

ENCLOSURE

**Annual Water Supply and Sewerage
Performance Reporting**

TBL Water Supply Performance

TBL Sewerage performance

Ordinary Meeting of Council

12 DECEMBER 2007

WATER SUPPLY SYSTEM - Wyong Shire Council serves a population of 142,000 (62,300 assessments). Supply is provided by the Gosford-Wyong Joint Water Supply. Water is drawn from Wyong River, Ourimbah Creek, Mooney Mooney Creek and Mangrove Creek. Mangrove Creek Dam (190,000 ML) is the key storage followed by Mardi Dam (7,400ML) and Mooney Mooney Dam (4,600 ML). The Wyong Shire Council system comprises 1 direct filtration water treatment works (160 Megalitres per day), 22 service reservoirs (186 ML) 19 pumping stations, 160 ML/d delivery capacity into the distribution system, 173 km of trunk mains and 909 km of reticulation. The water supply is fully treated.

PERFORMANCE - Wyong Shire Council complied with all of the 6 Best Practice Criteria. The typical residential bill was \$290 which was less than the statewide median (Indicator 13). The economic real rate of return was 1.4% which was greater than the statewide median (Indicator 41). The operating cost per property was less than the statewide median (Indicator 47). Water quality complaints were above the statewide median (Indicator 23). Compliance with microbiological water quality was 100% with 1 of 1 zones compliant (Indicator 18), physical compliance was 100% (Indicator 16) and chemical compliance was 100% with 1 of 1 zones compliant (Indicator 17). Current replacement cost of system assets was \$499M (\$8,000 per assessment), cash and investments were \$34.5M, debt was \$47.3M and revenue was \$28.7M (excluding capital works grants).

COMPLIANCE WITH BEST- PRACTICE MANAGEMENT GUIDELINES CRITERIA

(1) Complete Current Strategic Business Plan & Financial Plan	YES	(3) Complete performance reporting form (by 15 September)	YES
(2) (2a) Pricing (full cost-recovery, without significant cross subsidies)	Yes	(4) Sound water conservation implemented	YES
(2a) Complying Residential Charges	Yes	(5) Sound drought management implemented	YES
(2c) Complying non-Residential Charges	Yes	(6) Integrated water cycle management strategy commenced	YES
(2d) DSP with Commercial Developer Charges	Yes	COMPLIANCE WITH ALL REQUIRED CRITERIA	YES

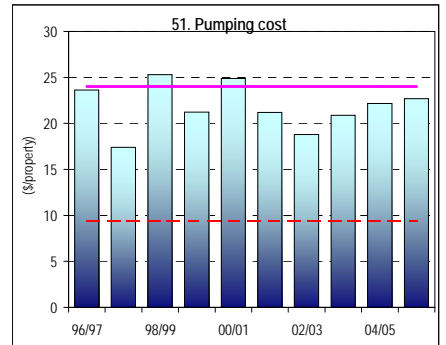
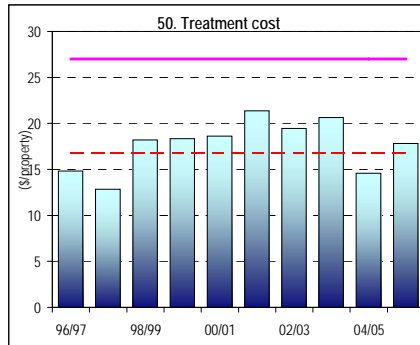
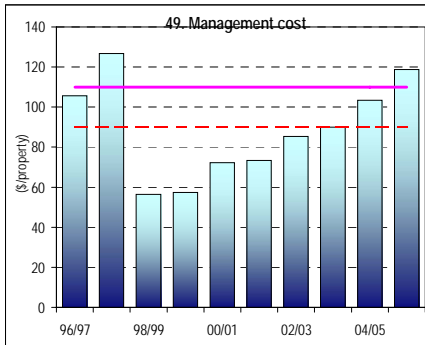
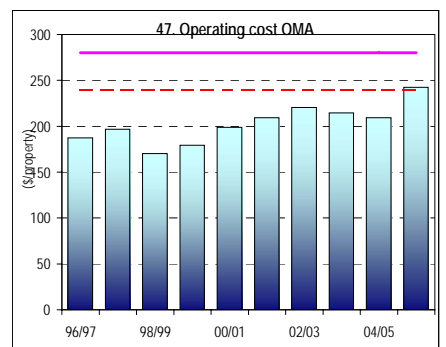
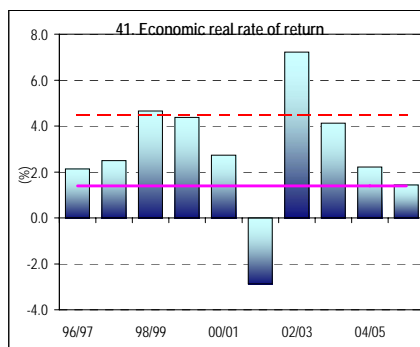
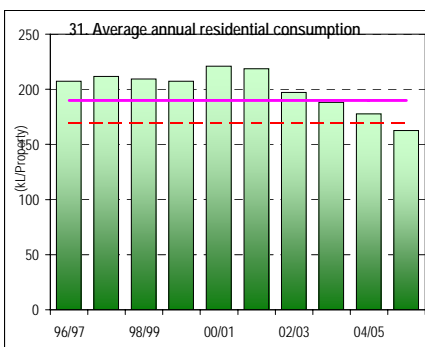
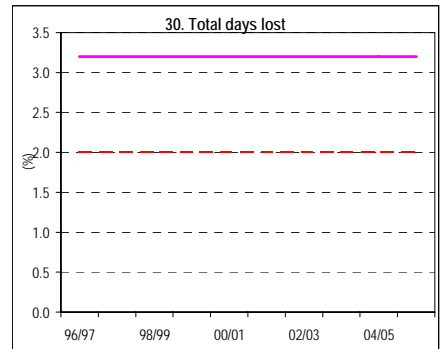
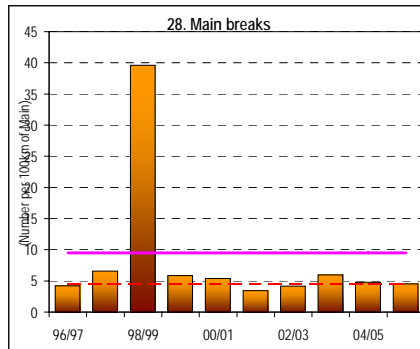
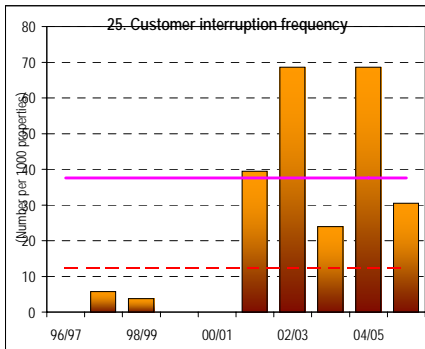
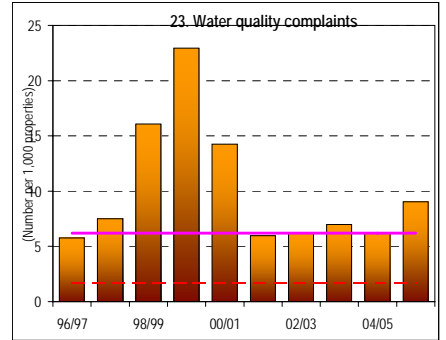
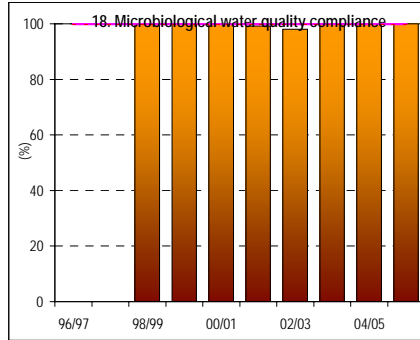
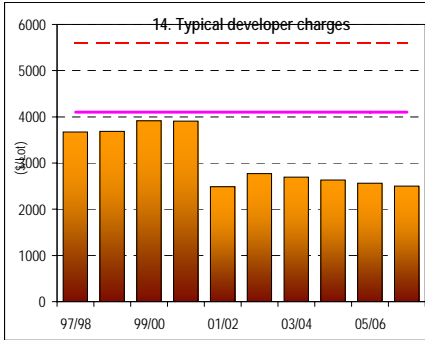
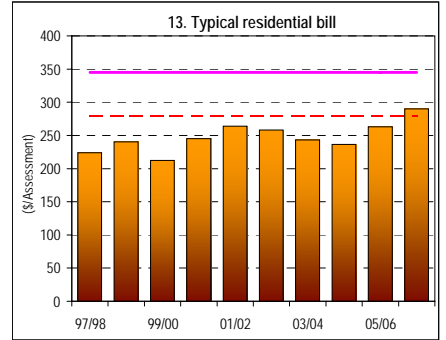
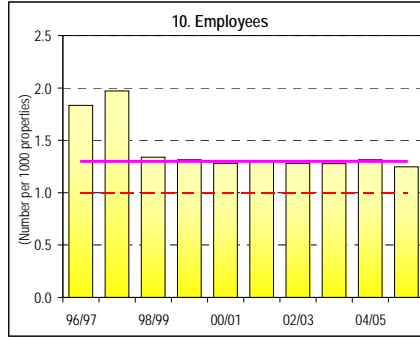
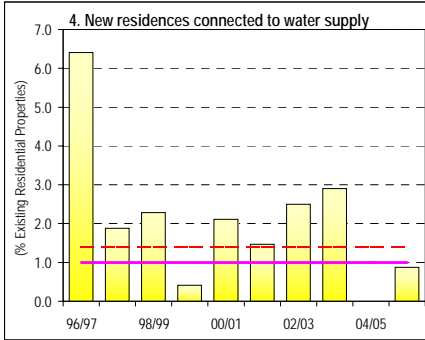
TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

Category	Indicator	Description	LWU Result	Ranking		Statewide Median
				>10,000 properties	All LWUs	
UTILITY CHARACTERISTICS	1	Population served: 142000				
	2	Number of assessments: 62300				
	3	Residential assessments (% of total)				
	4	New residences connected to water supply (%)				
	5	Properties served per kilometre of main				
	6	Rainfall (% of average annual rainfall)				
	7	Total water supplied at master meters (ML)				
	8	Peak week to average consumption (%)				
	9	Renewals expenditure (% of current replacement cost of system assets)				
	10	Employees per 1000 properties				
SOCIAL	11	Residential water usage charge (c / kL) (Note 5)	112	3	2	105
	12	Residential access charge / assessment (\$)	108	3	2	110
	13	Typical residential bill / assessment (\$)	290	1	1	345
	14	Typical developer charge / equivalent tenement (\$)	2,500	5	2	4,100
	15	Urban population without reticulated water supply (%)	0.1	2	1	0.9
	16	Physical water quality compliance (%)	100	1	1	100
	17	Chemical water quality compliance (%)	100	1	1	100
	18	Microbiological (E. coli) water quality compliance (%)	100	1	1	100
	19	Category 1 (minor) public health incidents per 1000 properties	0.0	1	1	0.0
	20	Category 2 (limited effects) public health incidents per 1000 properties	0.0	1	1	0.0
	21	Category 3 (major) public health incidents per 1000 properties	0.00	1	1	0.00
	22	Capital investment on improving public health performance per property (\$)	6		3	6
	23	Water quality complaints per 1000 properties	9	4	5	6
	24	Water service complaints per 1000 properties	2	2	1	6
ENVIRONMENTAL	25	Customer interruption frequency per 1000 properties	31		3	38
	26	Average duration of interruption (h)	3	5	4	3
	27	Average customer outage time (min)	5	3	3	6
	28	Number of main breaks per 100 km	5	2	1	10
	29	Drought water restrictions (% of time)	100	4	4	3
	30	Total days lost (%)				3.2
	31	Average annual residential consumption per property (kL)	163	1	1	190
	32	Water losses (including leakage) (%)	8		1	10
	33	Energy consumption per Megalitre (kiloWatt hours)				660
	34	Renewable energy consumption per property (kiloWattt hours)	0		1	216
ECONOMIC	35	Category 1 (minor) environmental incidents per 1000 properties	0.0		1	0.0
	36	Category 2 (limited effects) environmental incidents per 1000 properties	0.0		1	0.0
	37	Category 3 (major) environmental incidents per 1000 properties	0.00		1	0.00
	38	Capital investment on improving environmental performance per property (\$)	30.8		1	0.9
	39	Residential revenue from usage charges (% of residential bills)	68	2	2	67
	40	Non-residential revenue from usage charges (% of non-residential bills)				71
	41	Economic real rate of return (%)	1.4	3	3	1.4
	42	Return on assets (%)	1.1	4	4	1.6
	43a	Net Debt to equity (%)	4	1	1	-11
	44	Interest cover	>100	1	1	>100
	45	Loan payment per property (\$)	84	1	2	23
	46	Operating cost (OMA) per 100km of main (\$'000)	1,310	4	5	1040
	47	Operating cost (OMA) per property (\$) (Note 6)	236	2	1	280
	48	Operating cost (OMA) per kilolitre (cents)	101	3	4	86
	49	Management cost per property (\$)	116	4	4	110
	50	Treatment cost per property (\$)	17	1	1	27
	51	Pumping cost per property (\$)	22	3	2	24
52	Energy cost per property (\$)	9	3	1	17	
53	Water main cost per property (\$)	74	4	4	49	

NOTES :

- Ranking for LWUs with >10,000) connected properties is based on dividing the results for LWUs in this group into 5 equal divisions of 20%: ie. a ranking of 1 indicates the LWU is in the top 20% of LWUs; a ranking of 5 indicates the LWU is in the bottom 20% of LWUs. (Relevant for comparison with LWUs of similar size).
- Ranking (1 to 5) for all LWUs is on a percentage of LWUs basis. (Relevant for comparing performance with all other LWUs).
- The Statewide Median is on a percentage of connected properties basis (Table 1 of Monitoring Report) as this is the most appropriate for statewide comparisons.
- Annual review of key projections and actions in LWU's SBP are required, together with annual updating of LWU's financial plan. The SBP should be updated after 3 years.
- Non-residential Tariff: Access Charge based on Service Connection Size (eg. 40mm: \$381.94), Two Part Tariff; All usage 112 c/kL.
Water consumption by non-residential customers was 30% of potable water consumption excluding non-revenue water.
2005/06 revenue from non-residential customers was 22% of annual rates and charges.
- The operating cost (OMA)/property was \$236. The components of operating cost were: management (\$116), operation (\$54), maintenance (\$57), energy (\$9) and chemical (\$0).

(Results shown for 10 years together with 2005/06 Statewide Median and Top 20%)



NOTES:

1. Costs are in Jan 2006\$.
2. Microbiological water quality compliance 1998/99 to 2003/04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004/05 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines.

LEGEND
 2005/06 State Median ———— (solid magenta line)
 2005/06 Top 20% - - - - - (dashed red line)

SEWERAGE SYSTEM - Wyong Council has 6 sewage treatment works providing secondary, advanced secondary and tertiary treatment. The system comprises 219,000 EP treatment capacity (Intermittent Extended Aeration/Activated Sludge and Trickling Filter), 142 pumping stations (525 ML/d), 193 km of rising mains and 1022 km of gravity trunk mains and reticulation. Treated effluent is discharged to ocean or distributed as tertiary treated effluent for various non-potable purposes.

PERFORMANCE - Wyong Shire Council complied with all 4 out of 4 Best Practice Criteria. The typical residential bill was \$381 which was close to the statewide median (Indicator 11). The economic real rate of return was 0.3% which was less than the statewide median (Indicator 41). The operating cost per property was less than the statewide median (Indicator 47). Sewage odour complaints were above the statewide median (Indicator 18). 100% of treated effluent complied with DEC licence limits and 6 of 6 sewage treatment works were compliant at all times (Indicators 29 to 31). The current replacement cost of system assets was \$380M (\$6,500 per assessment), cash and investments were \$15.6M, debt was \$15.9M and revenue was \$23.4M (excluding capital works grants).

COMPLIANCE WITH BEST-PRACTICE MANAGEMENT GUIDELINES CRITERIA

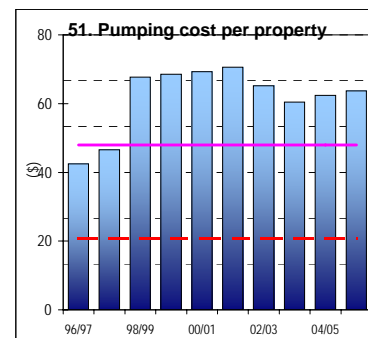
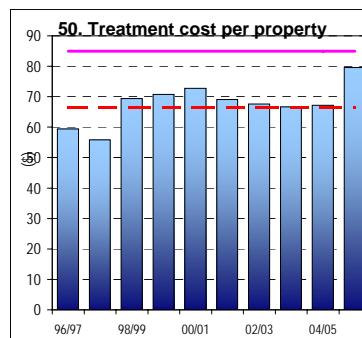
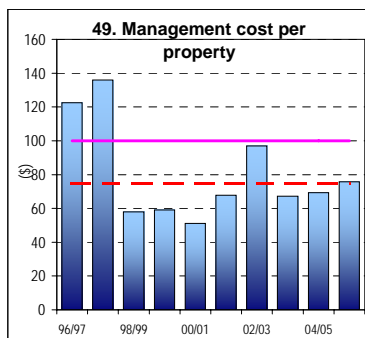
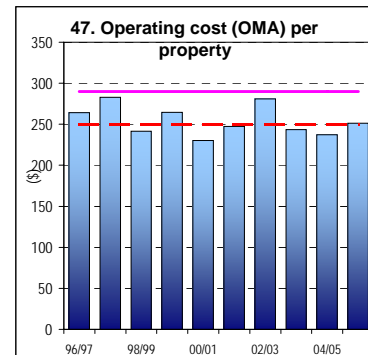
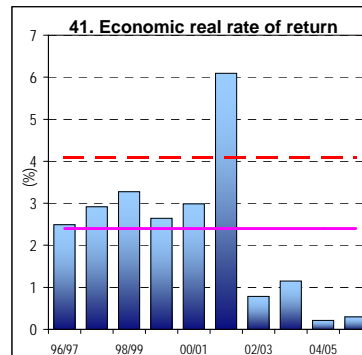
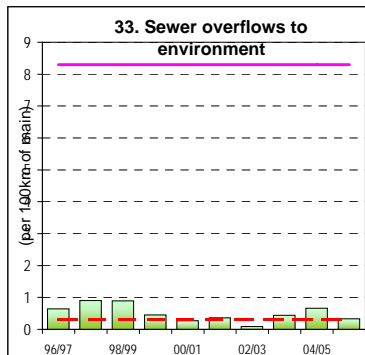
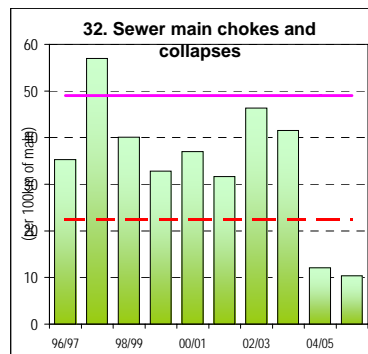
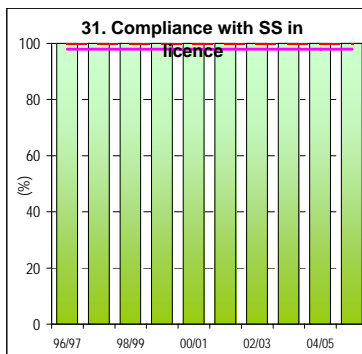
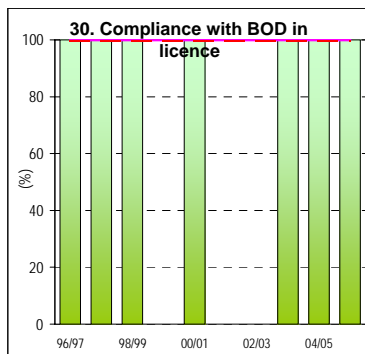
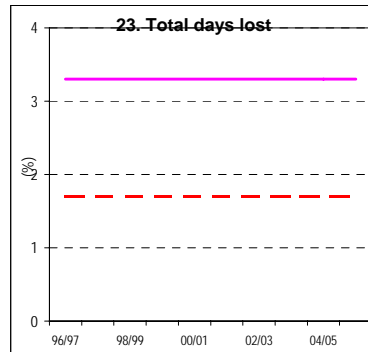
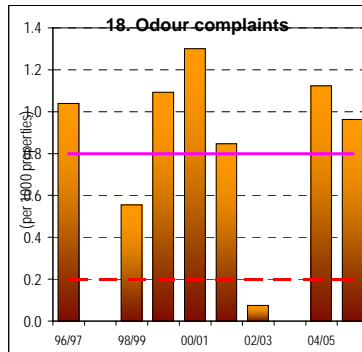
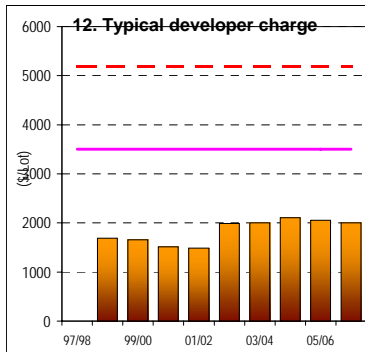
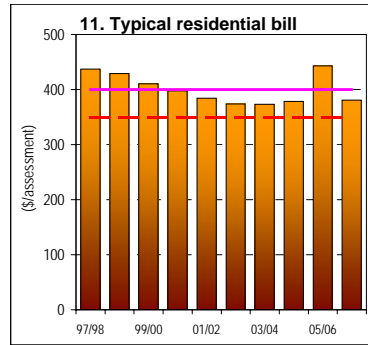
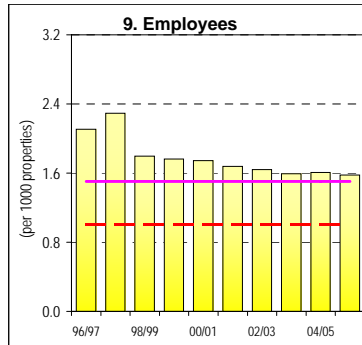
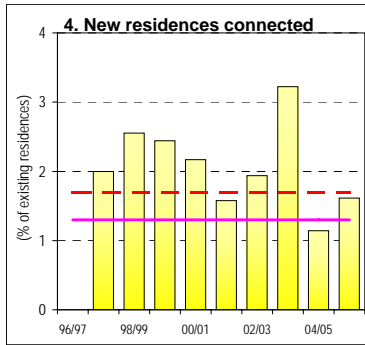
(1) Complete current strategic business plan & financial plan	YES	(2e) DSP with commercial developer charges	Yes
(2) (2a) Full cost recovery (without significant cross-subsidies)	Yes	(2f) Liquid trade waste approvals & policy	Yes
(2b) Complying residential charges	Yes	(3) Complete performance reporting form (by 15 September)	YES
(2c) Complying non-residential charges	Yes	(4) Integrated water cycle management strategy commenced	YES
(2d) Complying trade waste fees and charges	Yes	COMPLIANCE WITH ALL REQUIRED CRITERIA	YES

		Ranking			
		LWU Result	>10,000 properties	All LWUs	Statewide Median
			Note 1	Note 2	Note 3
UTILITY CHARACTERISTICS	1 Population served: 140000	Number of connected properties: 57160			
	2 Number of assessments: 58500	0.98 connected properties per assessment			
	3 Residential Assessments (% of total)	94			90
	4 New residences connected to sewerage (%)	1.6	2	2	1.3
	5 Properties served per kilometre of main	47	1	1	41
	6 Volume of sewage collected (ML)	11,830	1	1	5,100
	7 % Renewals expenditure of current replacement cost of system assets	0.0	3	2	0.2
	8 Employees per 1000 properties	1.6	4	3	1.5
	9 Employees undergoing 2 or more days of training (% of total)	100		1	8
SOCIAL	Description of residential tariff structure: access charge per property; independent of land value (Note 5)				
	10 Residential access charge / assessment (\$)	381	2	3	385
	11 Typical residential bill / assessment (\$)	381	2	3	400
	12 Typical developer charge / equivalent tenement (\$)	2,000	5	3	3,500
	12a Non-residential sewer usage charge (c/kL)	68	4	5	80
	13 Urban properties without reticulated sewerage service (%)	0.1	1	1	3.7
	14 Category 1 (minor) public health incidents per 1000 properties	0.0		1	0.4
	15 Category 2 (limited effects) public health incidents per 1000 properties	0.0		1	0.0
	16 Category 3 (major) public health incidents per 1000 properties	0.00		1	0.00
	17 Capital expenditure on improving public health performance per property (\$)	2		2	68
	18 Odour complaints per 1000 properties	1.0	5	3	0.8
	19 Service complaints per 1000 properties	10	3	3	14
	20 Customer interruption frequency per 1000 properties	0		1	15
	21 Average duration of interruption (hours)	2	2	2	2
22 Average customer outage time (minutes)				1.5	
23 Total days lost (%)	0.0	1	1	3.3	
ENVIRONMENTAL	24 Volume of sewage treated per property (kL)	207	4	2	200
	25 Percentage effluent reclaimed for recycling	8	4	4	9
	26 Biosolids reuse (%)	100	1	1	100
	27 Energy consumption per Megalitre (kiloWatt hours)				540
	28 Renewable energy consumption per property (kiloWatt hours)				148
	29 90 Percentile licence limits for effluent discharge: SS 50 mg/l; Total P 0 mg/l				
	30 Compliance with BOD in licence (%)	100	1	1	100
	31 Compliance with SS in licence (%)	100	1	1	98
	32 Sewer main chokes and collapses per 100 km of main	49	5	3	49
	33 Sewer overflows to the environment per 100 km of main	0	1	1	8
34 Category 1 (minor) environmental incidents per 1000 properties	0.0		1	5	
35 Category 2 (limited effects) environmental incidents per 1000 properties	0.1		4	0.1	
36 Category 3 (major) environmental incidents per 1000 properties	0.00		1	0.00	
37 Capital investment on improving environmental performance per property (\$)	14		2	35	
ECONOMIC	38 Revenue from non-residential plus trade waste charges (% of total revenue)	15	3	3	15
	39 Revenue from trade waste charges (% of total revenue)	1.5	2	2	1.5
	41 Economic real rate of return (%)	0.3	5	4	2.4
	42 Return on assets (%)	0.3	5	4	2.3
	43a Net Debt to equity (%)	0	2	1	-7
	44 Interest cover	>100	1	1	>100
	45 Loan payment per property (\$)	66	2	2	45
	46 Operating cost (OMA) per 100 km of main (\$'000)	1190	3	4	1200
	47 Operating cost (OMA) per property (\$)	251	1	2	290
	48 Operating cost (OMA) per kilolitre (cents)	122	3	3	122
	49 Management cost per property (\$)	76	1	3	100
	50 Treatment cost per property (\$)	80	2	2	85
	51 Pumping cost per property (\$)	64	4	4	48
	52 Energy cost per property (\$)	19	2	3	20
	53 Sewer main cost per property (\$)	28	1	2	31

NOTES :

- Ranking for LWUs with >10,000 connected properties is based on dividing the results for LWUs in this group into 5 equal divisions of 20% : ie. a ranking of 1 indicates the LWU is in the top 20% of LWUs; a ranking of 5 indicates the LWU is in the bottom 20% of LWUs. (Relevant for comparison with LWUs of a similar size).
- Ranking (1 to 5) for all LWUs is on a percentage of LWUs basis. (Relevant for comparing performance with all other LWUs).
- The Statewide Median is on a percentage of connected properties basis (Table 2 of 2005/06 NSW Performance Benchmarking Report) as this is the most appropriate for statewide comparison
- Annual review of the key projections and actions in LWU's Business Plan are required, together with annual updating of LWU's Financial Plan. The business plan should be updated after 3 year
- Non-residential: Access Charge based on meter size, sewer usage charge - 68c/kL.
- Trade waste & non-residential rates & charges provided 15% of the annual rates & charges revenue, including usage.
- Compliance with Total N in Licence was 100%. Compliance with Total P in Licence was 100%.
- The operating cost (OMA)/property was \$251. The components of operating cost/property were: management (\$76), operation (\$71), maintenance (\$86) and energy (\$19).

(Results shown for 10 years together with 2005/06 Statewide Median and Top 20%)



NOTES:

- Costs are in Jan 2006\$.

LEGEND
 2005/06 State Median ————
 2005/06 Top 20% - - - - -