

DIRECTOR BUSINESS ENTERPRISES REPORT

11th May 2004

DBE7	JERSEYVILLE SEWERAGE SCHEME – RATING PROPOSAL FILE: S8-19 GBS
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SUMMARY:

Reporting on proposals for rating of properties to be serviced by Jerseyville Sewerage extension.



At Council's meeting of 9th March 2004 it was resolved that construction of the Jerseyville Sewerage extension proceed on the basis of selective tenders being invited for a vacuum reticulation system at an estimated cost of \$345,000.

It is expected that the Jerseyville sewerage system will be operational by February 2005.

In the 2004/05 Budget provision was made for the raising of a loan of \$300,000 in December 2004 with loan repayments of \$13,616 in the 2004/05 year.

The Budget also provided for rate income of \$9,600, being 38 assessments x \$252 (2003/04 unconnected rate).

Clarification of Council's intention regarding the rating of properties to benefit from the Jerseyville sewerage scheme is required for the purposes of:-

- a) the Management Plan, and
- b) notifications of landowners.

Council has two (2) options:-

Option 1

The provision of sewerage services to Jerseyville could be considered as an extension of the SWR sewerage scheme with properties not to be liable for sewerage charges until completion of the scheme. After the scheme is commissioned the unconnected sewerage rate would be applied initially, and then as properties connect to the sewerage scheme the sewerage rate would be applied.

Under Option 1 it would not be legally possible to rate the benefiting properties as from 1st July 2004 as the service will not be available at that time.

Option 2

The rating for the sewerage system would be treated in a similar manner as that adopted for the new scheme at Hat Head, and that proposed for Stuarts Point, Willawarrin and Bellbrook. That is, that a Sewerage Local Loan rate be levied in advance of the scheme construction in order to recoup (or partly recoup) the loan repayments on loans raised to fund the scheme. The Local Loan Rate would be of an amount up to the equivalent of the Sewerage Unconnected Rate.

Upon connection to the Sewerage Scheme properties would be charged the full-connected Sewerage Rate on a pro-rata basis for the balance of the year.

Director's Comment:

In order to maintain consistency in Council's approach to rating it is suggested that Council adopt Option 2.

Report Implications:

Option 2 would not require any adjustment to the 2004/05 Budget. Should Council prefer Option 1 the rate income would need to be adjusted downwards by say \$7,000.

There are no Policy or Statutory implications of the following recommendation.

RECOMMENDATION:

- 1. That Council's 2004/05 Management Plans include provision for the levy of a Sewerage Local Loan Rate for the properties in the Jerseyville area proposed to be serviced by the sewerage system, and that such rate be \$261.**
- 2. That the owners of properties in the Jerseyville area to benefit from the provision of sewerage services be notified of Council's proposals.**

G B Snape
DIRECTOR BUSINESS ENTERPRISES