

# **TITLE: Parkes Lane Area Stage 3 Sewerage Scheme**

**Submitted By:** Water and Wastewater - Business and Assets

---

## **LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:**

**Living - We want to be safe at home and in the community**

**Provide safe, sustainable and affordable water supply and wastewater services as the foundations of a healthy community**

2.1.2 Wastewater Services - To provide high quality and reliable sewage collection and treatment services that meet health and environmental requirements.

## **ROLE:**

PROVIDER - Council delivers over 50 different services to the Tweed Community.

---

## **EXECUTIVE SUMMARY**

The Parkes Lane area in Terranora, known collectively as the Parkes Lane, Trutes Terrace and Market Parade subdivisions, was originally developed in the mid 1980s. This area is zoned R5 Large Lot Residential and sewerage services to the properties is provided by on-site sewerage management systems (OSSM).

A review by Council's Environmental Health Unit and recent environmental testing have identified that ageing and poorly performing OSSMs are currently providing a risk to environmental and public health.

The creation of new reticulated sewerage systems in the adjacent developments now provides the opportunity for the Parkes Lane area to be connected to Council's reticulated sewerage network.

This report is to inform Council of the outcomes of a survey undertaken to satisfy a previous Council resolution to determine the extent of support for a sewerage scheme to service the residential properties within and in the vicinity of Parkes Lane and Market Parade in Terranora.

## **RECOMMENDATION:**

That:

1. Council excludes the Trutes Terrace properties from this stage of the scheme.
2. Council progresses the Parkes Lane Area Stage 3 Sewerage Scheme as a voluntary scheme, with a 50% Council contribution towards the estimated scheme cost being available to properties that connect within 5 years of completion of the scheme, with the Parkes Lane Area Stage 3 Sewer Levy contribution being \$17,818 (2023-24) to be increased by CPI each year and with payment options being:
  - (i) Property owners pay the full levy amount upfront to receive a 20% discount, or
  - (ii) Property owners pay the levy in equal annual amounts for a 10 year period.
3. Property owners within the Parkes Lane Area Stage 3 Sewerage Scheme who make application to connect to sewer more than 5 years after the completion of the scheme will be required to pay the estimated full cost of connection being \$35,636 (2023-24) to be increased by CPI each year.

4. For a period of 5 years after the completion of the Parkes Lane Area Stage 3 Sewerage Scheme, sewerage access charges will not be levied for properties that have not connected to sewer and after the expiration of this period, Council will levy sewerage access charges in accordance with Council's fees and charges for all properties within the Parkes Lane Area Stage 3 Sewerage Scheme.
5. Council further develops the detail design and documentation, costs estimate and call for tenders for the Parkes Lane Area Stage 3 Sewerage Scheme.

## **ATTACHMENTS**

1. Comments from Owners on Preference survey
2. Report from Environmental Health Unit
3. Parkes Lane Area Stage 3 Sewerage Scheme - map and list of properties

## **COUNCIL IMPLICATIONS:**

### **a. Legislation/Policy/Existing Strategic Plans**

This proposed scheme is generally consistent in its intent and approach to similar historic schemes.

NSW Local Government Act Section 60(c).

Water Management Act Section 192(1).

### **b. Sustainability:**

#### **i. Financial (Budget/Long Term Financial Plan/Whole of Life Cost):**

The Parkes Lane Area Stage 3 Sewerage Scheme will be absorbed into the Tweed Shire Council sewerage program which operates as a full cost recovery business unit. Funding for this project is available from Council's Sewer Fund.

The current estimated budget is \$2,825,576 and this will be updated as the project progresses to a finalised design.

#### **ii. Environmental (including climate change):**

Current evidence of high strength human faecal contamination of lagoons on Council land in Market Parade. These lagoons overflow into stormwater drainage that then passes through adjacent developments and ultimately into Terranora Creek.

#### **iii. Social:**

Scheme contributions (while subsidised to 50%) have the potential to impact negatively on the property owners on low fixed incomes, especially in the cases where these properties have onsite systems that appear to be performing well or have been recently upgraded to comply with onsite treatment and disposal requirements.

### **c. Legal Considerations:**

No legal advice has been provided.

### **d. Risk Considerations:**

Cost of constructing the scheme could escalate: cost estimate has been reviewed after consideration of indexation with further review of cost estimate recommended after conclusion of detailed design. The current construction environment appears to be realising construction cost increases above indexation.

Environmental and public health risks: not proceeding with the scheme will provide for the potential for the ongoing discharge of wastewater with faecal pathogens of human origin to the receiving waterways increasing the environmental and public health risks.

Approval from the Department of Planning and Environment is required before Council has the

authority to construct sewerage schemes under provisions of the NSW Local Government Act S60(c) and Water Management Act S192(1).

Specifically, "An approval is needed to add sewage collection to an area that was previously not serviced or to introduce a new recycled water supply network. This does not include minor extensions to connect a small number of customers to an existing network area."

Sewerage easements for the location of rear of allotment gravity sewer lines will need to be acquired by negotiation or compulsory acquisition with compensation payable to the property owners.

**e. Engagement/Communication:**

**Consult** - Actively seeking the community's views and exchanging information.

Feedback was requested regarding property owners' preference in connecting or not connecting to the scheme and preferred payment arrangements.

**Involve** - Bring the community into the decision-making process.

Community response sought regarding property owners' preferences and advice regarding any matters they would like Council to consider in the development of the final design.

**REPORT:**

**Background**

The Parkes Lane area in Terranora, known collectively as the Parkes Lane, Trutes Terrace and Market Parade subdivisions, was originally developed in the mid 1980s. This area is zoned R5 Large Lot Residential and sewerage services to the properties is provided by on-site sewerage management systems (OSSM). New R1 zoned development including 'Altitude Aspire' adjacent to the Parkes Lane area has significantly changed the rural characteristics of the area. The creation of new reticulated sewerage systems in the adjacent developments now provides the opportunity for the Parkes Lane area to be connected to Council's reticulated sewerage network.

Council has previously resolved to proceed with development of a proposed reticulated sewerage scheme for the Parkes Lane area and to complete consultation with the property owners with an aim to gaining acceptance to allow a future recommendation to be made.

**Summary of property owners support for the scheme**

Council forwarded to the 101 property owners in the Parkes Lane area, an information package under a cover letter and included a survey form requesting a 'yes' or 'no' response to the questions:

"Are you in favour of connecting your property listed above to Council's wastewater (sewerage) system, with Council contributing 50% of the combined estimated scheme cost and the developer charge? **Yes or No.**"

and

"If the connection proceeds, which is your preferred method of payment for your contribution to the scheme? **Payment up front or Payment over 10 years.**"

Additionally, property owners were invited to provide comment on any matters that they would like Council to consider in the development of the final design.

One of the properties (in Trutes Terrace) was however excluded from the scheme, as they can be readily serviced from the future adjacent development to the west of the property by a gravity line connection when that development proceeds. The proposed scheme would now service 100 existing properties.

Following an extension to the response date, further mailouts and telephone calls, as at 21 August 2023, Council had received 86 responses advising of preferences from the 100 properties.

This provides for 52 (52%) property owners communicating a preference in favour of connection to the scheme, 34 (34%) property owners not in favour of connecting to the scheme and 14 (14%) of property owners not indicating a preference.

Should the remaining 14 property owners all indicate support for the scheme (which is considered unlikely), this would provide for 66% in support, still just short of the 66.7% required to satisfy Council's

resolution to progress the scheme.

### **Feedback from property owners**

Those in favour of the scheme seemed very keen for it to proceed, with a stated preference by some for gravity drainage connections (rather than sewer ejection pump stations).

Some of the comments by those not in favour of the scheme in support of their position, included cost to the property owner, current system is working well, disruption to land, recent significant expenditure on onsite waste management system, only 1 or 2 people living on the property.

A full summary of comments is included in Attachment 1.

### **Environment and health risk assessment**

Council's Environmental Health Unit provided a memo dated 12 May 2023 (Attachment 2) detailing observations in relation to the performance of onsite wastewater management systems within the catchment.

The memo concluded that:

*"The current operational performance of OSSMs within the Parkes Land Catchment is difficult to determine because most systems are not due for their next routine inspection until after 2024. However, a desktop review predicts that up to 22% of properties will require Council's EHU intervention in future to require works because the systems are not meeting the statutory operational performance standards under the Act.*

*Almost all systems have now reached their expected operational lifespan. Failures of these systems are likely to continue. Recent failures have demonstrated that there is a genuine risk to the environment and public health that require regulatory intervention by Council.*

*Continued use of the existing undersized and aged on-site sewage management systems are unlikely to be the more sustainable option into the future."*

The memo also suggests:

*"Connection to the reticulated sewerage system will bring multiple economic, environmental, and public health advantages to the community:*

- The decommissioning and remediation of land used for On-site sewage management systems (OSSM) will free up space that the property owners can utilise for recreational purposes.*
- Most land parcels in the area are between 2000 and 2400 square metres in area and have steep slope with limited flat areas around the dwelling. Land parcels of this size and nature are considered undersized and unsuitable for OSSMs. Therefore in many cases the installation of new and complying OSSMs are just not possible.*
- Connection to a reticulated sewerage system will likely result in property owners spending less money in future.*
- Connection to a reticulated sewerage system would address the current and increased future public health and environmental risks associated with malfunctioning systems."*

Additionally, water sampling of the lagoons on Council land at 7 to 19 Market Parade was undertaken for laboratory analysis.

The samples were collected at around 9 am on 17 May 2023 and delivered to the laboratory soon after. The few days prior had some rain days of note, with rainfall to 9 am for the 3 days prior totaling 139mm. The daily totals were recorded as:

- 15 May 2023 - 11.6 mm
- 16 May 2023 - 117.0 mm
- 17 May 2023 - 10.4 mm

All samples had positive results for E. coli colilert.

Three of the samples had positive results for the detection of human faecal pollution in water.

Further analysis (the Ct report) provided for human faecal contamination level results of a relatively high strength.

## **Discussion**

With the current sewerage system constructed as part of the 'Altitude Aspire' development being largely ready to connect, Council could select smaller targeted schemes that are readily available to accommodate the properties in favour of connection and properties that currently provide for an environmental health risk. Connection of small number of 'in favour' residents is unlikely to achieve the broader environmental benefits of a wider scheme and is not recommended.

The properties located in the Trutes Terrace section (with street address in Trutes Terrace) of the Parkes Lane area may be excluded from the current phase of the reticulated sewerage scheme. These properties are generally located on a ridge where drainage is to the west. It is feasible that these properties could be connected to future development to the west. Alternatively, this street could be connected to the Parkes Lane Sewerage network at a later time. The cost and feasibility of any future sewerage network connection of these lots would need to be determined. As the majority of respondents in this area were not in favour of connection, it is recommended that the Trutes Terrace section is excluded from the current proposed sewerage scheme.

The properties proposed to be included in the revised sewerage scheme excluding Trutes Terrace are at Attachment 3.

With the support being significant but less than two-thirds of the property owners, and given the public health and environmental concerns, Council could progress the scheme as a voluntary scheme with the Council's 50% contribution being available to connecting properties for a limited time, with full indexed costs being applicable for future connections after that time. Property owners found to have failing onsite systems could be instructed by order to connect to the scheme.

If a sewerage scheme were provided, under Council's current Fees and Charges an annual Sewerage Access Charge of \$934.60 (2023-24 charge revised annually) would be applicable to all properties within the scheme including properties that decided not to initially connect.

Alternatively, given that Council has not received the two-thirds support for the scheme, Council could abandon the implementation of the scheme in the short term and revisit the scheme at some time in the future and reduce the environmental health impacts by regulatory measures (orders to upgrade to aerated treatment systems). In the interim, Council should progress the detailed design and prepare a detailed bill of quantities to enable more accurate pricing for budgeting purposes to inform any future deliberations on sewerage the Parkes Lane area.

## **OPTIONS:**

### **Option 1:**

That:

1. Council excludes the Trutes Terrace properties from this stage of the scheme.
2. Council progresses the Parkes Lane Area Stage 3 Sewerage Scheme as a voluntary scheme, with a 50% Council contribution towards the estimated scheme cost being available to properties that connect within 5 years of completion of the scheme, with the Parkes Lane Area Stage 3 Sewer Levy contribution being \$17,818 (2023-24) to be increased by CPI each year and with payment options being:
  - i. Property owners pay the full levy amount upfront to receive a 20% discount, or
  - ii. Property owners pay the levy in equal annual amounts for a 10 year period.
3. Property owners within the Parkes Lane Area Stage 3 Sewerage Scheme who make application to connect to sewer more than 5 years after the completion of the scheme will be required to pay the estimated full cost of connection being \$35,636 (2023-24) to be increased by CPI each year.
4. For a period of 5 years after the completion of the Parkes Lane Area Stage 3 Sewerage Scheme, sewerage access charges will not be levied for properties that have not connected to sewer and after the expiration of this period, Council will levy sewerage access charges in accordance with

Council's fees and charges for all properties within the Parkes Lane Area Stage 3 Sewerage Scheme.

5. Council further develops the detail design and documentation, costs estimate and call for tenders for the Parkes Lane Area Stage 3 Sewerage Scheme

**Option 2:**

That:

1. Council excludes the Trutes Terrace properties from this stage of the scheme.
2. Council progresses the Parkes Lane Area Stage 3 Sewerage Scheme as a mandatory scheme, with the Parkes Lane Area Stage 3 Sewer Levy contribution being \$17,818 (2023-24) to be increased by CPI each year and with payment options being:
  - i. Property owners pay the full levy amount upfront to receive a 20% discount, or
  - ii. Property owners pay the levy in equal annual amounts for a 10 year period.
3. Council will levy sewerage access charges in accordance with Council's fees and charges for all properties within the Parkes Lane Area Stage 3 Sewerage Scheme at the commencement of the scheme.
4. Council further develops the detail design and documentation, costs estimate and call for tenders for the Parkes Lane Area Stage 3 Sewerage Scheme.

**Option 3:**

That:

1. Council does not progress with the proposed Parkes Lane Area Stage 3 Sewerage scheme, and
2. Council develops a proposal for a number of smaller schemes that can be constructed and service properties where the owners have communicated support for a sewerage service or have non-compliant onsite wastewater systems, with a subsequent report to be presented to Council.

**Option 4:**

That:

1. Council defers the implementation of the proposed Parkes Lane Area Stage 3 Sewerage scheme, and
2. Council develops the detailed design and bill of quantities for future estimates of costs and reconsider at some time in the future depending upon increased community support for the scheme or observation of environmental impacts and public health risks unacceptable to Council.

It is recommended to proceed with Option 1.

**PREVIOUS COUNCIL RESOLUTIONS:**

**Council Meeting - 17 April 2019**

RESOLVED that Council:

1. Supports the provision of Council owned sewerage scheme for the 101 properties that are still currently serviced by on-site sewage systems in the Parkes Lane area.
2. Commences consultation with the property Owners with an aim to gaining acceptance from two thirds of the owners to allow a future recommendation to Council for a compulsory scheme based on the following costs in 2019 dollars:
  - 50% paid for by Council i.e. \$15,750 / lot
  - 50% paid for by Owner i.e. \$15,750 / lot

Owners pay the full amount upfront to receive a 20% discount, or over a 10 year period via a levy of \$1,575 in year one with annual CPI increments.

3. Commences detailed design of sewerage system and prepare a new sewerage levy for the scheme.
4. Notes that the construction works shall be staged, as connections to the nearby sewerage system in

the Altitude Aspire development become available.

**Council Meeting - 15 November 2012**

RESOLVED that:

1. Council:

a. Approves a voluntary participation pressure sewer scheme that could service numbers 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 28 and 30 Parkes Lane, Terranora that provides a sewer rising main network based on the system recently constructed by 22, 23 and 25 Parkes Lane, Terranora.

b. Advertises the proposed sewer charge of \$4320 for the Parkes Lane, Terranora Partial Sewerage Scheme for a period of 28 days and reports back to Council.

c. Notes that in addition to the scheme contribution each property is still required to pay the relevant Section 64 Capital Contribution.

d. Reimburses the property owners of 22, 23 and 25 Parkes Lane, Terranora a combined amount of \$15,901.07, being the cost of the rising mains constructed by them, less the value of the proposed sewer charge, as follows:

|                |             |
|----------------|-------------|
| 22 Parkes Lane | \$11,211.29 |
| 23 Parkes Lane | \$ 2,344.89 |
| 25 Parkes Lane | \$ 2,344.89 |

2. Only properties connected to the scheme are to be levied for the Sewer Access Charge in accordance with Section 552 of the Local Government Act 1993