



Case Number: 111569

24 July 2008

La Vie Developments Pty Ltd
c/- Cardno Forbes Rigby Pty Ltd

FEASIBILITY LETTER

Developer: La Vie Developments Pty Ltd
Your reference: 108121-111569
Development: Huntley Road, Dapto (Lot 22 DP 607750 and Lot 4 DP 258024)
Development Description: Hospital
Your application date: 2 June 2008

Dear Applicant

This Feasibility Letter (Letter) is a guide only. It provides general information about what Sydney Water's requirements could be if you applied to us for a Section 73 Certificate (Certificate) for your proposed development. **The information is accurate at today's date only.**

If you obtain development consent for that development from your consent authority (this is usually your local Council) they will require you to apply to us for a Section 73 Certificate. You will need to submit a new application (and pay another application fee) to us for that Certificate by using your current or another Water Servicing Coordinator (Coordinator).

Sydney Water will then send you either a:

- Notice of Requirements (Notice) and Works Agreement (Agreement); or
- Certificate.

These documents will be the definitive statement of Sydney Water's requirements.

There may be changes in Sydney Water's requirements between the issue dates of this Letter and the Notice or Certificate. The changes may be:

1. Developer Charges

- (a) Adjustment of charges due to the Consumer Price Index (CPI);
- (b) Adjustment of charges because of a scheduled review by the Independent Pricing and Review Tribunal (IPART). After that review and registration of the new charges, Sydney Water has to apply those charges; or
- (c) If there is rezoning of any land within the development proposal then new charges will apply.

2. Reticulation Recovery Charges

These charges recover part of the cost of works that have been paid for by Sydney Water or other developers and that benefit your development. This charge has been made before your points of connection have been determined. If your completed designs show that your development will be connected to other main/s, the charge may be changed and/or you may need to construct other works.

3. Changing the Proposed Development

If you change your proposed development, e.g. the development description or the plan/site layout, after today, the requirements in this Letter could change when you submit your new application.

Also, if you decide to do your development in stages then you must submit a new application (and pay another application fee) for each stage.

What You Must Do To Get A Section 73 Certificate

To get a Section 73 Certificate you must do the following things. You can also find out about this process by visiting www.sydneywater.com.au > Building and Developing > Developing Your Land.

1. Obtain Development Consent from the consent authority for your development proposal.
2. Engage a Water Servicing Coordinator (Coordinator).

You must engage your current or another authorised Coordinator to manage the design and construction of works that you must provide, at your cost, to service your development. Before you engage another Coordinator you must write and tell Sydney Water.

For a list of authorised Coordinators, either visit www.sydneywater.com.au > Building and Developing > Developing Your Land or call **13 20 92**.

The Coordinator will be your point of contact with Sydney Water. They can answer most questions that you might have about the process and developer charges and can give you a quote or information about costs for services/works (including Sydney Water costs).

3. Works Agreement

After the Coordinator has submitted your new application, they will receive the Sydney Water Notice and Works Agreement. You will need to sign and lodge **both originals** of that Agreement with your nominated Coordinator.

The agreement sets out for this development:

- your responsibilities;
- Sydney Water's responsibilities; and
- the Coordinator's responsibilities.

You must do all the things that we ask you to do in that Agreement. This is because your development does not have water and sewer services and you must construct and pay for the following works extensions under this Agreement to provide these services.

After Sydney Water has signed the documents, one of them will be returned to your Coordinator.

Note: The Coordinator must be fully authorised by us for the whole time of the Agreement.

4. Water and Sewer Works

4.1 Water

Your development must have a frontage to a water main that is the right size and can be used for connection.

Sydney Water has assessed your application and found that:

- The existing 200mm water main in Turnbull Street has insufficient capacity to service your development. To increase this capacity you must construct approximately 410 metres of replacement 250mm size main. This main must be laid from the corner of Princes Highway and Avondale Road to connect to the existing 200mm main in Avondale Road, west of the railway crossing.

Any existing service connections must be reconnected to the new main.

Diagram "A" below provides an indication of these works. The final detail can only be determined after all design aspects are considered. Your Coordinator can provide further information.

You will not be permitted to connect to our system until this work is complete.

At this point, you will pay for the full the cost of these works.

- Once the above works are complete, the existing 200mm DICL water main in Turnbull Crescent will serve your development.
- The size of your development means that you will need a connection larger than the standard domestic 20 mm size.

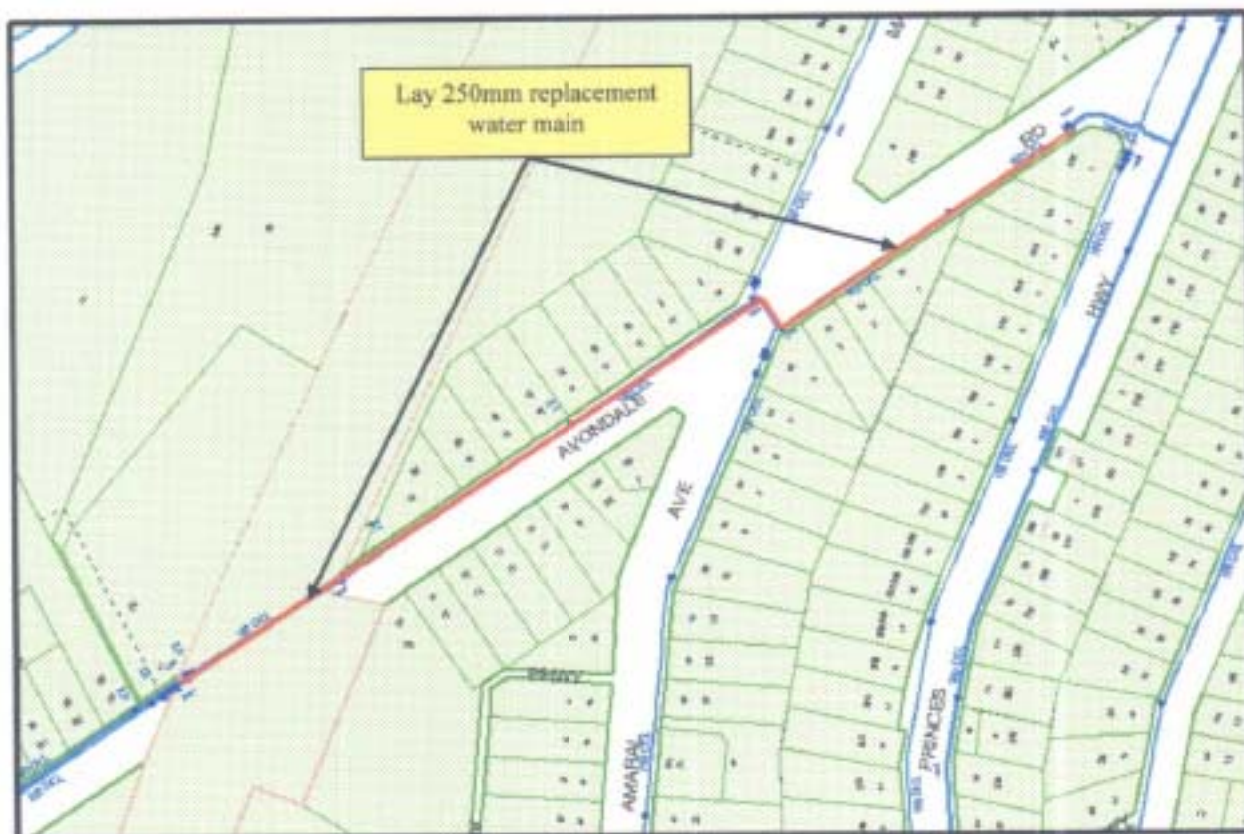
To get approval for your connection, you will need to lodge an application with a Quick Check Agent or at a Sydney Water Customer Centre. You, or your hydraulic consultant, may need to supply the following:

- A plan of the hydraulic layout;
- A list of all the fixtures/fittings within the property;
- A copy of the fireflow pressure inquiry issued by Sydney Water;
- A pump application form (if a pump is required);
- All pump details (if a pump is required).

You will have to pay an application fee.

Sydney Water does not consider whether a water main is adequate for fire fighting purposes for your development. We cannot guarantee that this water supply will meet your Council's fire fighting requirements. The Council and your hydraulic consultant can help.

Diagram A



4.2 Sewer

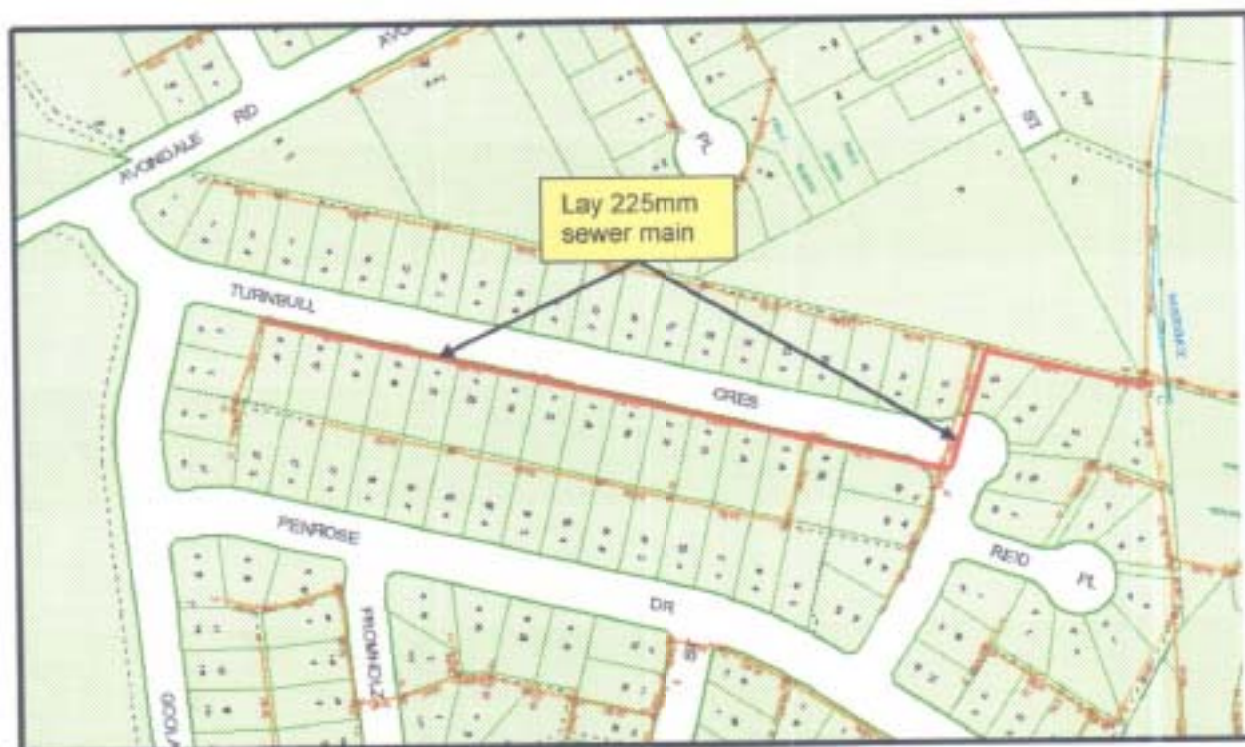
Your development must have a sewer main that is the right size and can be used for connection. That sewer must also have a connection point within your development's boundaries.

Sydney Water has assessed your application and found that:

- The first stages of your development can be served by an extension into your property from the existing sewer in no.1 Goolagong Street. This will require a new maintenance hole to be constructed within your property and a private pumped service to this new maintenance hole. The maximum pumped rate is 2 l/s. A Pump to Sewer Agreement will be required.

When the average flow exceeds 2 l/s one of the following options will need to be implemented:

- Construct a 225mm sewer main to replace the existing 150mm sewer main from no.1 Goolagong Street to the 300mm sewer located in no.4 Reid Street. Diagram "B" below provides an indication of these works. The final detail can only be determined after all design aspects are considered. Your Coordinator can provide further information.
- Defer any further development of the site until the West Dapto sewerage scheme has been extended far enough to the south to enable a feasible connection. At this stage it is not known when this may occur.

Diagram B

4.3 Ancillary Matters

4.3.1 Asset adjustments

After Sydney Water issues this Notice (and more detailed designs are available), Sydney Water may require that the water main located in the footway needs to be adjusted/deviated. If this happens, you will need to do this work as well as the extension we have detailed above at your cost. The work must meet the conditions of this Notice and you will need to complete it **before we can issue the Certificate**. Sydney Water will need to see the completed designs for the work and we will require you to lodge a security. The security will be refunded once the work is completed.

4.3.2 Entry onto neighbouring property

If you need to enter a neighbouring property, you must have the written permission of the relevant property owners and tenants. You must use Sydney Water's **Permission to Enter** form(s) for this. You can get copies of these forms from your Coordinator or the Sydney Water website. Your Coordinator can also negotiate on your behalf. Please make sure that you address all the items on the form(s) including payment of compensation and whether there are other ways of designing and constructing that could avoid or reduce their impacts. You will be responsible for all costs of mediation involved in resolving any disputes. Please allow enough time for entry issues to be resolved.

4.3.3 Costs

Construction of these works will require you to pay project management, survey, design and construction costs **directly to your suppliers**. Additional costs payable to Sydney Water may include:

- water main shutdown and disinfection;
- connection of new water mains to Sydney Water system(s);
- design and construction audit fees;
- **contract administration, Operations Area Charge & Customer Redress prior to project finalisation;**
- creation or alteration of easements etc.; and
- water usage charges where water has been supplied for building activity purposes prior to disinfection of a newly constructed water main.

Note: Payment for any Goods and Services (including Customer Redress) provided by Sydney Water will be required prior to the issue of the Section 73 Certificate or release of the Bank Guarantee or Cash Bond.

5. Developer Charges

Development Servicing Plan (DSP)	Basis of Calculation	Charge (\$) for Applicable period (24/07/08-30/06/09)	Charge (\$) for Applicable period (01/07/09-23/07/09) (CPI adjusted)
Avon Water DSP Area	Flow Based Charges 232.15 ET @ \$2,486 per ET = \$577,113 based on Flow rates in paragraph below	\$577,113	\$TBA
Wollongong Sewer DSP Area	Flow Based Charges 489.23 ET @ \$2,580 per ET = \$1,262,208 based on Flow rates in paragraph below	\$1,262,208	\$TBA
Reticulation Recovery	See Note below	\$Nil See Note below	\$TBA See Note below
DEVELOPER CHARGES TOTAL: <i>[OFFICE USE – Invoice Charges total – Developer \$1,839,321]</i>		\$1,839,321	\$TBA

NOTES:

- If payment is made after 1 July 2009, then the charges in column 3 will first need to be adjusted by the CPI figure. This will be done when you get the invoice from your Coordinator and you will need to pay the adjusted amount. (The CPI figure is based on the weighted average of the capital cities CPI for the 12 months to the end of the previous March.)
- Sydney Water advise that Developer Charges are currently being reviewed and new Developer Charges are due to be implemented on 1 July 2009. As a result of the review, some of the charges quoted above may decrease, others may increase and new charges may be introduced. For the latest information on

this review you can visit our website www.sydneywater.com.au > Building and Developing > Developing Your Land. The new developer charges will be applied after they are registered with IPART.

After 1 July 2009:

- If the Water/Sewer DSP Area charges have **decreased** you will only have to pay the new lower rate. The lower charges will be applied automatically when you make the payment; or
- If the Water/Sewer DSP Area charges have **increased and/or new charges have been introduced** then Sydney Water will charge you at the old rate plus CPI increase. After expiry of this notice Sydney Water has to apply the higher and/or new charges.

Payment of charges:

- **You must pay your DSP charge before you will be given permission to connect your development to Sydney Water's water/sewer systems.**
- You have to pay these charges directly to Sydney Water and you must have an invoice. Your Coordinator can arrange the invoice. **Payment is by bank cheque only and you can pay at a Sydney Water Customer Service Centre or by post with your invoice.** You must tell your Coordinator when you have made that payment.

Also:

- **DSP charges** are a contribution towards the cost of systems (e.g. treatment plants) which serve your development. We have no power to change these costs because they are decided by IPART. If you want more information visit the IPART website www.IPART.nsw.gov.au. If there is a dispute, the cost of arbitration will be shared equally by you and Sydney Water (see *IPART Act 1992, Section 31*).
- The DSP charges in the table are based on your development needing an average day water demand of 240 kl.
If the development generates a greater demand, you may have to pay more in charges. If you are going to sell the development, you have to explain the situation to prospective buyers as part of the requirements of Vendor Disclosure.
- **Reticulation Recovery Charges** recover part of the cost of works that have been paid for by Sydney Water or other developers and that benefit your development. This charge is calculated before your points of connection have been determined. If your completed designs show that your development will be connected to other main/s, the Reticulation Recovery charge may be changed and/or you may need to construct other works.

OTHER THINGS YOU NEED TO DO:

Shown below are other things you need to do that are NOT a requirement for the Certificate. They may well be a requirement of Sydney Water in the future because of the impact of your development on our assets. You must read them before you go any further.

(1) Stamping and approval of your building plans

Please note that your building plans must be stamped and approved. This can be done at either a:

- Quick Check agency (for an agency list visit www.sydneywater.com.au > Building and Developing > Quick Check or call 13 20 92); or
- Sydney Water Customer Service Centre.

This is not a requirement for the Certificate but the approval is needed because construction/building works may impact on existing Sydney Water assets (e.g. water and sewer mains). **In any case, these works MUST NOT commence until Sydney Water has granted approval.**

Your Coordinator can tell you about the approval process including:

- Possible requirements;
- Costs; and
- Timeframes.

Note: You must obtain our written approval before you do any work on Sydney Water's systems. Sydney Water will take action to have work stopped on the site if you do not have that approval. We will apply Section 44 of the Sydney Water Act 1994.

(2) Trade Waste Information

Should this development generate trade wastewater, this notice of requirements does not guarantee the applicant that Sydney Water will accept the trade wastewater to its sewerage system. For further information please visit the Sydney Water website at, <http://www.sydneywater.com.au/OurSystemsAndOperations/Tradewaste/> or contact a Trade Waste Customer Service Representative on (02) 9551 4620.

Prospective Purchasers should be made aware of the above situation under the requirements of vendor disclosure.

(3) Backflow Prevention Information

In accordance with Sydney Water's Backflow Prevention Policy, you may be required to install a backflow prevention containment device immediately downstream of each water meter service the property. The device must be installed as a condition of continued use of the water supply. Failure to install and maintain the device may result in disconnection of the water service. A copy of Sydney Water's Backflow Prevention Policy is available on the Sydney Water Website at, <http://www.sydneywater.com.au/BuildingDevelopingandPlumbing/BackflowPrevention>

(4) Possible future costs

The requirements in this Notice relate to your Certificate application only. Sydney Water may be involved with other aspects of your development and there may be other fees or requirements. These include:

- construction/building plan stamping fees;
- plumbing and drainage inspection costs;
- the installation of backflow prevention devices;
- trade waste requirements;
- large water connections; and
- council fire fighting requirements. (It will help you to know what the fire fighting requirements are for your development as soon as possible. Your hydraulic consultant can help you here.)

No warranties or assurances can be given about the suitability of this document or any of its provisions for any specific transaction. It does not constitute an approval from Sydney Water and to the extent that it is able, Sydney Water limits its liability to the reissue of this Letter or the return of your application fee. You should rely on your own independent professional advice.

END