



Ordinary Meeting of Council

LATE REPORTS

Thursday 19 December 2024

4:00 PM

Yass High School

Grampian Street, Yass

PRAYER:

All Stand:

Mayor:

Let us be still and remember the presence of God. As we commence our meeting let us together pray for guidance and help.

All say together:

Almighty God, we ask your blessing upon this Council.

Direct and prosper our deliberations to the true welfare of Australia and the people of Yass Valley Amen.

FUTURE MEETINGS

February 2025

Thursday 27th

4:00 PM

Ordinary Meeting of Council

Ordinary Meeting of Council

LATE AGENDA

Page No.

6. Reports to Council

6.19 Yass Water Treatment Plant Upgrade - National Water Grid Funding..... 86

Julie Costa

Acting Chief Executive Officer

6.19 YASS WATER TREATMENT PLANT UPGRADE - NATIONAL WATER GRID FUNDING

SUMMARY

The Yass Water Treatment Plant Upgrade Project is a challenging and a very high priority project for Council. This report provides an update on progress following Council approval of the Final Business Case at the extraordinary Council Meeting on 9 May 2024 and the recent announcement of the National Water Grid funding.

RECOMMENDATION

That:

1. *The funding of \$18.1M for the upgrade of the Yass Water Treatment Plant from the National Water Grid, June 2024 Round by the Australian Government be accepted.*
2. *The Chief Executive Officer be delegated to execute the Funding Deed for the National Water Grid, June 2024 Round.*

FINANCIAL IMPLICATIONS

The recent announcement of \$18.1M funding from the National Water Grid, June 2024 Round by the Australian Government takes the total funding for the project to \$39.22M, including funding for the water reticulation upgrades and the NSW Health Fluoridation grant.

A budget has been allocated for Pre-design and Tender Management for the Yass WTP Upgrade in the Operational Plan FY2024-25 and for upgrades to the Yass water reticulation network.

POLICY & LEGISLATION

- *Local Government Act 1993*
- *Australian Drinking Water Guidelines (ADWG) 2011*
- *Council Procurement Policy*

REPORT

1. Background

The project to prepare a Design and Business Case for the upgrade of the Yass Water Treatment Plant (WTP) commenced in November 2019. The Housing Acceleration Fund (HAF) funded this project at a cost of \$1.2M with a total commitment of \$10M for the WTP Upgrade. During the course of this project, stakeholders required that Stage 1 - Early Works be carried-out in advance in December 2020. Stage 1 Works, required by the stakeholders, included installation of a bubble plume aeration system at the Yass Dam, upgrade of the Raw Water Pump Station (RWPS), and urgent works at the WTP. Stage 1 Works were completed at a cost of \$2.2M funded by HAF at the end of February 2023. The Final Business Case was endorsed by the Council at its extraordinary Council Meeting on 9 May 2024 and was submitted for approval to HIF (Housing Infrastructure Fund, formerly HAF) / Department Planning, Housing and Infrastructure (DPHI)/Infrastructure NSW (INSW)/Treasury. Funding commitment remaining from HIF is \$6.6M.

2. Funding

Below is an update of the funding commitments for the WTP Upgrade Project.

HIF Grant Fund \$6.6M: In the NSW State Budget FY24-25, release of \$6.6M for the WTP Upgrade was announced. The Funding Deed between Council and Housing Infrastructure Fund - HIF (formerly the Housing Acceleration Fund - HAF) was executed by the NSW Treasury on 2 October 2024. Release of funds to Council will be at the commencement of construction.

NSW Ad-hoc Election Commitment Fund \$13.55M: Council received a letter from the Minister informing of the funding approval on 17 October 2024 and funding Deed was executed on 3 December 2024.

The ad-hoc election funding will be allocated to the Yass WTP Upgrade (**\$11.85M**) and for the Yass water reticulation upgrade (**\$1.7M**). The allocation of funds between WTP Upgrade and water reticulation upgrade is subject to change.

NSW Health Fluoridation Grant \$0.97M: NSW Health provided a commitment to upgrade the existing fluoridation unit. The upgrade was paused to take place with the overall upgrade of the Yass WTP. Council has written to NSW Health to reconfirm this grant.

National Water Grid Fund: Council’s application to the National Water Grid Fund (NWGF) for \$18.1M has been successful. This additional grant funding will be used to deliver the upgrade of the Yass WTP as per the endorsed Final Business Case. Without this funding, financial analysis showed that Council would have been required to raise the typical water rates over three years by up to \$300 to finance the funding shortfall through loans. The announcement of this additional \$18.1M funding brings the total budget for the Yass WTP Upgrade and associated reticulation upgrades to \$39.22M. The project cost identified in the Final Business Case for the WTP Upgrade is \$35.9M (P90 estimate).

Implementation

With the funding deed with Ad-hoc Election Commitment executed , activities identified in the Final Business Case will commence.

Following are major project milestones and key dates, which are subject to change:

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|--|---------------------|
| a) Funding Deed Executed | Nov/ Dec 2024 |
| b) Engage Owner’s Engineer | Mar/Apr 2025 |
| c) Reference Design and Section 60 Approvals | Oct 2025 |
| d) EOI & ETI (Early Tendering Involvement) Process | Jun 2025 – Mar 2026 |
| e) D&C (Design and Construct) Tender Open | Apr 2026 |
| f) D&C Contract Award | Oct 2026 |
| g) Construction Commencement | Nov 2026 |
| h) Commissioning of Main WTP | May 2028 |
| i) Completion of Construction | Nov 2028 |
| j) Project Completion | Nov 2028 |

During FY2024-25, the major activity is to prepare the reference design and tender documents. Funds to be released through the NSW Ad-hoc Election Commitment will cover this expenditure.

4. Water Reticulation Improvement Project

Council engaged NSW Public Works to analyse and identify improvements to the water reticulation network and a number of improvements to the reticulation system have been identified (*Network Criticality Analysis – Yass Reticulation Network, January 2024*). Priority components will be included in the funding deed. In the meantime, Council will implement minor works to install valves and hydrants and also trial pipe cleaning methods other than direct flushing available in the market.

3. Stakeholders

Steering Committee meetings were established during the business case development and continues to be held monthly with representatives of DCCEEW, NSW Health, DPPI/HIF and Council. As the project progresses, liaison with stakeholders such as NSW Environment Protection Authority (NSW EPA) will commence.

4. Next Steps

Following activities are scheduled:

- Enter into funding deed (NWGF).
- Engage Owners Engineer and liaise with DCCEEW.
- Commence Reference Design.
- Inform and engage with community.

STRATEGIC DIRECTION

| | |
|-------------------------|--|
| CSP Theme | Our Infrastructure |
| CSP Strategy Objective | IN4: Water, waste and sewerage services meet the needs of our community |
| Strategies | IN4.1 - Ensure high quality water supply options for the towns in region |
| Delivery Program Action | Upgrade of Yass Water Treatment Plant |

ATTACHMENTS: Nil