

## Attachment 2

### Seventeen Seventy Low Pressure Sewer System Risks Associated with Options 1 and 4

#### Risks Associated with Option 1

##### **Property owners with existing connections not signing agreements**

Whilst undertaking due diligence with Option 1, Council's senior legal advisor discovered two signed agreements between property owners and the then Miriam Vale Shire Council. It is possible that additional agreements have been made. Additionally, at least one property owner has indicated that they believe Council to be the current legal owner of the on-site LPSS infrastructure.

Legal advice has been sought which clarifies that, with the exception of signed agreements that have been made between property owners and Miriam Vale Shire Council, property owners are responsible for the operation, maintenance and renewal of on-site infrastructure, as the infrastructure is considered to have been gifted to the property owner by Council.

New connections can be captured and managed through the development approval process.

##### **Future property owners unaware of implications of on-site LPSS infrastructure**

Currently conveyancing searches on properties connected to the LPSS only identify that the property is connected to the sewerage network. Buyers are unaware of the additional responsibilities associated with on-site infrastructure.

Council can mitigate against this, by placing additional information on the property searches and developing a policy on the low pressure sewerage system.

##### **Property owners not equipped to deal with extended power outages**

Operation of the LPSS is reliant on power to operate the low pressure pumps. In the event of extended power outages, there is the potential for the capacity of the pump wells to be exceeded, resulting in raw sewage overflows. Property owners, particularly absentee landlords may not be in a position to efficiently manage this situation.

Council could mitigate the potential environmental and social risks by developing and implementing an emergency response procedure to monitor and respond to pump wells reaching capacity.

#### Risks Associated with Option 4

##### **Council fails to respond to pump failures in an acceptable timeframe as Council will be reliant on the property owner or tenant to advise of pump failures.**

When the on-site infrastructure was initially installed, operation and maintenance activities were the responsibility of the property owner. As such the on-site systems were installed with only basic on-site control systems, without the ability to report faults back to a central location such as Council.

Under Option 4 Council will be responsible for operations and maintenance. While preventative maintenance can be scheduled and undertaken in a planned fashion, Council will rely on the property owner or tenant to advise of any reactive maintenance required. This may impact on Council's ability to meet the customers expected level of service.

If this poses an unacceptable risk to Council, this risk can be mitigated by upgrading the pumping system with a back to base alarming function. This will add approximately \_ to the annual additional cost of Option 4.

**Council is liable for the loss of income or damage caused due to a pump system failure at a property that is leased out.**

Council will be relying on the tenants (short or long term) to advise Council in a timely manner of any pump system failures. Tenants may not understand reporting responsibilities and may vacate early due to unserviceable sewerage system.

This risk can be mitigated by providing instruction manuals and a letter to the property owner advising that the instruction manual is to be made available to the resident.

**Council is liable for compensation in the instance that a pump controller fails leading to fire damage of the residence.**

Pump controllers are generally located on the side of homes. During the consultation process concerns were raised that the controllers have burst into flames in other locations.

Council officers have been unable to verify this risk. However, in the event that this risk is not acceptable to Council, this risk can be mitigated by upgrading the pumping system to include a stand alone controller. While the initial capital costs will be higher for this option, the ongoing operation and maintenance costs will be reduced.

**Council takes over assets that the property owner has built over or adjacent to.**

Under State Planning provisions and Council's policy, Council permission is required prior to constructing over or adjacent Council assets. This policy would apply once the assets have been handed over to Council. However, Council may face legacy issues where the on-site infrastructure has been built over whilst under the ownership of the property owner.

Easement documents would need to address Council's liability in these instances. In the event that Council is unable to achieve an easement, Council may have recourse under the Act.

**Council inherits pumps that have not been serviced or maintained.**

The initial costs to Council may increase as a result of inheriting pumps that have not been serviced and fail prior to their design life. The cost implications will be difficult to predict and Council may face budget over runs in the first couple of years post implementation of this option.

**Council has insufficient capability to respond to pump failures and/or natural disasters.**

Council Water staff based in the Agnes Water/Seventeen Seventy area are limited to plumbers and labourers. Mechanical and electrical works on the networks are currently carried out by fitters and electricians based in Gladstone.

To mitigate this risk, Council will need to revisit its resourcing model to ensure levels of services can be met and particularly during wet weather events where road access can be cut between Gladstone and Agnes Water.

**Issues with obtaining easements.**

Easements are the most effective way to set out responsibilities between the property owner and Council. While the easements will be negotiated where possible at no cost to Council, for land compensation or legal costs, the negotiations may involve several parties which will increase resourcing requirements and time to negotiate.