

**MINUTES for the MEETING of GOLDENFIELDS WATER COUNTY COUNCIL
held in the TEMORA office on 25 FEBRUARY 2011**

The meeting commenced at 1.03pm.

PRESENT

Cr C Manchester (Chair), Cr J Macaulay, Cr H Mangelsdorf, Cr J McGregor, Cr K Morris and Cr J O'Brien.

ALSO IN ATTENDANCE

Mr P Wearne (General Manager), Mr T McClellan (Manager Administration), Mr B West (Manager Engineering) and Miss K Turner (Executive Assistant).

1. APOLOGIES

Apologies for non-attendance were received from Cr Palmer and Cr Speirs.

11/001 RESOLVED on the motion of Crs McGregor and O'Brien that leave of absence be granted.

2. DECLARATION OF PECUNIARY INTERESTS

No interests were declared at this time.

3. CONFIRMATION OF MINUTES OF MEETING HELD ON 17 DECEMBER 2010

11/002 RESOLVED on the motion of Crs McGregor and Macaulay that the minutes of the meeting held on 17 December 2010, having been circulated and read by the members, be confirmed.

4. BUSINESS ARISING FROM MINUTES

No Business Arising from the Minutes was raised.

5. PUBLIC ACCESS

No requests for public access were received.

6. NOTICES OF MOTION / RESCISSION MOTIONS

No Notices of Motion or Rescission Motions were received.

7. ADMISSION OF LATE REPORTS

11/003 RESOLVED on the motion of Crs McGregor and Morris that Council consider the Closed Session Supplementary Reports on Review of Development Servicing Plans, Cowangs Reservoir to Bauloora Reservoir Pipeline Replacement Project and Sandblasting and Repainting the Temora Reservoir.

8. CHAIRPERSON'S MINUTE

The Chairman did not submit a Chairperson's Minute to the meeting.

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9. GENERAL MANAGER'S REPORTS

9.1 FINANCIAL REPORTS

9.1.1 COUNCIL INVESTMENTS (G35507005)

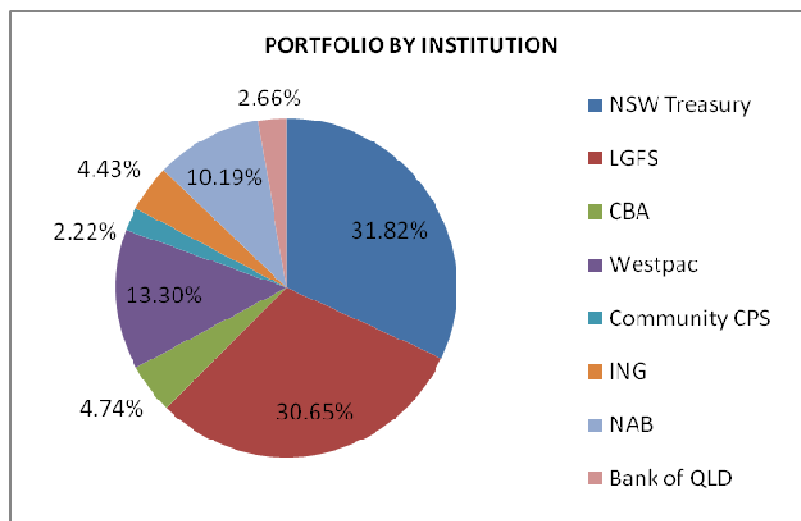
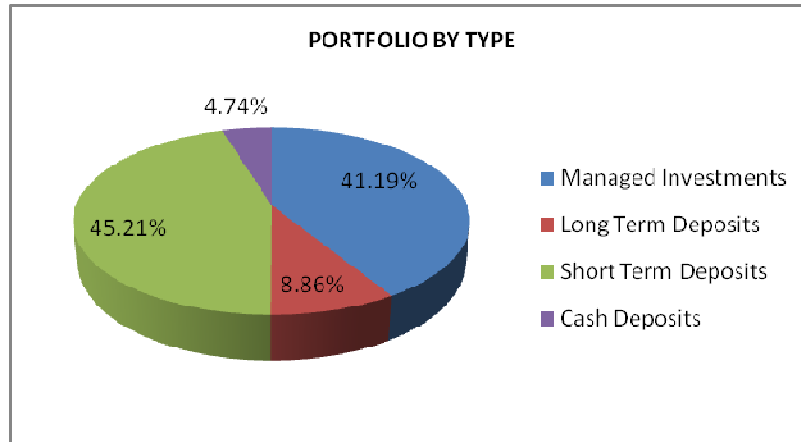
11/004 RESOLVED on the motion of Crs Mangelsdorf and O'Brien that the report detailing Council Investments as at 31 January 2011 be received and noted.

Report prepared by Manager Administration

This report is presented for information on Council Investments in accordance with clause 212 of the Local Government (General) Regulation 2005. The following details Council Investments as at 31 January 2011:

INVESTMENT PORTFOLIO	Market Value (\$)	Term (days)	Rate	Maturity Date	% of Portfolio
Managed Investments	9,294,323.80				41.19%
NSW Treasury Hour Glass Facility	7,178,855.20	At Call	5.47%	N/A	31.82%
LG Financial Services FOCF	2,115,468.60	At Call	5.66%	N/A	9.38%
Long Term Deposits	2,000,000.00				8.86%
Westpac Coupon Select Deposit (5yr)	2,000,000.00	3m BBSW+1.3%	6.26%	27/10/15	8.86%
Short Term Deposits	10,200,000.00				45.21%
National Australia Bank	1,300,000.00	90	5.90%	1/02/11	5.76%
Local Govt Financial Service	1,800,000.00	91	5.85%	7/02/11	7.98%
Westpac Bank	1,000,000.00	63	5.87%	14/02/11	4.43%
National Australia Bank	500,000.00	95	5.95%	22/02/11	2.22%
ING Bank (Australia) Limited	1,000,000.00	90	5.86%	3/03/11	4.43%
Local Govt Financial Service	1,400,000.00	91	6.20%	7/03/11	6.20%
Local Govt Financial Service	700,000.00	90	6.00%	21/03/11	3.10%
Local Govt Financial Service	900,000.00	63	5.85%	28/03/11	3.99%
National Australia Bank	500,000.00	90	5.86%	5/04/11	2.22%
Bank of Queensland	600,000.00	90	5.85%	14/04/11	2.66%
Community CPS Australia	500,000.00	91	6.15%	18/04/11	2.22%
Cash Deposits	1,068,530.17				4.74%
Commonwealth Bank At Call A/c	600,000.00	At Call	4.70%	N/A	2.66%
CBA Premium Business A/c	468,530.17	At Call	Various	N/A	2.08%
	22,562,853.97				100.00%

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Movements within Bank account for the reporting period (\$)

Cash Book balance as at 30 November 2010	645,816.28
Plus Deposits	
December	1,573,773.71
January	1,538,552.32
Less Payments	
December	2,063,764.15
January	1,128,577.79
 Cash Book balance as at 31 January 2011	 565,800.37
Less Outstanding Deposits	99,748.96
Plus Unpresented Cheques	2,478.76
 Bank balance as at 31 January 2011	 468,530.17

It is hereby certified that the above investments have been secured in accordance with:

- Local Government Act, 1993;
- Local Government (General) Regulation, 2005;
- Investment Order – gazetted 15 August 2008; and

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- Council's Investment Policy (adopted 17/12/10).

Recommendation

Recommendation made was adopted.

9.1.2 OUTSTANDING DEBTORS (G35307005)

- 11/005 RESOLVED** on the motion of Crs McGregor and O'Brien that the report detailing Council's outstanding debtors as at 31 January 2011 be received and noted.

Report prepared by Manager Administration

This report is presented for information on Council's outstanding debtors as at 31 January 2011:

\$'s	Arrears	Interest	Current	Total
Access Charges	67,078.08	6,595.48	185,877.80	259,551.36
Consumption Charges	179,108.71	22,854.91	612,317.00	814,280.62
Deferred Headworks	83,200.00	0.00	14,300.00	97,500.00
Sub-Totals	329,386.79	29,450.39	812,494.80	1,171,331.98
Less Overpayments Received				-117,155.97
Total Outstanding				1,054,176.01
Less Bulk Council Accounts Outstanding				-431,024.64
Less Headworks Accounts Outstanding				-97,500.00
Total Outstanding from Retail Customers				525,651.37

Recommendation

Recommendation made was adopted.

9.1.3 QUARTERLY BUDGET REVIEW – DECEMBER 2010 (G35201005)

- 11/006 RESOLVED** on the motion of Crs O'Brien and Macaulay that the Budget Review for the period ended 31 December 2010 be adopted with the variations to income and expenditure duly noted.

Report prepared by Manager Administration

This report is presented to Council to revise estimates of income and expenditure in accordance with clause 203 of the Local Government (General) Regulation 2005. The review is for the quarter ending 31 December 2010 and is attached for Council's consideration.

At the September Review, Council's Budget Result forecast a loss of \$1,935,293 for the year. The December QBR result, as presented, reflects a decrease in available working capital beyond that projected at September of \$1,005,155, resulting in a budgeted deficit result of \$2,940,448.

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Major adjustments impacting on this review (> \$10,000) include: -

- ✓ All Usage Charges (Page 1) - a loss of \$1,472,105 as a result of further reduced water sales. Given the extremely wet year to date, water sales for the first two quarters were down 27% on average historical usage. This revised estimate has been calculated based on the first half result with a further 25% reduction in sales (retail and bulk customers only) factored in for the third quarter.

A graphical representation of first half water sales is also provided behind the attached budget review. It compares this year's first half usage figures (red column) with the comparable period last year (blue column) and the volumetric estimate used to forecast water sales for the first half this year (yellow column);

- ✓ Interest Income (Page 1) - a gain of \$250,000 due mainly to Council's capital works program not advancing as expected;
- ✓ Management Expenses (Page 2) - a loss of \$33,050. \$19,650 being to recognise the headworks charge donation to Young Shire Council while \$13,400 was the cost to have the National Performance Reporting audit carried out (refer to report to December 2010 meeting);
- ✓ Pumping Stations Energy (Page 2) - a forecast gain of \$250,000 in electricity costs based upon the trend to-date, largely as a result from the reduced demand for water;
- ✓ Pumping Stations Maintenance (Page 2) - \$20,000 is being transferred from this vote to fund the Laser Aligner (Acquisition of Assets, Page 3) as resolved by Council at the October 2010 meeting;
- ✓ Acquisition of Assets (Page 3) - the remaining \$30,000 adjustment to this vote is to fund additional easement acquisition costs that are progressing well this financial year. This vote is an opportunistic budget that needs to be capitalised upon while things are progressing. This vote is funded from the infrastructure replacement reserve; and
- ✓ Repayment of Retention (Page 3) - a \$67,505 retention for the Reefton to Barmedman and Yiddah to Wyalong Pipeline Replacement Project is due to be refunded this financial year. A corresponding transfer from the cash reserve is also shown on this page.

All other adjustments are relatively insignificant or involve general housekeeping.

It is the Responsible Accounting Officer's opinion that the revised estimate of income and expenditure is such that the short term liquidity position of Council is satisfactory.

Recommendation

Recommendation made was adopted.

9.1.4 TIMETABLE FOR ESTIMATES / MANAGEMENT PLAN (G05601005)

11/007 RESOLVED on the motion of Crs O'Brien and Mangelsdorf that the following timetable be adopted in order for Council to meet its statutory requirements in preparing and adopting its 2011/14 Management Plan:

Friday 8 April 2011.

Draft Management Plan / Estimates workshop.

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Thursday 28 April 2011. Adopt the draft Management Plan for public display at Council's ordinary meeting.

Public display of draft Management Plan seeking submissions & comments from the community. Community submissions close after 28 days of public exhibition.

Thursday 23 June 2011. Consideration of submissions and adoption of Management Plan (including estimates) at Council's ordinary meeting.

Report prepared by Manager Administration

In accordance with the requirements of Schedule 8 Part 31 of the Local Government Act, 1993, Council must prepare a draft management plan with respect to: -

- The council's activities for at least the next three years; and
- The council's revenue policy for the next year.

The draft management plan must be publicly exhibited for not less than twenty-eight (28) days.

The following timetable is suggested for consideration: -

Thursday 7 April 2011. Draft Management Plan / Estimates workshop.

Thursday 28 April 2011. Adopt the draft Management Plan for public display at Council's ordinary meeting.

Public display of draft Management Plan seeking submissions & comments from the community. Community submissions close after 28 days of public exhibition.

Thursday 23 June 2011. Consideration of submissions and adoption of Management Plan (including estimates) at Council's ordinary meeting.

A workshop has been added to this year's program to allow Councillors and Senior Staff to work through a number of financial scenarios and provide opportunity for a more detailed discussion than that which is possible in a Council meeting situation. The ultimate aim is to gain agreement as to the financial parameters to be used for the development of financial estimates for inclusion in the draft Management Plan.

It is suggested that the estimates workshop commence at 10am on Thursday 7 April, thus allowing time to finalise the financials for the draft Management Plan to be considered at Council's ordinary meeting on 28 April 2011.

Recommendation

The following timetable be adopted in order for Council to meet its statutory requirements in preparing and adopting its 2011/14 Management Plan:

Thursday 7 April 2011. Draft Management Plan / Estimates workshop.

Thursday 28 April 2011. Adopt the draft Management Plan for public display at Council's ordinary meeting.

Public display of draft Management Plan seeking submissions & comments from the community. Community submissions close after 28 days of public exhibition.

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Thursday 23 June 2011.

Consideration of submissions and adoption of Management Plan (including estimates) at Council's ordinary meeting.

9.2 WORKS REPORTS

9.2.1 DECEMBER 2010 / JANUARY 2011 (G95507005)

11/008 RESOLVED on the motion of Crs Mangelsdorf and Morris that the Works Reports for December and January be received and noted.

Report prepared by Acting Manager Production & Distribution

Water Losses & Mains Repairs

NUMBER	DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
		Off	On					
138.	1/12	-	-	Deutcher St, Temora	100	-	5	Split Pipe
139.	1/12	-	-	Wellman St, Aria Park	80	-	5	Split Pipe
140.	2/12	1.00	3.00	Eulomo Settlement Rd, Bethungra	100	10	50	Split Pipe
141.	3/12	-	-	Boltes Rd, West Wyalong	100	-	-	Split Pipe
142.	4/12	7.00	9.00	Kingdom Dr, Coolamon	100	1	5	Other
143.	5/12	-	-	Grenfell St, West Wyalong	100	-	-	Split Pipe
144.	8/12	-	-	Rosehill Rd, Cootamundra	375	-	10	Joint Failure
145.	9/12	5.00	6.00	Parks St, Ardlethan	100	20	5	Joint Failure
146.	9/12	-	-	Olympic Way, Cootamundra	80	5	50	Split Pipe
147.	10/12	8.30	11.00	Railway Rd, West Wyalong	100	-	50	Other
148.	11/12	9.00	1.00	Girral-Lake Cargelligo Rd, Ungarie	150	20	50	Split Pipe
149.	14/12	-	-	Temora Rd, Cootamundra	375	-	5	Joint Failure
150.	15/12	2.00	4.00	Gloucester St, Junee	-	30	-	Other
151.	16/12	-	-	Rosehill Rd, Cootamundra	300	-	2	Joint Failure
152.	16/12	-	-	Turners Ln, Cootamundra	375	-	2	Joint Failure
153.	16/12	-	-	Turners Ln, Cootamundra	375	-	1	Joint Failure
154.	16/12	-	-	Turners Ln, Cootamundra	375	-	1	Joint Failure
155.	16/12	-	-	Turners Ln, Cootamundra	375	-	2	Joint Failure
156.	16/12	-	-	Talbingo Ln, Junee	200	-	0.5	Split Pipe
157.	17/12	-	-	Pinkerton Rd, Cootamundra	375	-	2	Joint Failure
158.	18/12	-	-	Talbingo Ln, Junee	200	-	50	Split Pipe

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NUMBER	DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
		Off	On					
159.	18/12	7.30	9.30	Malones Ln, Weethalle	100	-	500	Hole in Pipe
160.	18/12	-	-	Talbingo Ln, Junee	200	-	500	Split Pipe
161.	19/12	-	-	Kolkilberto Rd, Weethalle	100	-	250	Hole in Pipe
162.	19/12	-	-	Kolkilberto Rd, Weethalle	100	-	20	Split Pipe
163.	21/12	-	-	Furners Ln, Coolamon	80	1	50	Split Pipe
164.	21/12	11.00	1.00	Furners Ln, Coolamon	80	-	50	Split Pipe
165.	21/12	9.00	1.00	Suttons Ln, Cootamundra	100	-	100	Split Pipe
166.	22/12	1.30	4.30	Webb St, Marrar	100	50	200	Split Pipe
167.	22/12	9.00	2.00	Webb St, Marrar	100	100	500	Split Pipe
168.	23/12	8.30	1.30	Barmedman Rd, Temora	300	5	50	Split Pipe
169.	24/12	-	-	Park Ln, Junee	100	-	50	Split Pipe
170.	24/12	-	-	Gun Club Rd, Wyalong	225	-	5	Other
171.	25/12	-	-	Methul Rd, Coolamon	80	-	100	Split Pipe
172.	27/12	1.30	9.30	Wade St, Coolamon	100	30	300	Split Pipe
173.	31/12	-	-	Olympic Way, Cootamundra	100	-	2	Split Pipe
174.	31/12	-	-	Kikoira Rd, Naradhan	100	1	100	Split Pipe
175.	1/1	9.30	3.30	Walsh's Ln, Coolamon	100	-	700	Other
176.	1/1	10.30	12.30	Naradhan Rd, Naradhan	100	-	50	Split Pipe
177.	2/1	-	-	Walsh's Ln, Coolamon	100	-	150	Joint Failure
178.	2/1	-	-	Bunganbil St, Grong Grong	100	-	-	Split Pipe
179.	3/1	-	-	Thanowring Rd, Temora	250	-	20	Split Pipe
180.	3/1	-	-	Furners Ln, Coolamon	80	-	-	Split Pipe
181.	4/1	-	-	Garoolgan – Euratha Rd, Binya	100	-	5	Split Pipe
182.	4/1	8.30	10.30	Devlin St, Coolamon	100	-	100	Other
183.	5/1	-	-	Bauloora Ln, Cootamundra	375	-	2	Joint Failure
184.	5/1	-	-	Bauloora Ln, Cootamundra	375	-	2	Joint Failure
185.	5/1	-	-	Jugiong Rd, Cootamundra	375	-	5	Joint Failure
186.	5/1	-	-	Jugiong Rd, Cootamundra	375	-	5	Joint Failure
187.	5/1	7.30	9.30	Malvern Ln, Old Junee	150	3	50	Split Pipe
188.	5/1	-	-	Jansens Ln, Weethalle	80	-	3	Hole in Pipe
189.	6/1	-	-	Wantiool Rd, Eurongilly	100	0	5	Hole in Pipe

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NUMBER	DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
		Off	On					
190.	7/1	-	-	Furners Ln, Coolamon	80	-	500	Split Pipe
191.	9/1	5.30	8.30	Wollongough St, Ungarie	100	-	10	Split Pipe
192.	10/1	9.30	1.00	Coolamon Rd, Ariah Park	100	5	5	Split Pipe
193.	11/1	2.30	5.30	Wise St, Marrar	100	20	500	Joint Failure
194.	12/1	2.30	4.30	Wagga Wagga Rd, Coolamon	100	7	500	Split Pipe
195.	12/1	7.30	11.30	Malvern Ln, Old Junee	80	20	800	Split Pipe
196.	13/1	-	-	Olympic Way, Cootamundra	100	-	2	Split Pipe
197.	13/1	-	-	Olympic Way, Cootamundra	100	-	2	Split Pipe
198.	17/1	6.30	9.30	Malvern Ln, Old Junee	150	100	800	Split Pipe
199.	17/1	3.30	5.00	Patterson's Rd, Junee	50	-	-	Split Pipe
200.	18/1	4.30	8.00	Victoria St, Temora	150	50	20	Other
201.	18/1	-	-	Kolkilberto Rd, Weethalle	100	-	10	Hole in Pipe
202.	18/1	-	-	Anzac St, Junee	100	-	-	Split Pipe
203.	18/1	11.30	7.30	Bauloora Reservoir, Cootamundra	300	-	2	Hole in Pipe
204.	19/1	-	-	Turners Ln, Cootamundra	375	-	5	Joint Failure
205.	20/1	-	-	Malvern Ln, Old Junee	150	-	-	Split Pipe
206.	20/1	-	-	Burley Griffin Way, Springdale	300	-	10	Joint Failure
207.	21/1	-	-	Malvern Ln, Old Junee	150	-	-	Split Pipe
208.	22/1	7.30	1.30	Mirrool St, Coolamon	100	20	600	Split Pipe
209.	24/1	-	-	Morrisroes Ln, Weethalle	80	-	-	Split Pipe
210.	24/1	3.00	4.00	Morrisroes Ln, Weethalle	80	10	100	Split Pipe
211.	25/1	12.00	1.00	Paldi Cres, West Wyalong	80	-	6	Other
212.	27/1	-	-	Grong Grong Rd, Ganmain	-	-	-	Split Pipe
213.	27/1	-	-	Turners Ln, Cootamundra	375	-	5	Joint Failure
214.	27/1	12.00	1.00	Paldi Cres, West Wyalong	80	-	6	Other
215.	27/1	-	-	Turners Ln, Cootamundra	375	-	5	Joint Failure
216.	27/1	9.00	11.00	Malvern Ln, Old Junee	150	1	500	Split Pipe
217.	28/1	-	-	Kolkilberto Rd, Weethalle	100	-	100	Split Pipe
218.	28/1	-	-	Morrisroes Ln, Weethalle	80	-	50	Split Pipe
219.	28/1	-	-	Temora Rd, Cootamundra	375	-	5	Joint Failure
220.	28/1	-	-	Temora Rd, Cootamundra	375	-	5	Joint Failure

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NUMBER	DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
		Off	On					
221.	28/1	-	-	Turners Ln, Cootamundra	375	-	5	Joint Failure
222.	29/1	-	-	Goldenfields Way, Temora	100	-	5	Split Pipe
223.	29/1	11.00	2.00	Boundary Ln, Marrar	80	5	50	Split Pipe
224.	29/1	-	-	Wright St, Ganmain	100	-	1	Other
225.	29/1	7.00	8.00	Wright St, Ganmain	100	-	1	Other
226.	31/1	8.00	9.00	Kingdom Dr, Coolamon	100	-	10	Other

Complaints

Water Quality

Dirty Water

15/12/2010 11 Mirrool Street, Coolamon.
 14/01/2011 82 Bridges Street, Temora.
 14/01/2011 65 Haig Street, Temora.
 14/01/2011 26 Gallipoli Street, Temora.
 14/01/2011 13 Ashton Street, Temora.
 14/01/2011 80 Bridges Street, Temora.
 14/01/2011 87 Polaris Street, Temora.
 14/01/2011 47 Deutcher Street, Temora.
 14/01/2011 89 Bridges Street, Temora.
 17/01/2011 138 Polaris Street, Temora.
 17/01/2011 130 Grey Street, Temora.
 17/01/2011 Illabo Road, Junee.
 17/01/2011 131 Asquith Street, Temora.
 17/01/2011 144 Polaris Street, Temora.
 18/01/2011 165 De Boos Street, Temora.
 19/01/2011 34 Hibernia Street, Stockinbingal.
 19/01/2011 Temora Road, Stockinbingal.
 19/01/2011 2 Martin Street, Stockinbingal.
 19/01/2011 Dudauman Street, Stockinbingal.
 19/01/2011 35 Troy Street, Stockinbingal.
 19/01/2011 95 Crowley Street, Temora.
 20/01/2011 10 Wood Street, Stockinbingal.
 21/01/2011 9 Wallace Street, Coolamon.
 21/01/2011 Hibernia Street, Stockinbingal.
 21/01/2011 249 Iverach Street, Coolamon.
 27/01/2011 Narrandera Road, Grong Grong.
 29/01/2011 Coursing Park Road, Marrar.

Other Problems:

21/01/2011 9 Britannia Street, Stockinbingal – milky coloured water.

A total of 114 service difficulty and fault reports were received for December / January.

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Construction & Major Maintenance

The following significant works were undertaken in December 2010 / January 2011:-

- Serviced ACV's and PRV's across the scheme.
- Serviced and inspected vehicles and small plant.
- Packing bearing and changed oils in motors and pumps across the scheme.
- Replaced chlorine line at Oura.
- Repaired leaking footvalve at Hylands Bridge.
- Cut and welded new lifting lugs in pit lids over sludge valves to remove trip hazard at Jugiong Water Treatment Plant.
- Fabricated and painted frame for Demondrille mower trailer.
- Fabricated stand to put hiab on when removed from construction truck, removed hiab and fitted to stand.
- Fabricated and installed ladder and bracket to support pump in pit at Edwards Corner.
- Fabricated and installed ladder in pit for Jugiong mag-flow.
- Fabricated pit lids for bulk meters at Galong and Wombat offtakes.
- Repaired hole in high pressure steel pipeline Cowangs to Bauloora.
- Put new barrel in door and measured up for screen door at Garoolgan Pump Station.
- Fabricated grates to go in reservoir hatches at Bauloora Reservoir.
- Fabricated new racks and fitted to new patrol vehicles.
- Fabricated 80mm stainless steel pipework for Frampton pipeline.
- Conducted maintenance at Jugiong Filtration Plant.
- Repaired lathes at Cootamundra workshop.
- Attended to burst mains and services.
- Completed meter reading.
- Completed under-bore at Coolamon Central School.
- Reconnected Tara line to Methul line.
- Put Temora supply onto East Reservoir.
- Replaced three 100mm valves in Junee.
- Replaced 150mm stop valve in bulk meter pit at Ungarie.
- Cleaned up and painted surrounds following finalisation of Roediger's Lane project.
- Carried out repair work at Jugiong Water Treatment Plant after stormwater runoff from highway caused damage to drainage system and unearthed pipework.
- Installed chlorine dosing line on Black Range Reservoir.
- Finished upgrade to Ardlethan Pump Station.
- Completed Matong mains replacement project, including cut-ins, removal of old hydrant tops and cleaned up area.
- Repaired overflow pipework on sludge lagoons at Jugiong Water Treatment Plant.
- Carried out repairs on stormwater and other minor repairs at Demondrille residence.
- Started preliminary work on the Malvern Lane project – located underground utilities and the pegging of the new alignment.
- Looked at the clearing for the Easement at Barmedman with Engineering staff.

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- Started planning and design of the main interconnection at Coolamon.
- Discussed ideas in regards to flood prevention at Rosehill Pump Station.

Recommendation

Recommendation made was adopted.

9.2.2 CAPITAL WORKS PROGRESS REPORT (G35201005)

11/009 RESOLVED on the motion of Crs O'Brien and Mangelsdorf that the report detailing the progress of Council's Capital Works Program as at 31 January 2011 be received and noted.

Report prepared by Manager Administration

This report is presented for information on the progress of Council's Capital Works Program as at 31 January 2011:

Description	Location	Anticipated Start Date	Anticipated Completion Date	Program Estimate (\$)	Total Expend to Date (\$)	Comment
New System Assets						
Site Acquisition	Betric Reservoir	1/7/2008	30/9/2010	13,000	9,648	Completed
Iron / Manganese Minimisation	Oura & Matong Systems	1/7/2010	30/6/2011	500,000	0	Tender documents have been prepared and currently awaiting electricity upgrades to be completed
Site Acquisition / Construct Radio Facilities	\$10k opportunistic budget per year	1/7/2010	30/6/2011	10,000	0	Earmarked for Council's contribution to the development of the Rosemont Radio Site in conjunction with the NSWFB
Mains Extension	\$50k opportunistic budget per year	1/7/2010	30/6/2011	35,000	N/A	\$15k has been allocated to the following capital works job
Mains Extension	Mann St Coolamon	1/2/2011	30/4/2011	15,000	0	Materials currently on order
Additional Storage	Junee	1/1/2011	31/12/2011	5,000,000	1,500	Preliminary site inspection and plans begun. Discussion with landholder regarding land purchase commenced
Additional Storage	Oura	1/10/2009	30/6/2011	2,000,000	0	Tender documents have been prepared dependent on HV upgrade
Renewals						
Bore Construction or Replacement	Oura Bores	1/7/2010	30/6/2011	300,000	0	Maurer Bore - Admin issues, Kelly Bore - still with solicitors

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Description	Location	Anticipated Start Date	Anticipated Completion Date	Program Estimate (\$)	Total Expend to Date (\$)	Comment
Depot Upgrade	Cootamundra Depot	1/7/2010	31/12/2010	160,000	11,371	Contract and conversion of existing facilities completed. Additional site works to be carried out
Further Investigations of Inlet Replacement	Cowangs Reservoirs	1/7/2010	30/6/2011	20,000	3,393	Inlet replacement included in Cowangs to Bauloora contract. Report to this meeting.
Major Upgrade	Jugiong No.1 Pump Station	1/7/2009	30/6/2013	6,000,000	33,207	Tender documentation for Design and Construct being finalised
Mains Replacement	Aerodrome Ln & Roe Diggers Rd, Junee	1/4/2010	31/12/2010	450,000	287,001	Work completed - some accounts remain o/s
Mains Replacement, Augmentation	\$1m budget/yr to be programmed as priorities determine	1/7/2010	30/6/2011	615,000	N/A	\$385k has been allocated to the following four capital works jobs
Mains Replacement	Fuel Depot, West Wyalong	1/8/2010	15/10/2010	45,000	41,611	Completed
Mains Replacement	Main St & part of Deep Water Rd, Matong	1/8/2010	31/12/2010	50,000	59,340	Completed
Mains Replacement	Barmedman Reservoir Pipework	1/2/2011	31/3/2011	200,000	686	Programmed for second half of the year
Mains Replacement	Melvem Lane, Junee	1/4/2011	30/4/2011	90,000	4,885	Programmed for second half of the year
Site / Easement Acquisition	\$50k opportunistic budget per year	1/7/2010	30/6/2011	50,000	49,239	Progressing - additional funds requested
Mains Replacement	Cowangs - Bauloora	1/4/2010	31/5/2012	15.6M	656,791	Tender determination this Council meeting
Replace Control System	Jugiong Filtration Plant	2/4/2010	30/6/2011	500,000	5,970	Specification nearing completion
Reservoirs Painting	Temora Reservoir	1/7/2010	30/6/2011	260,000	3,538	Tender determination this Council meeting
Reservoir Rehabilitation Program	Various Reservoirs	1/7/2010	30/6/2012	600,000	131,363	5 completed. Contractor to return in April to do 3 more.
Replace Pump	Hylands Bridge Pump Station	1/7/2010	31/12/2010	20,000	0	In progress
Recondition / Replace Bore Pump	Oura Bores (No.4 Pump)	1/1/2011	30/6/2011	55,000	0	Programmed for second half of the year

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Recommendation

Recommendation made was adopted.

9.3 OTHER REPORTS

9.3.1 CRITICAL WATER AVAILABILITY FOR 2010/11 (G95809505)

11/010 RESOLVED on the motion of Crs McGregor and O'Brien at the Critical Water Availability report be received and noted.

Report prepared by General Manager

Included in the Business Paper (refer Attachments 9.3.1.A to 9.3.1.E) are the water production graphs for the five sources and the three bulk councils to the end of January 2011. Table 1 below provides more detail on the total consumption during the period.

Table 1 – Period – 1 July 2010 to 27 January 2011

Source	Current Allocation (%)	YTD Consumption	YTD Maximum Allocation	Revised YTD Maximum Allocation	Percentage of Revised Allocation
Jugiong	100%	1,849	3,279	3,279	56.39%
Oura	100%	1,753	3,528	3,528	49.69%
Mt Arthur	100%	210	445	445	47.19%
Mt Daylight	100%	98	177	177	55.37%
Hylands Bridge	100%	60	93	93	64.52%
Total All Sources		3,970	7,522	7,522	52.78%
Cootamundra	100%	344	905	905	38.01%
Harden *	100%	253	713	713	35.48%
Young	100%	550	1,225	1,225	44.90%

NB:

YTD Consumption for Harden does not include Harden Minor Consumers.

Consumption remains significantly below the 13 year average (72.23% of Allocation). Should this trend continue then it will have significant financial implications for Council (refer item 9.1.3 elsewhere in the Business Paper).

Recommendation

Recommendation made was adopted.

9.3.2 LOCAL GOVERNMENT & SHIRES ASSOCIATION OF NSW – ONE ASSOCIATION CONFERENCE (G05055010)

11/011 RESOLVED on the motion of Crs Mangelsdorf and Morris that the report on the Special Shires Association Conference be received and noted.

Report prepared by General Manager

The Chairman and General Manager will represent Council at a Special Shires Association Conference to be held in Sydney on 23 February 2011. A verbal report will be provided at this Council Meeting.

The Chairman (Cr Manchester) provided a summation of the outcomes from the Conference.

Recommendation

Recommendation made was adopted.

**9.3.3 REVIEW OF REGIONAL WATER QUALITY & SECURITY BY
INFRASTRUCTURE AUSTRALIA (G45200505)**

11/012 RESOLVED on the motion of Crs O'Brien and McGregor that

1. Council make a submission to Infrastructure Australia advocating the retention and promotion of the County Council model as the most appropriate method of providing water supply services to regional NSW.
2. Council submit a motion to the G Division of the Shires Association of NSW's Annual Conference advocating the retention and promotion of the County Council model as the most appropriate method of providing water supply services to regional NSW.

Report prepared by General Manager

On Tuesday 1 February, 2011 Infrastructure Australia, a division of the Australian Government released a report titled Review of Regional Water Quality & Security (the Report). A copy of the Press Release and the Executive Summary from the report are attached (refer Attachment 9.3.3.A). A full copy of the report is available to Councillors on request or can be found at www.infrastructureaustralia.gov.au. Also attached (refer Attachment 9.3.3.B) for the information of Councillors is a copy of a Press Release from the Presidents of the Local Government & Shires Association of NSW issued on the same day.

Infrastructure Australia engaged Aecom Australia Pty Ltd to conduct this review in order "*to help identify opportunities to improve Australia's regional towns' water quality and security and to form practical recommendations for change at the federal, state and local government levels*".

The review looked at a sample of towns across Australia with populations between 2,000 and 15,000 with a reticulated water supply.

The Aecom report outlines the problems, analyses their causes, explores options and recommends a range of solutions. The key recommendations are to:

- Mandate compliance with Australian Drinking Water Guidelines through legislation or regulation.
- Implement a nationally consistent Best Practice Management Framework for all regional water utilities.
- Move toward more cost reflective water pricing.

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- Develop a more highly skilled workforce to operate and maintain water systems in regional water utilities by developing a nationally consistent trade qualification.
- Reform the governance structure of regional water utilities in NSW and Queensland.

The Report also provides a suggested program for implementation of the recommendations as follows:-

1) Governance Structure reform in NSW and Queensland

The preferred governance reform option in NSW and Queensland – Regional Water Corporations – should be a priority to allow for timely implementation of the other recommendations outlined in this report within these States. Regional Water Corporations should be implemented within two years.

2) Best Practice Management Framework and Reporting

All water utilities should be required to publicly report on performance via the National Performance Reports within one year, though some may not be able to report on all performance indicators within this timeframe. The nationally consistent Best Practice Management Framework should be developed and made publicly available within two years. The creation and release of a self-assessment and audit tool for the Best Practice Management Framework should be undertaken within one year of the Framework being made publicly available. The Framework could be regulated or legislated within two years of public release of the guidelines, which would allow governance reform in NSW and Queensland to happen first.

3) Improved Water Pricing

NWC should initiate a review of pricing in regional areas, which will inform development of appropriate pricing models for implementation by utilities servicing regional communities. This review can commence within the next 12 months.

4) Regulation or Legislation of the Australian Drinking Water Guidelines

Requiring mandatory compliance with the Guidelines will need to be tested against COAG's Best Practice Regulation guidelines, and this should be done within one year. Compliance with the Australian Drinking Water Guidelines should then be legislated or regulated within two years of the completion of governance structure reforms in NSW and Queensland.

5) Develop a more highly skilled Workforce

A nationally consistent training qualification for key water treatment and operations staff should be developed by Government Skills Australia within two years and included in the Australian Drinking Water Guidelines within four years.

Infrastructure Australia's next step is to develop a "plan of action" in response to the findings and recommendations contained within the Report. Feedback on the findings and recommendations of the Report are being sought by Infrastructure Australia up until the 25 March 2011.

Of concern to Council should be the apparent lack of consultation that Aecom have had with local water utilities and with the relevant State Government departments. In reviewing Volume 2 of the Report it would appear that much of the data collected is incomplete and it is difficult to ascertain whether the data collection process was robust in nature.

References such as *"In particular, strategic decisions regarding maintenance and capital expenditure would no longer be made by local council General Managers"* and *"Water utilities that are operated as part of the local government structure experience rate pegging, reducing their ability to recover the cost of supplying water to consumers"* demonstrates a complete lack of knowledge by the authors of the report as to how Local Government operates in NSW.

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From the above recommendations those relating to mandating compliance with Australian Drinking Water Guidelines, implementing nationally consistent Best Practice Management Framework and developing a highly skilled workforce do have some validity. Those relating to Water Pricing and Governance Structure reform in NSW and Queensland are of particular interest to Goldenfields. While the Report does not contain significant detail on how these reforms may be implemented it does indicate that Local Government's roles and responsibilities for water delivery and pricing could be completely removed or, at the least, significantly reduced should the Australian Government adopt and implement the recommendations contained in the Report.

The Report states (in part):

"The preceding recommendations can only be effectively implemented in NSW and Queensland if the current governance structures are reformed. The preferred reform model would see the urban water utility functions, currently performed by local government in NSW and Queensland, transferred to Government owned Regional Water Corporations, the responsible boundaries of which would match catchments where practicable. Each Regional Water Corporation would be governed by an independent board, with appointments to that board based on expertise in water utility management. The board would appoint the senior management team of the Corporation. The board would report to a relevant Government Minister against a set of conditions set in an operating licence. Compliance with licence conditions would be mandated via relevant legislation.

The larger corporate structure is likely to give rise to increased efficiency. Government would remain the sole shareholder of each corporation. Regional Water Corporations would be large enough to warrant supervision by independent pricing and regulatory authorities in each state, and compliance with licence conditions, including tariff setting, would be formally assessed by those authorities.

There are a number of key advantages from implementing this governance model. First, the Regional Water Corporation Board and management would have unambiguous objectives related to the efficient and effective management of the Regional Water Corporation. In particular, strategic decisions regarding maintenance and capital expenditure would no longer be made by local council General Managers. Second, the larger size of each Regional Water Corporation is likely to have a better chance of attracting appropriately qualified professional staff. Third, the larger customer base of each Water Corporation means that the expense of 'lumpy' capital assets required to improve water quality and security in smaller towns can be spread across a larger number of customers, spreading the impact from increases in residential bills. Finally, in time, Regional Water Corporations may be able to raise capital on wholesale financial markets in their own right, a funding option that is rarely available to local government in Australia.

There are two Regional Water Corporation ownership models operating in Australia at the moment that could guide decision makers. Victorian Regional Water Corporations are wholly owned by the State Government of Victoria. In Tasmania, recent reform of the urban water sector in that state saw Water Corporations formed that are jointly owned by the councils that fall within the boundary of each Water Corporation."

Of the suggested program for implementation the Report states:

"Some of the recommendations are not new ideas and parts of the country will be more prepared for the reform proposed than others. Ease of implementation also varies depending on the current arrangements in that State and the appetite of each Government for water reform.

While we do not believe that linking utility performance to State funding is a favourable means of achieving reform, Commonwealth Government assistance to the States could be helpful in achieving the objectives. To facilitate reform of the regional urban water sector, the Commonwealth Government could consider entering into funding agreements with the States, whereby successful and efficient implementation of agreed reforms by each State could attract a payment from the Commonwealth, in recognition of the costs of implementing wide-ranging reform.

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COAG has agreed to National Partnership Payments (NPP) under the Intergovernmental Agreement on Federal Financial Relations. Such a payment may be used to facilitate or reward nationally significant reforms or to support a specific project.

Though the funding vehicle is different, implementation could be similar to the reform that occurred during the 1990s and 2000s, where each State agreed to implement a range of reforms to various sectors, ranging from reform of governance arrangements for water planning and management, to corporatisation of state-owned electricity and gas utilities. If NPP were used to incentivise and reward reform, COAG would verify that predetermined milestones and performance benchmarks have been attained before the incentive payment is made".

It would appear that pressure is being applied by the Federal Government for NSW and Queensland to fall into line with water reform similar to that in other States. While the "control" of water currently falls under the jurisdiction of individual State Governments, the "carrot" of additional funding may prove too big to resist. This may also explain the lack of haste by the present NSW Government to make a determination regarding its own Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW which commenced in 2007. If the regionalisation of water utilities is inevitable then a concerted effort to retain Local Government ownership and operation of water within regional NSW would be necessary.

Council has previously made submissions to inquiries promoting similar types of reforms advocating the retention and promotion of the County Council model as the most appropriate method of providing water supply services to regional NSW. A submission to the Report along similar lines could be made should Council still be of the same opinion.

It is also suggested that Council submit a motion to the upcoming G Division of the Shires Association of NSW Annual Conference. A Draft Motion is attached (refer Attachment 9.3.3.C).

Recommendation

Recommendation made was adopted.

9.3.4 2010/13 MANAGEMENT PLAN QUARTERLY REPORT (G05601005)

11/013 RESOLVED on the motion of Crs McGregor and Morris that the 2010/13 Management Plan Quarterly Report to December 2010 be received and noted.

Report prepared by General Manager

Council is required to undertake a quarterly review of its Management Plan. A progress report for the quarter ending 31 December 2010 has been prepared (refer Attachment 9.3.4.A) providing the current status of the actions identified in the Plan. The Quarterly Budget Review is the subject of a separate report elsewhere in the Business Paper.

Recommendation

Recommendation made was adopted.

9.3.5 NEXT MEETING

The next Ordinary Meeting of Council will be held on Thursday 28 April 2011 at Council's Temora office commencing at 1.00pm.

10. QUESTIONS AND STATEMENTS

Cr Morris sought and was provided with information relating to Council's current new connections policy particularly in regards to rural areas.

Cr Macaulay sought and was provided with information regarding the easement acquisition of Junee Balance Tanks.

Cr Manchester sought information on a water supply issue during early February at Jugiong. Cr Manchester to provide the General Manager with further information for investigation of the matter.

11. CLOSED SESSION – 2.22PM (*pink pages*)

11/014 RESOLVED on the motion of Crs Morris and O'Brien that Council meet in Closed Session.

11.1 GOLDENFIELDS AWARD NEGOTIATIONS (G70204505)

This item is classified CONFIDENTIAL under section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

11/015 RESOLVED on the motion of Crs O'Brien and Mangelsdorf that the report on award negotiations be received and noted.

11.2 POTENTIAL INTENSIVE AGRICULTURE DEVELOPMENT (G95151005)

This item is classified CONFIDENTIAL under section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

11/016 RESOLVED on the motion of Crs Mangelsdorf and Macaulay that

1. Council approve the application for connection by Moonlight Mushrooms Pty Ltd.
2. The General Manager have prepared a Consumer Supply Agreement for execution by both parties which is to include the following conditions:-
 - A maximum supply amount of 65ML per annum where Council's annual allocation, as determined by the NSW Office of Water, is 100% of Licence Entitlement for the Oura system.
 - Where Council's annual allocation for the Oura system is reduced by a percentage factor then the consumer will receive an amount of water reduced by the same percentage factor.
 - The consumer will be required to pay for a minimum of 60% of the available annual allocation regardless of actual lesser quantities being required.

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- Supply only being available during the period 1 April to 30 September each year.
- Developer Charges and Connection Fees applicable at the time of connection are to be paid in advance.

11.3 REVIEW OF DEVELOPMENT SERVICING PLANS (G60400505)

This item is classified CONFIDENTIAL under section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

11/017 RESOLVED on the motion of Crs O'Brien and McGregor that Council accept the proposal from GHD Pty Ltd to undertake the Review of Development Servicing Plans.

11.4 COWANGS RESERVOIR TO BAULOORA RESERVOIR PIPELINE REPLACEMENT PROJECT (G95207002)

This item is classified CONFIDENTIAL under section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

11/018 RESOLVED on the motion of Crs O'Brien and Morris that

1. The tendered Lump Sum Price of \$13,952,560 (ex GST) submitted by Leed Engineering and Construction Pty Ltd for the Cowangs Reservoirs to Bauloora Reservoirs Pipeline Replacement Project be accepted.
2. Council acquire from those landowners listed in attachment 11.4.B a six (6) metre wide pipeline and access easement by compulsory acquisition in accordance with the Land Acquisition (Just Terms Compensation) Act 1991 for water supply purposes.
3. Council authorise the necessary application for acquisition to the Minister for Local Government and the Governor of NSW.
4. Should agreement between the landowner and Council be reached then the application be withdrawn.
5. The Chairman and General Manager be authorised to sign any documentation under Common Seal if necessary.

11.5 SANDBLASTING AND REPAINTING THE TEMORA RESERVOIR (G95208005)

This item is classified CONFIDENTIAL under section 10A(2)(c) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

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11/019 RESOLVED on the motion of Crs McGregor and Macaulay that the lowest tender submitted, that of RMP Abrasive Blasting at a cost of \$361,196 be accepted for the repainting of the Temora Reservoir. Additional funds to be allocated to the project, funded from the Infrastructure Replacement Reserve.

OPEN SESSION – 2.45PM

11/020 RESOLVED on the motion of Crs McGregor and Macaulay that Council revert back to Open Session and that the resolutions made in Closed Session be made public.

There being no further business requiring the attention of the Council, the Meeting closed at 2.46pm.
