of the network allocated to the premises

and also to GCCC’s Infrastructure Charges under the PIP policy, which states:

Infrastructure charges may be applicable to your application. An applicant shall pay relevant and reasonable charges towards the capital cost of provision of the following infrastructure networks to meet the demand placed on the networks by the development.

Other inconsistencies in advice received to date also conflict with the SPA, PIP and IPA – which we have read through thoroughly.

We believe it is extremely unreasonable to expect one family to pay the total cost of infrastructure (including a ‘booster station’ and five years maintenance costs) which other residents in the street can then connect to, with Council receiving all future income from these connections.

We would be paying this outrageous amount to service one residential dwelling. Absolutely not a “cost of supply = demand” situation.

It appears that GCCC plan to establish water infrastructure to our street in 2056. We are not developers. We cannot afford to pay to have Council’s planned infrastructure scheme brought forward 46 years. We are located in an Emerging Communities Domain which future use is stated as being ‘Park Living’.

We have been speaking to some of the residents in Felling Drive (directly behind us) who are on land which ‘height comparison is similar to ours. They have advised they are NOT connected to water (we were previously advised by GCW they were connected to water) - despite a recent estate development in the lower part of their street.
They have also received no advice that they will be connected to water within the foreseeable future. I assume this is because they too are above the reservoir?

These residents also retain their existing rights to have tank water only on site if they develop their land in the future (GCC Planning Scheme, Emerging Communities Implementation: 11.4.1).

Our neighbour who built approx. 18 months ago also was not required to have water connected.

As discussed with GCW at our meeting on April 7, the owner of a property in Bulldozer Road at Willowvale was not required to connect to water as a result of their application to sub-divide. We were advised this was because the distance his property was from water infrastructure would have made the condition cost-prohibitive to his sub-division. In this circumstance, the requirement for this resident to connect to Council’s water supply network was waived altogether.

In lieu of this, the applicant was able to have a water tank only installed on the premises (together with a separate tank for fire fighting purposes). (Decision Notice attached.)

We are asking for this condition to be applied to our sub-division also.

We realise Council has planning codes, etc in place, however a lengthy search through Town Planning Minutes demonstrates that Council has in many instances overridden various planning and development codes/requirements to ensure Council’s ‘relevant and reasonable’ policy is adhered to and, above all, a common sense approach is taken to protect the rights of GCCC residents.

We are asking for a common sense approach to be taken in this instance also.

Sincerely

[Signature]

Mark & Jodine Lang
90 Holroyd Road
MAUDSLAND QLD 4210
Ph: 07 5533 7295
email: langl@bigpond.net.au

c.c. Ray Hulgoth
GCCW
Jordanna Blanch
GCCC
Cr Peter Young
Richard Went
Director
Gold Coast Water
ITEM 4 CONTINUED
GOLD COAST WATER
PROPOSED 2 LOT SUBDIVISION – 90 HOLYROOD ROAD, MAUDSLAND
REQUIREMENT TO PROVIDE POTABLE WATER SUPPLY
PN141398/16

Attachment 1 (cont)
Without fettering Council’s SPA IDAS development assessment process, potential conditions might be:

1. **Provision of non-trunk infrastructure**
   a. Prior to the endorsement of survey plan, a 150 mm potable water main and water booster station (size to be confirmed by Gold Coast Water) shall be constructed from Maudsland Road along Holyrood Road to the frontage of the property;

   Alternatively, prior to endorsement of survey plans:
   b. The applicant may enter an infrastructure agreement to make a cash contribution towards the construction of the potable water main along Holyrood Road based upon the following:
      i. Costs evenly shared over 16 allotments,
      ii. Costs based upon Council’s Unit Cost Report (Hyder 2008) with factors at least based upon soft-rock conditions and brownfield area, and
      iii. Contingency factor equals 1.2 based upon Policy 11.

   *Advice Note: This condition allows the applicant to defer the construction of non-trunk infrastructure and allow the equitable share for construction of local non-infrastructure that will be used to connect the properties to Council’s networks. This protects the ratepayer from having to construct or fund non-trunk infrastructure.*

2. **Temporary alternative water supply source**

   Where the Applicant elects to make a contribution towards the construction of the water supply main in Holyrood Road, the following minimum standards of service apply:
   a. A 10,000L rainwater tank, dedicated solely for fire fighting purposes, shall be supplied for each allotment;
   b. A 40,000L rainwater tank shall be supplied for each dwelling constructed in the development;
   c. The tanks are supplied and installed prior to any Certificate of Classification being issued; and
   d. The 10,000L fire fighting tank being full (or filled) prior to any Certificate of Classification being issued.
ITEM 12
ACKNOWLEDGEMENT OF GOLD COAST WATER
WS790/1121(P1)
Refer to 3 page attachment

COMMITTEE RECOMMENDATION  WM10.0616.012
Moved Cr Pforr  Seconded Cr Grummitt

That Council note the following:

1. That the Committee’s gratitude for and acknowledgment of the years of hard work and dedication contributed by the officers of Gold Coast Water be placed on record. The committee congratulates the officers for their achievements on a local, national and international level in best business practice as evidenced by the many prestigious awards presented to them in recent years (refer list attached).

2. That the acknowledgement by the Committee of the stewardship of Water Management Committee Chairperson, Cr Daphne McDonald, since 1995 and, in particular, her guidance and direction given during the difficult local area drought conditions and throughout the challenging transition to the Allconnex entity, also be placed on record.

3. That the Director Gold Coast Water and the Gold Coast Water team acknowledged the support and contribution given to Gold Coast Water Directorate during its 15 years by the Chairperson, Cr McDonald and her Committees, past and present, and that it also be placed on record.

CARRIED

There being no further business the meeting closed at 9.40am.
Gold Coast Water – awards won in 2010

- Honour Award - Planning Projects - 2010 International Water Association (IWA) Asia Pacific Project Innovation Awards - Gold Coast Water’s Four R’s Project: From Vision to Reality

- Winner - BMT WBM Government Award - 2010 Healthy Waterways Partnership Awards - Living with Class A+ Recycled Water on the Gold Coast - Protecting our Waterways

- Second Place Winner - 2010 United Nations Public Service Award, Fostering Participation in Public Policy, Making Decisions through Innovative Mechanisms category - Empowering communities for a sustainable water future. This award recognises the participatory community engagement framework employed in the development of the Pimpama Coomera Waterfuture Master Plan, Gold Coast Waterfuture Strategy and draft Recycled Water Strategy.

- Semi Finalist - Commonwealth Association for Public Administration and Management International Innovation Awards, Innovations in Citizen Engagement and Dialogue category - Innovative Community Participatory Framework for an Australian City's Sustainable Water Future. Finalists will be announced this month, with final presentations and winners announced in October 2010.
<table>
<thead>
<tr>
<th>Year</th>
<th>Association</th>
<th>Name of Award</th>
<th>Category</th>
<th>Level of Achievement</th>
<th>Project/Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Institute of Public Administration Australia (IPAA) QLD</td>
<td>Public Sector Excellence Awards</td>
<td>Public Sector Professional of the Year</td>
<td>Winner</td>
<td>Infrastructure Manager Guillermo ‘Bill’ Capati</td>
</tr>
<tr>
<td>2009</td>
<td>Engineers Australia, Qld Division</td>
<td>Engineering Excellence Reports, Procedures and Systems</td>
<td>Winner</td>
<td>Gold Coast Water’s Integrated Management Strategy</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Engineers Australia, Qld Division</td>
<td>Engineering Excellence Environment</td>
<td>Winner</td>
<td>Waterfuture Recycled Water Strategy</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Gold Coast Urban Design Awards</td>
<td>Helen Josephson Award Innovation in Urban Design</td>
<td>Special Mention</td>
<td>Pump Station SP68</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Global Water Intelligence</td>
<td>Global Water Awards</td>
<td>Public Water Agency of the Year</td>
<td>Winner</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Australian Water Association (AWA)</td>
<td>National Water Environmental Merit Award</td>
<td>Winner</td>
<td>Gold Coast Waterfuture Strategy</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Australian Water Association (AWA)</td>
<td>Queensland Water Environmental Merit Award</td>
<td>Winner</td>
<td>Gold Coast Waterfuture Strategy</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>The Institute of Engineers Australia, Queensland Division</td>
<td>Engineering Excellence Awards</td>
<td>Research, Development and Innovation</td>
<td>Winner</td>
<td>Model Based Management of Hydrogen Sulfide in Sewers</td>
</tr>
<tr>
<td>2008</td>
<td>International Water Association (IWA)</td>
<td>East Asia &amp; Pacific Regional Project Innovation Awards</td>
<td>Applied Research</td>
<td>Winner</td>
<td>Model based management for hydrogen sulfide in sewers</td>
</tr>
<tr>
<td>2008</td>
<td>Australian Institute of Project Management (AIPM)</td>
<td>Project Management Achievement Awards</td>
<td>Project of the Year</td>
<td>Runner Up</td>
<td>Gold Coast Water CapEx Major Programs</td>
</tr>
<tr>
<td>2008</td>
<td>International Water Association (IWA)</td>
<td>IWA Sustainability Specialist Group prize</td>
<td>Innovation in the Practical Realisation of Sustainable Urban Water Management</td>
<td>Runner Up</td>
<td>Pimpama Coomera Waterfuture Master Plan</td>
</tr>
<tr>
<td>2008</td>
<td>The Institute of Engineers Australia, Queensland Division</td>
<td>Engineering Excellence Awards</td>
<td>Project Management</td>
<td>High Commendation</td>
<td>Gold Coast Water CapEx Major Programs</td>
</tr>
<tr>
<td>2008</td>
<td>Australian Institute of Project Management (AIPM)</td>
<td>Project Management Achievement Awards</td>
<td>Construction/ Engineering</td>
<td>High Commendation</td>
<td>Gold Coast Water CapEx Major Programs</td>
</tr>
<tr>
<td>2007</td>
<td>International Association for Public Participation (IAP2)</td>
<td>IAP2 Core Values Awards</td>
<td>Best Public Participation Policy Framework</td>
<td>Highly Commended</td>
<td>GCW Community Engagement Framework</td>
</tr>
<tr>
<td>2007</td>
<td>Adage</td>
<td>Adage Top 20</td>
<td>Age Management Excellence</td>
<td>Top 20 list</td>
<td>Workforce Capability Strategy</td>
</tr>
<tr>
<td>2006</td>
<td>International Water Association</td>
<td>Project Innovation Awards</td>
<td>Grand Global Prize – Planning</td>
<td>Winner</td>
<td>Pimpama Coomera Waterfuture Master Plan</td>
</tr>
<tr>
<td>2006</td>
<td>Environmental Protection Agency (EPA)</td>
<td>EPA Sustainable Industries Awards</td>
<td>Sustainability in Public Sector or Community Initiatives Award</td>
<td>Winner</td>
<td>Gold Coast Watersaver Service</td>
</tr>
</tbody>
</table>
### Gold Coast Water – awards won (continued)

<table>
<thead>
<tr>
<th>Year</th>
<th>Association</th>
<th>Name of Award</th>
<th>Category</th>
<th>Level of Achievement</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Civil Contractors Federation</td>
<td>Queensland Case Earth Awards</td>
<td>Environmental Excellence – Category 3</td>
<td>Winner</td>
<td>Coombabah Waterfuture Project (with GCCC, GCW, KBR)</td>
</tr>
<tr>
<td>2005</td>
<td>Institute of Public Works Engineering Australia QLD Division Inc.</td>
<td>Engineering Excellence Awards</td>
<td>Innovation</td>
<td>Winner</td>
<td>Pressure &amp; Leakage Management Program</td>
</tr>
<tr>
<td>2005</td>
<td>Australian Institute of Project Management</td>
<td>Project Management Achievement Awards</td>
<td>President’s Award - Queensland</td>
<td></td>
<td>Pimpama Coomera Waterfuture Master Plan</td>
</tr>
<tr>
<td>2004</td>
<td>Banksia Environmental Awards</td>
<td>Banksia Environmental Awards</td>
<td>Environmental Leadership in Communications</td>
<td>Winner</td>
<td>Watch every drop - drought marketing campaign</td>
</tr>
<tr>
<td>2004</td>
<td>International Public Relations Association</td>
<td>Certificate of Excellence</td>
<td>&quot;The IPRA salutes the professional excellence demonstrated by GCW Watch every drop campaign winning the 2004 Golden World Awards&quot;</td>
<td>Winner</td>
<td>Watch every drop - drought marketing campaign</td>
</tr>
<tr>
<td>2000</td>
<td>QLD Training Awards</td>
<td>Kelly Services Large Employer of the Year</td>
<td></td>
<td>Finalist</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>Royal Australian Planning Institute Inc. (QLD Div.)</td>
<td>Environmental Planning Awards for Excellence</td>
<td>Award for Excellence</td>
<td>Overall Winner 1997</td>
<td>Gold Coast City Northern Wastewater Strategy</td>
</tr>
<tr>
<td>1996</td>
<td>Public Relations Institute of Australia (QLD)</td>
<td>Award for Excellence - Issues / Crisis Management</td>
<td>Gold Award</td>
<td>Gold Award</td>
<td>Gold Coast City Northern Wastewater Strategy</td>
</tr>
<tr>
<td>1995</td>
<td>The Institute of Engineers Australia QLD Division</td>
<td>Engineering Excellence Award</td>
<td>Public Works</td>
<td>High Commendation</td>
<td>Menimac Sewage Treatment Works - Stage 4</td>
</tr>
</tbody>
</table>

### Gold Coast Water – certificates won

<table>
<thead>
<tr>
<th>Year</th>
<th>Association</th>
<th>Name of Certificate</th>
<th>Awarded For</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Australian Government - Department of Employment and Workplace Relations</td>
<td>Certificate of Recognition</td>
<td>Mature Age Employer Champion &quot;In recognition of your age positive practices&quot;</td>
</tr>
<tr>
<td>2006</td>
<td>Griffith University - Faculty of Engineering &amp; Information Technology</td>
<td>Certificate of Appreciation</td>
<td>*For valued contribution to the Industry Affiliates Program</td>
</tr>
<tr>
<td>2006</td>
<td>Green Plumbers</td>
<td>Certificate of Appreciation</td>
<td>*To acknowledge GCW's support of Green Plumber's Caring for Our Water Program 2005/06</td>
</tr>
<tr>
<td>2006</td>
<td>Gold Coast City Garden Competition</td>
<td>Certificate of Appreciation</td>
<td><em>In recognition of support received and valued sponsor of the GCC Garden Competition</em></td>
</tr>
<tr>
<td>2005</td>
<td>Green Plumbers</td>
<td>Certificate of Appreciation</td>
<td>*To acknowledge GCW's support of Green Plumber's Caring for Our Water Program 2004/05</td>
</tr>
<tr>
<td>2004</td>
<td>International Public Relations Association</td>
<td>Certificate of Recognition</td>
<td>Gold Award - Community Relations &quot;Through participation in the Golden World Awards&quot;</td>
</tr>
<tr>
<td>2004</td>
<td>Gold Coast City Garden Competition</td>
<td>Certificate of Appreciation</td>
<td><em>In recognition of support received and valued sponsor of the GCC Garden Competition</em></td>
</tr>
<tr>
<td>2003</td>
<td>GHD - 75th Anniversary of GHD Founding</td>
<td>Certificate of Recognition</td>
<td>&quot;Recognition of an association which spans over 50 years&quot;</td>
</tr>
</tbody>
</table>
These Pages

Numbered 1 to 131

Constitute The Adopted Report of The Meeting

Of The Water Management Committee

Held Wednesday, 16 June 2010