



LACHLAN SHIRE COUNCIL WATER MAIN EXTENSION AND CONNECTION POLICY

Water Main Extension and Connection Policy					Page 1 of 10
Further Information: Lachlan Shire Council ☎ 02 6895 1900 ✉ Email: council@lachlan.nsw.gov.au					
Version: 1	ADOPTED:	Commencement Date:	Last Review Date:	Next Review Date:	Records Management
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1. BACKGROUND

The NSW Government is required to demonstrate compliance with the Australian Government’s National Competition Policy and National Water Initiative. The approach adopted since 1995 is to progressively encourage best-practice management by Local Water Utilities to ensure effective, efficient and sustainable water supply and sewerage businesses.

This policy allows Council to consider requests for water main extensions and connections to non-urban properties and urban properties other than when mains extensions are required as a condition of development consent.

2. SCOPE

This policy will provide a systematic approach to assessing water main extension and connection requests in a consistent manner.

3. OBJECTIVE

- To provide a sustainable water utility.
- To provide water assets that are economically viable.
- To ensure that the construction of new assets is consistent with Council’s Asset Management Policy, Strategy and Plan in accordance with NSW Government Integrated Planning and Reporting (IPR) Framework.

4. DEFINITION/S

Nil

5. POLICY IN BRIEF

This policy will detail:

- The application procedure.
- Evaluation of applications.
- Water mains and connections.

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6. POLICY IN DETAIL

6.1 Application Procedure

A request to extend a Lachlan Shire Council water main is only to be considered where the application is made in writing, addressed to the General Manager.

A request to connect to Lachlan Shire Council town water supply is only to be considered where the application is made in writing, addressed to the General Manager.

6.2 Application Evaluation

When considering the merit of any application the following criteria must be met:

1. Conditions

- a. In general, no water mains extensions will be permitted to service properties zoned farmland and rural.
- b. Water mains extensions within the urban zone areas and rural residential zoned areas will be fully funded by the recipients of the new service.
- c. Application to extend a water main is to be made under Section 68 of the Local Government Act 1993.
- d. An extension will not be permitted if Council has assessed that extension will have detrimental consequences for the water system or that the use of the land is inappropriate for supply of town water
- e. An extension will not be permitted if Council has assessed that the financial return from the extension will not be sufficient to cover ongoing operation, maintenance and replacement cost.

Where it can be demonstrated that the rural water supply will be of positive benefit (at the time of application) to the town by applying the following formula:

Benefit = (Income from usage + Availability Charge) – OMA Cost per year

- i. Where the income from usage is based on the “expected annual water usage” in kL (provided by the applicant) x “water availability charges” per kL (as per Council’s current Fees and Charges).
- ii. The annual water availability charge (as per Council’s current Fees and Charges).
- iii. Water main operating cost is the latest available at the time of the application (as per the Department Planning and Environment Water

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Performance Report).

For worked examples, please refer to **Appendix 1**.

- f. Water mains are to be constructed within public property as an extension of Council's system to a point one (1) metre beyond the furthestmost property boundary. The mains shall become Council property upon completion.
- g. Council will provide a service connection upon application by the landholder and payment of the applicable fee as set by Council. The water meter shall be placed at a convenient location no greater than one (1) metre within the property boundary. The applicant/s will be responsible for all costs of internal supply pipes, plumbing, etc., within the property boundaries which must be carried out in accordance with the standard water supply by-law by a licensed plumber.
- h. No new 'Piggy-back' services or master-deduct meter combinations shall be permitted.
- i. Once a connection to the water main is made, that property will be rated for water supply according to Council's current rating structure.
- j. Properties that have not been rated for water supply and to which a service is provided, a connection fee will be levied at the time of application equivalent to the new connection fee as listed in the current "Fees and Charges" plus the section 64 Water Developer Charges where applicable.

2. Cost Sharing

- a. Where an application is received for the extension of a water main in an area not provided in Council's Budget, the applicant(s) will be required to meet the full cost of the extension of the Council specified dimension main.
- b. All affected property owners are to provide written confirmation of their concurrence or otherwise to the scheme and the cost sharing arrangements.
- c. Should an affected property owner not wish to participate in the scheme, those remaining shall fund the scheme. Please note Council's standard access fee will still be charged in accordance with Section 552 of the Local Government Act 1993.
- d. There is no entitlement for reimbursement of costs, or any proportion of costs to the applicant from the future additional connections to mains constructed under this policy.

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6.3 Water Mains and Connections

1. Water Mains and Connections

- a. Specifications for the water main will be determined by Council. The development of these specifications will consider the number of residential properties that are capable of being served by the proposed extension. This can include consideration of possible future development.
- b. The minimum specifications for a water main are 100mm diameter UPVC PN 16 pipe with rubber ring spigot – socket joints.

2. Water Connections

- a. Properties to be connected to town water must have a water main adjacent to the property boundary which will allow a normal connection from the main to the property boundary. That is, the connection must be made at a 90-degree angle to the water main.
- b. The maximum size of water service for residential connection is 20mm.

For Assessment Flowchart, refer to **Appendix 2**.

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7. RELATED DOCUMENTS

Related Lachlan Shire Council policies include:

- Water Meter Policy
- Asset Management Policy

Related Legislation includes:

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Water Act 2000
- AS/NZS 3500.1:2021 Plumbing and Drainage Water Services
- AS 3500.1.2:1998 National Plumbing and Drainage – (Water Supply) Section 5.3 (reference to proximity to other services (i.e. electrical cables, gas pipelines)
- AS 3565.4-2007 Meters for Water Supply – Cold water meters

Nothing in this policy limits any applicable legislation.

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GENERAL MANAGER

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APPENDIX 1: WORKED EXAMPLES

Benefit = (Income from usage + Availability Charge) – OMA Cost per year

Worked Example 1

An applicant requests consideration for a water main extension to serve their rural property. The length of extension required is 50m and the average residential water consumption is 205kL per year. Assuming the application has satisfied all other criteria and the application is for a 20mm meter.

Using the 2021/22 Fees and Charges and 2021/22 Performance Report figures:

Availability charge 20mm	=	\$486
Income 1 st tier	=	205kL x \$3.00 per kL
	=	\$615
Total annual income	=	\$486 + \$615
	=	\$1,101

Water main OMA cost per meter/per year:

=	OMA cost per 100km/100,000
=	\$1,484,000 per 100km/100,000
=	\$14.84/m

Total OMA cost annually for a 50m extension

=	50m x \$14.84/m
=	\$742

Profit	=	Income – OMA cost per year
	=	\$1,101 - \$742
	=	<u>\$359</u>

The predicted income is able to cover the predicted annual OMA cost of the new water main extension.

Worked Example 2

An applicant requests consideration for a water main extension to serve their rural property. The length of extension required is 200m and the average residential water consumption is 205kL per year. Assuming the application has satisfied all other criteria and the application is for a 20mm meter.

Using the 2021/22 Fees and Charges and 2021/22 Performance Report figures:

Availability charge 20mm	=	\$486
Income 1 st tier	=	205kL x \$3.00 per kL
	=	\$615
Total annual income	=	\$486 + \$615
	=	\$1,101

Water main OMA cost per meter/per year:

=	OMA cost per 100km /100,000
=	\$1,484,000 per 100km/100,000
=	\$14.84/m

Total OMA cost annually for a 200m extension

=	200 x \$14.84/m
=	\$2,968

Loss = Income – OMA cost per year

=	\$1,101 - \$2,968
=	<u>-\$1,867</u>

The predicted income is **not** able to cover the predicted annual OMA cost of the new water main extension.

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APPENDIX 2: ASSESSMENT FLOWCHART

