

# CENTRAL TABLELANDS *Water*



**Business Paper**

**Ordinary Meeting of Central Tablelands *Water***

**8<sup>th</sup> February 2017**

**Grenfell**





2<sup>nd</sup> February 2017

## Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at Weddin Shire Council, Grenfell on Wednesday, 8<sup>th</sup> February 2017 at 10.30am. Morning tea will be served from 10.00am.

### Agenda

1. Public Forum
2. Apologies for non-attendance
3. Leaves of absence granted
4. Confirmation of Minutes - Ordinary Meeting held on 14<sup>th</sup> December 2016
5. Chairman's Minute
6. Councillor Representation
7. Notices of Motion
8. Reports of Staff
9. Adjourn Meeting and proceed into Committee of the Whole
10. Resume Ordinary Meeting & Report of Committee of the Whole
11. Next Meeting – Blayney – 12<sup>th</sup> April 2017

Yours faithfully

G. Rhodes  
**General Manager**



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**OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER**  
**HELD ON WEDNESDAY 8<sup>TH</sup> FEBRUARY 2017**

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**01) FINANCIAL MATTERS (FM.BA.1)**

(Raelene Mulligan)

**RECOMMENDATION:**

1. That the information be noted.

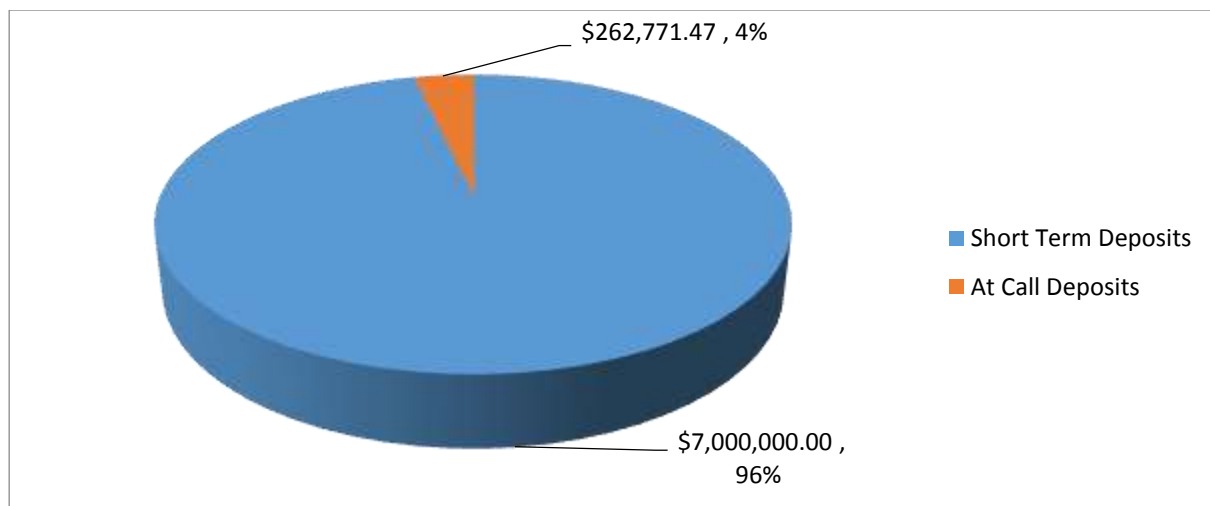
**REPORT**

**Cash and Investments**

The below investment summary represents Council’s total investments as at 31<sup>st</sup> January 2017 in accordance with clause 212 of the Local Government (General) Regulation 2005.

		Term (Days)	Rate	Maturity Date	% of Portfolio
<b>Short Term Deposits</b>	<b>\$ 7,000,000.00</b>				<b>96.38%</b>
Reliance Credit Union	500,000	180	2.80%	2/02/17	6.88%
Reliance Credit Union	500,000	180	2.80%	26/02/17	6.88%
AMP - Curve Securities	500,000	210	2.95%	7/03/17	6.88%
Reliance Credit Union	500,000	180	2.95%	12/03/17	6.88%
BOQ - Curve Securities	500,000	182	2.70%	24/04/17	6.88%
AMP - Curve Securities	500,000	182	2.70%	22/05/17	6.88%
AMP - Curve Securities	700,000	183	2.75%	6/06/17	9.64%
AMP - RimSec	500,000	182	2.80%	12/06/17	6.88%
ING - RimSec	500,000	182	2.75%	13/06/17	6.88%
BOQ - Curve Securities	800,000	182	2.75%	25/07/17	11.02%
AMP - Curve Securities	500,000	181	2.75%	31/07/17	6.88%
ING - RimSec	500,000	182	2.80%	1/08/17	6.88%
ING - RimSec	500,000	189	2.80%	8/08/17	6.88%

**Cash and Investments By Type**



**Bank Reconciliation as at 31<sup>st</sup> January 2017****BANK RECONCILIATION**

Balance as per Bank Statement	\$	262,771.47
Add: Outstanding Deposits	\$	329.05
Balance as per Cash Book	\$	<u>263,100.52</u>

**GENERAL FUND**

(a) Cash Book Balance	\$	263,100.52
(b) Bank Balance	\$	262,771.47

The above investments have been secured in accordance with the Act, regulations and Council's Investment Policy.



Raelene Mulligan  
Director Finance & Corporate Services

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



## 02) QUARTERLY BUDGET REVIEW STATEMENT – 31<sup>ST</sup> DECEMBER 2016 (FM.FR.1)

(Raelene Mulligan)

### RECOMMENDATION:

1. That the budget review statement for the quarter ended 31<sup>st</sup> December 2016 be accepted, and the variations therein be adopted.

### REPORT

The Quarterly Budget Review Statement (QBR) for the period ended 31<sup>st</sup> December 2016 is submitted for examination by Council (refer to Attachment).

It is estimated that there will be a slight decrease in the surplus as estimated in the September 2016 budget review, from \$208,486 to \$161,486.

There are four variations to the operating budget recommended. These variations are listed on page 4 of the QBR and are recommended to allow for the estimated decrease in the operating surplus.

There is one change to the capital budget at this stage.

### Water Sales

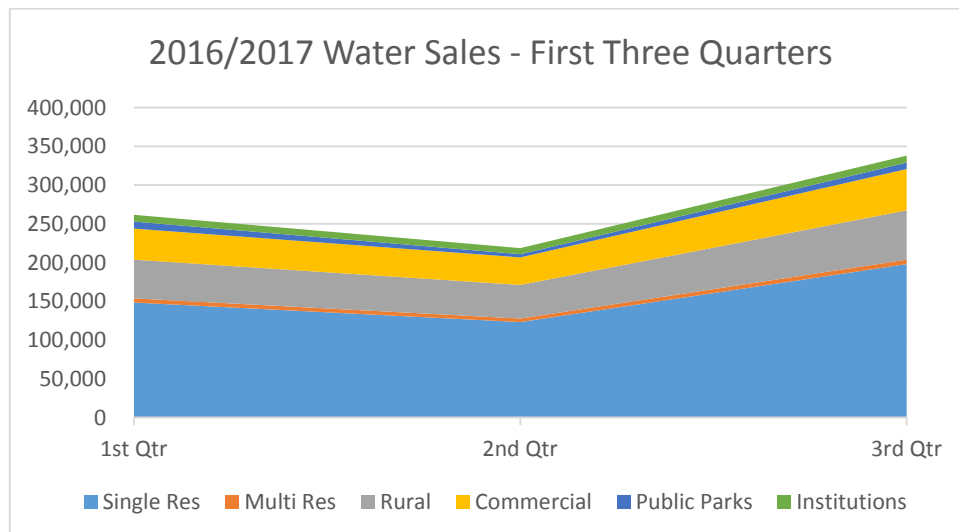
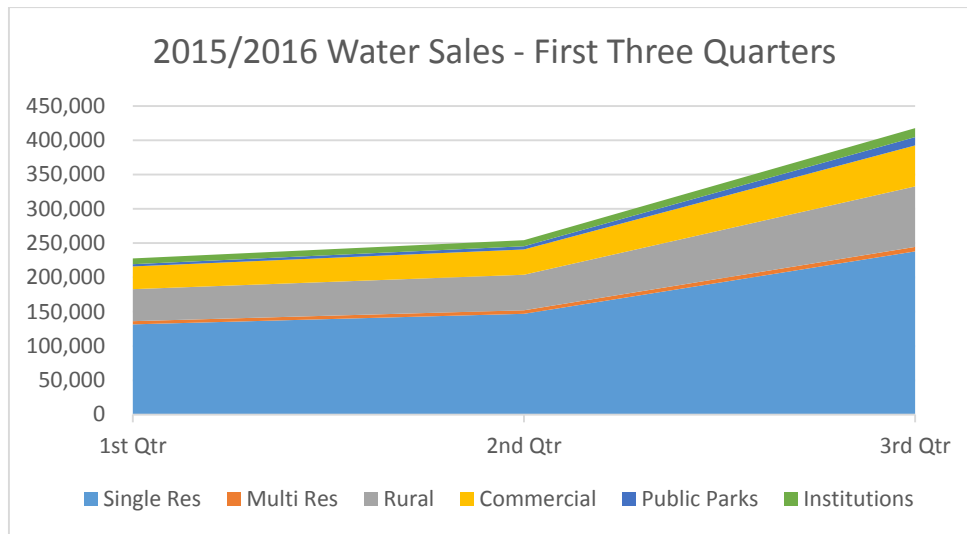
Third quarter water meter readings were completed on 25<sup>th</sup> January 2017. Water consumption data for residential, rural and commercial customers confirms a 9.8% decrease in water sales for the first three quarters of 2016/2017, compared to 2015/2016. Residential and rural consumption is lower than expected for the year.

Industrial water sales have increased slightly against budgeted forecasts, with an increase of \$15,000 recommended in the quarterly budget review.

2015/2016 (kl)							
	Single Res	Multi Res	Rural	Commercial	Public Parks	Institutions	Total
1 <sup>st</sup> Qtr	131,672	4,707	46,576	32,979	3,244	8,463	227,641
2 <sup>nd</sup> Qtr	147,160	4,969	51,713	37,027	4,848	8,511	254,228
3 <sup>rd</sup> Qtr	237,792	6,788	88,293	59,664	12,050	13,015	417,602
<b>Total</b>	<b>516,624</b>	<b>16,464</b>	<b>186,582</b>	<b>129,670</b>	<b>20,142</b>	<b>29,989</b>	<b>899,471</b>

2016/2017 (kl)							
	Single Res	Multi Res	Rural	Commercial	Public Parks	Institutions	Total
1 <sup>st</sup> Qtr	148,688	5,359	49,768	40,266	9,049	8,782	261,912
2 <sup>nd</sup> Qtr	123,135	4,832	43,298	35,565	4,081	7,763	218,674
3 <sup>rd</sup> Qtr	198,268	5,776	63,459	53,223	8,399	8,870	337,995
<b>Total</b>	<b>470,091</b>	<b>15,967</b>	<b>156,525</b>	<b>129,054</b>	<b>21,529</b>	<b>25,415</b>	<b>818,581</b>

1<sup>st</sup> Quarter May/July  
 2<sup>nd</sup> Quarter August/October  
 3<sup>rd</sup> Quarter November/January



The third quarter from November 2016 to January 2017 saw relatively wet conditions in the district during the first month, tending to hot and dry conditions at the end of December 2016 and January 2017. It is anticipated that the hot conditions will continue for the next few months, increasing overall consumption in line with the budgeted forecast.

As such, water sales income has not been reduced this quarter, and will be revised as part of the March 2017 budget review.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Quarterly Budget Review Statement - December 2016 7 Pages

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

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Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

**Report by Responsible Accounting Officer**

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 31/12/16 indicates that Council's projected financial position at 30/6/17 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: 

Date: 1st February 2017

Raelene Mulligan  
Responsible Accounting Officer

## Budget Review Statement as at 31st December 2016

Council's Revised Income and Expenditure for the year 2016/2017

<b>Original Budget</b>			
<b>Operating Revenue</b>			
1,219,967	Availability Charges	1,219,967	
4,048,734	Water Charges	4,063,734	
173,000	Interest	173,000	
63,798	Other Revenues	163,798	
55,777	Grants & Subsidies	55,777	
138,675	Developer and Capital Contributions	138,675	
80,000	Gains on Disposal of Assets	80,000	
<b>5,779,951</b>			<b>5,894,951</b>
<b>Operating Expenses</b>			
1,794,427	Employee Costs	1,813,427	
171,560	Borrowing Costs	171,560	
887,823	Materials & Contracts	927,823	
8,000	Legal Costs	8,000	
25,000	Consultants	45,000	
830,750	Other Expenses	854,750	
0	Loss on Sale of Assets	0	
1,912,903	Depreciation - System Assets	1,912,903	
<b>5,630,465</b>			<b>5,733,465</b>
<b>149,486</b>	<b>Operating Result for Period</b>	<b>Surplus/(Deficit)</b>	<b>161,486</b>
<b>Less Non-Operating Expenditure</b>			
4,780,679	Aquisitions of Assets	4,780,679	
409,096	Repayment of Loans	409,096	
138,675	Transfer to Reserves - S64 Developer Charges	138,675	
579,934	Transfer to Reserves - Renewal Reserves	579,934	
178,660	Water Pricing Increase @ 5%	178,660	
820,340	Estimated Budget Surplus/(Deficit)	<b>832,340</b>	
101,531	Transfer to Reserves - Plant	101,531	
60,180	Transfer to Reserves - DA	60,180	
<b>7,069,095</b>		<b>1,891,320</b>	<b>7,081,095</b>
<b>(6,919,609)</b>			<b>(6,919,609)</b>
<b>Add Non-Operating Revenue</b>			
299,000	Book Value of Assets Sold	299,000	
-	Loan Funds	-	
45,000	Transfer from Reserves - Plant	45,000	
226,027	Transfer from Reserves - ELE	226,027	
4,436,679	Transfer from Reserves - Renewals	4,436,679	
<b>5,006,706</b>		<b>5,006,706</b>	<b>5,006,706</b>
<b>(1,912,903)</b>			<b>(1,912,903)</b>
<b>Add Expenses not Involving Flow of Funds</b>			
1,912,903	Depreciation	1,912,903	
<b>\$ 0</b>	<b>Budget Result Surplus/(Deficit)</b>		<b>\$ 0</b>

**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

**Central Tablelands Water**  
**Income & Expenses Budget Review Statement**

Budget review for the quarter ended 31 December 2016  
**Income & Expenses - Water Fund**

	Original Budget 2016/17	Approved Changes		Revised Budget 2016/17	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than QBRs	Sep QBRs					
<b>Income</b>								
Rates and Annual Charges	1,219,967			1,219,967			1,219,967	611,244
User Charges and Fees	4,048,734			4,048,734	15,000	1(a)	4,063,734	1,583,864
Interest and Investment Revenues	173,000			173,000			173,000	56,312
Other Revenues	63,798		100,000	163,798			163,798	156,794
Grants & Contributions - Operating	55,777			55,777			55,777	27,921
Grants & Contributions - Capital	138,675			138,675			138,675	54,896
Net gain from disposal of assets	80,000			80,000			80,000	7,094
Share of interests in Joint Ventures								
<b>Total Income from Continuing Operations</b>	<b>5,779,951</b>	<b>-</b>	<b>100,000</b>	<b>5,879,951</b>	<b>15,000</b>		<b>5,894,951</b>	<b>2,498,125</b>
<b>Expenses</b>								
Employee Costs	1,794,427			1,811,427	2,000	2(b)	1,813,427	929,747
Borrowing Costs	171,560		17,000	171,560			171,560	89,828
Materials & Contracts	887,823			887,823	40,000	2(c)	927,823	425,447
Depreciation	1,912,903			1,912,903			1,912,903	963,708
Legal Costs	8,000			8,000			8,000	-
Consultants	25,000		20,000	45,000			45,000	9,733
Other Expenses	830,750		4,000	834,750	20,000	2(d)	854,750	360,491
Interest & Investment Losses	0			-			-	-
Net Loss from disposal of assets								
<b>Total Expenses from Continuing Operations</b>	<b>5,630,465</b>	<b>-</b>	<b>41,000</b>	<b>5,671,465</b>	<b>62,000</b>		<b>5,733,465</b>	<b>2,778,953</b>
<b>Net Operating Result from Continuing Operations</b>	<b>149,486</b>	<b>-</b>	<b>59,000</b>	<b>208,486</b>	<b>(47,000)</b>		<b>161,486</b>	<b>(280,828)</b>
Discontinued Operations								
<b>Net Operating Result from All Operations</b>	<b>149,486</b>	<b>-</b>	<b>59,000</b>	<b>208,486</b>	<b>(47,000)</b>		<b>161,486</b>	<b>(280,828)</b>
<b>Net Operating Result before Capital Items</b>	<b>10,811</b>	<b>-</b>	<b>59,000</b>	<b>69,811</b>	<b>(47,000)</b>		<b>22,811</b>	<b>(335,724)</b>

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 31/12/2016 and should be read in conjunction with the total QBRs report

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

**Income & Expenses Budget Review Statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

**Notes Details**

1(a)	Movements in water sales: \$15,000 increase in industrial water sales (other).
2(b)	Employee costs are expected to increase (\$2,000), relating to increased travel expenditure
2(c)	Overall movements in Materials and Contracts Expenditure: 1) A decrease in Meter Reading expenditure (\$60,000) due to reduced meter and service replacements for the year. 2) An increase in Trunk Main expenditure, attributed to main breaks along Trunk Main 'C' (\$40,000) 3) Increase Reservoir Expenditure, relating to mesh installation program (\$40,000). 4) Increase in Telemetry maintenance expenditure (\$20,000).
2(d)	An additional \$20,000 is required for WBC Alliance expenditure, relating to the agreed increased share of costs for this financial year, after the withdrawal of Wellington from the Alliance.



**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

**Central Tablelands Water**  
**Capital Budget Review Statement**

Budget review for the quarter ended 31 December 2016  
**Capital Budget - Water Fund**

	Original Budget 2016/17	Approved Changes		Revised Budget 2016/17	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRs	Sep QBRs					
<b>Capital Expenditure</b>								
New Assets								
- Plant & Equipment	344,000			344,000			344,000	152,643
- Land & Buildings								
- Office Equipment	5,000			5,000			5,000	
Renewal Assets (Replacement)								
- Plant & Equipment								
- Land & Buildings	10,000			10,000			10,000	13,035
- Water Supply Network								
Trunk Main 'K' Relocation	3,027,530			3,027,530			3,027,530	477,279
Pump replacements	46,350			46,350			46,350	750
Rural Scheme Replacement	17,801			17,801			17,801	
Trunk Main 'P' Crossing	8,999			8,999			8,999	
CTW/OCC Pipeline Project	1,196,000			1,196,000	(738,824)	3(e)	457,176	43,133
Blayney Filtration Plant Office & Amenities Building	125,000			125,000			125,000	201,450
- Land & Buildings								
Loan Repayments (Principal)	409,096			409,096			409,096	200,501
<b>Total Capital Expenditure</b>	<b>5,189,776</b>			<b>5,189,776</b>	<b>(738,824)</b>		<b>4,450,952</b>	<b>1,088,789</b>
<b>Capital Funding</b>								
User Fees & Charges Funding	409,096			409,096			409,096	
Capital Grants & Contributions								
Reserves								
- External Restrictions/Reserves								
- Internal Restrictions/Reserves	4,436,680			4,436,680	(738,824)	3(e)	3,697,856	1,001,240
New Loans								
Receipts from Sale of Assets								
- Plant & Equipment	344,000			344,000			344,000	87,549
- Land & Buildings								
<b>Total Capital Funding</b>	<b>5,189,776</b>			<b>5,189,776</b>	<b>(738,824)</b>		<b>4,450,952</b>	<b>1,088,789</b>
<b>Net Capital Funding</b>	<b>(0)</b>			<b>(0)</b>	<b>-</b>		<b>(0)</b>	<b>(0)</b>

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 31/12/2016 and should be read in conjunction with the total QBRs report

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/16 to 31/12/16

**Capital Budget Review Statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

**Notes Details**

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3(e) Orange Pipeline project cashflow for the 16/17 financial year will be \$457,176.28. Balance of budget to be carried over to 17/18 financial year.



**03) AUDIT COMMITTEE - ANNUAL REPORT 2015/2016 AND NOVEMBER 2016 MEETING MINUTES**

(Raelene Mulligan)

**RECOMMENDATION:**

1. That Council receive and note the Audit Committee Annual Report 2015/2016 and the November 2016 Audit Committee Meeting Minutes.

**REPORT**

The Audit Committee Charter adopted by Council requires that the Committee report at least annually on its activities. The Audit Committee Annual Report covers the period 1 June 2015 to 31 December 2016. The report provides a background to the establishment of the Audit Committee, its membership, operation during the period and areas for development in the year to come. This report is based on the annual reporting format suggested by the 2011 Victorian Local Government publication *Audit Committees - A Guide to Good Practice for Local Government*. Prior to its presentation to Council the report was reviewed and endorsed by the members of the Audit Committee.

A copy of the Audit Committee Annual Report 2015/2016 and the November 2016 Audit Committee Meeting Minutes are attached.

**ATTACHMENTS**

- 1 Audit Committee Minutes – November 2016 3 Pages
- 2 Audit Committee Annual Report 2015-2016 5 Pages

**Minutes of the Audit Committee Meeting of Central Tablelands Water Held at  
Blayney Community Centre on Wednesday 30<sup>th</sup> November 2016,  
commencing at 11.00am**

**PRESENT:** Mr Steve Kent (Chair - Independent Member - voting)  
Cr David Somerville (Councillor)

Gavin Rhodes (General Manager - Observer)  
Raelene Mulligan (Director Finance & Corporate Services -  
Secretariat)

**1. Welcome**

The Chair of the Committee Mr Steve Kent welcomed all attendees to the meeting which commenced at 11.00am.

**2. Apologies for non-attendance**

One apology for non-attendance was received from Mr Phillip Burgett (Independent Member). Mr Burgett's non-attendance apology was accepted by the committee.

**3. Declarations of any Conflicts of Interest**

Mr Steve Kent declared that he was recently appointed to the Canterbury Bankstown Council audit committee as a member.

**4. Confirmation of Minutes – Audit Committee Meeting 17<sup>th</sup> February 2016**

The Minutes of the Audit Committee Meeting of Central Tablelands Water (CTW), held on 17<sup>th</sup> February 2016 were confirmed by the Audit Committee.

**5. Results of council elections, including any changes to the committee**

The General Manager updated the Audit Committee on the results of the recent Council elections, advising that Cr David Somerville and Cr. Kevin Walker were both re-elected unopposed as Chairman and Deputy Chairman respectively.

The general manager advised the committee that Central Tablelands Water has two new elected representatives from Weddin Shire Council, namely Cr. Paul Best and Cr. Craig Bembrick.

**6. Audit Committee Annual Report**

The Chair advised that an annual report will be presented to the next audit committee meeting in February 2017.

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This is Page No. 1 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 30<sup>th</sup> November 2016.

**7. External auditors interim management letter and status of recommendations**

A copy of Council's external interim audit management letter dated 10<sup>th</sup> June 2016 issued by Intentus Chartered Accounts was presented to the Audit Committee. The interim audit management letter stated the following, "*Generally, our audit confirmed that the financial management procedures and systems have been controlled effectively in a manner relevant to Council's structure and resources.*"

Four internal control matters were revealed during the interim audit as outlined in the audit memorandum, with the Director Finance and Corporate Services confirming that control measures were now in place for all four matters.

**8. Annual Financial Statements 2015/2016 including audit reports**

The committee received and noted the 2015/2016 annual financial statements, noting that the statements had been signed off by Council's auditors. The management representation letter is to be tabled at the audit committee meeting in February 2017.

**9. IT services agreement and service level agreement with Fourier Technologies**

The IT Services agreement and service level agreement with Council's new IT provider Fourier Technologies was provided to the committee for information and notation.

The General Manager confirmed that all IT services have now been transferred over to the new provider, and that he was satisfied with the level of service being provided thus far.

**10. Draft Business Continuity Plan and report from Donna Galvin WBC Alliance Executive Manager**

A draft Business Continuity Plan (BCP) was provided to the committee for discussion, with the General Manager advising that Donna Galvin (WBC Alliance Executive Manager) was assisting with the creation of the BCP.

The committee discussed the importance of testing the BCP once it had been completed, which will assist in the identification of any gaps in the plan, and allow for further business improvement process opportunities to be implemented. The Director Finance & Corporate Services advised that the BCP would be finalised by the February 2017 meeting.

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This is Page No. 2 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 30<sup>th</sup> November 2016.

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Audit Committee Meeting – 30<sup>th</sup> November 2016

Page 3

**11. Audit Plan 2016/2017**

The Chair recommended that the General Manager and Director Finance & Corporate Services reassess the newly formed risk register, outlining major risk areas to include in the audit plan for 2016/2017. The items will be presented to the committee meeting in February 2017, with the intention of an internal audit taking place in March 2017.

**12. Next meeting – Blayney – 15<sup>th</sup> February 2017**

There being no further business, the Chair of the Audit Committee declared the meeting closed at 12.00pm.

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This is Page No. 3 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 30<sup>th</sup> November 2016.



## Central Tablelands Water - Audit Committee

### Annual Report 2015-2016

Report dated January, 2017 from the Chairperson, Central Tablelands Water Audit Committee on the operations of the Audit Committee for the period 1 June 2015 to 31 December, 2016, as required under the Council's Audit Committee Charter.

#### Purpose of Report

The Audit Committee Charter adopted by Council requires that the Committee report at least annually on its activities. This report covers the period 1 June 2015 to 31 December 2016, which represents 18 months' operation of the Audit Committee. The report provides background to the Audit Committee's membership, operations during the period and areas for development in the year to come. This report is based on the previous report's annual reporting format suggested by the 2011 Victorian Local Government publication *Audit Committees - A Guide to Good Practice for Local Government*. Prior to its presentation to Council, the report was reviewed and endorsed by the Members of the Audit Committee.

#### Background / Introduction

Central Tablelands Water's Audit Committee has been in operation for over 5 years, having held its inaugural meeting on 28 September 2011. Since then, the Committee has held regular meetings in accordance with its Charter that is based on guidelines issued by the Department of Premier & Cabinet, Division of Local Government in October 2008 and revised in 2010. The Audit Committee Charter is complemented by an Internal Audit Charter. The Audit Committee Charter sets out the roles and responsibilities of the Committee, its authority, membership and the tenure of its members, the operation of its meetings, how decisions are made and its reporting responsibilities. It is reviewed, and amended as necessary on an annual basis.

Membership of the Audit Committee comprises one Councillor and two Independent Members. The Independent Members of the Committee were selected following a request for interest process conducted by the WBC Alliance. To improve communication, co-ordination and co-operation across the three Councils of Blayney, Cabonne and Central Tablelands Water, the two Independent Audit Committee Members were appointed to all three Council Audit Committees.

There have been no changes in the Committee's Independent Members during the period covered by this Report.

*Central Tablelands Water Audit Committee Annual Report 2015-2016*

A list of Committee meeting dates and attendances by Committee members is set out in Table below.

**Audit Committee Membership**

The Committee is currently comprised of the following members:

*Independent members (voting):*

- Mr Steve Kent (Current Chairperson) and
- Mr Phil Burgett

*Councillor members (voting):*

Councillor David Somerville

Mr Steve Kent is an experienced internal audit, risk management and consulting professional with considerable local and state government internal audit experience. He currently works as a Risk Advisory Principal for BDO.

Mr Phil Burgett is a highly experienced professional accountant and external auditor with considerable experience in local government. He retired approximately five years ago, after a lengthy career as a Partner with the Bathurst based professional accounting firm; Morse Group.

During the period, the Audit Committee was attended by and received support from:

- Mr Gavin Rhodes, General Manager and,
- Mrs Raelene Mulligan, Director Finance & Corporate Services

The Committee would like to acknowledge the support provided by Gavin Rhodes and Raelene Mulligan.

**Meetings of the Committee**

The Table below sets out the meetings of the Committee held during the reporting period and the attendance of Committee Members at these meetings.

Meeting Date	Mr Steve Kent	Mr Phil Burgett	Councillor David Somerville
22 / 7 / 2015	✓	✓	✓
22 / 10 / 2015	✓	✓	✓
17 / 2 / 2016	✓	✓	✓
30 / 11 / 2016	✓	X	✓



### Role of the Committee

As highlighted in the previous report, the role of the Audit Committee can be summarised as being to oversight risk, compliance, external accountability and internal control in Council. It does this by:

- examining and commenting on Council's risk management framework and practices;
- reviewing internal control mechanisms;
- reviewing financial reporting and controls in Council including meeting with Council's external auditors;
- monitoring legislative compliance including compliance with policies and guidelines issued by the Office of Local Government; and
- supporting an active program of internal audit by authorising an annual and strategic internal audit program, as well as overseeing progress with the implementation of the recommendations of completed internal audit reports.

### Achievements During the Reporting Period

The latest period of operation of the Audit Committee has been characterised by a number of key activities. These are separately commented on below:

#### Internal Audit

Council's last strategic three year internal audit plan expired on 30 June 2015. During the period covered by this report, no internal audits have been undertaken. This is explained by CTW Management placing greater priority on the development of a comprehensive Risk Management Framework (RMF) and Business Continuity Plan. These projects have now been completed.

It was also agreed that once completed, the RMF was to be used to inform the development of a new three year Strategic Internal Audit Plan from 1 July 2017. It has been agreed that this will take place prior to 30 June 2017.

#### Risk Management

The Committee has continued to promote the need for an RMF to assist Council's' decision making, risk mitigation and identifying areas for possible review / internal audit.

This has included the development of:

- An RMF document;
- Risk Management Policy;
- Risk Management Plan;
- Risk Register; and
- Risk Appetite Statement.

In addition, a joint WHS and Risk Management Committee will be formed to oversee the above.

This particular area will continue to be closely monitored by the Committee, with regular updates provided by Management.

#### External Audit Management Letters / Annual Financial Statements

During the period under review, the Audit Committee has considered the external auditor's management letters for 2015 and 2016 and Council management's responses. The Committee noted that there were no significant findings in the letters and decided it was not necessary to formally meet with Council's external auditor. A meeting with the external auditor will be reconsidered for 2017.

In addition, the 2015 and 2016 Annual Financial Statements for Council were considered by the Committee.

#### Status of Internal Audit Report Recommendations

The status of past internal audit report recommendations have been considered at each meeting, with satisfaction being expressed at the progress in implementation. The major items outstanding related to IT services. These matters have now been resolved by IT services being transferred from Blayney Shire Council to Fourier Technologies.

#### Audit Committee Charter

The Audit Committee Charter was not reviewed and amended during the year. However, the Charter will be reviewed and updated in 2016/17 to ensure full compliance with the recent NSW Local Government transitional auditing requirements with the NSW Audit Office.

#### Future Directions

The Audit Committee is well established and looking to making a future contribution in the following areas:

- Assisting with the development of a new Strategic / annual Internal Audit Plan and monitor its implementation and completion in accordance with agreed timetables;
- Providing ongoing support and guidance to Management in respect of fine tuning RMF documentation and application;
- Supporting Council during the foreshadowed change in external auditor to the NSW Audit Office;
- Continuing to encourage the exchange of relevant risk and audit information between the member Councils of the Alliance;
- Seeking to maintain and improve the timely flow of information from Council to the Committee. During the year, the information and explanations provided by Council have proven quite useful;
- Maintaining a watching brief over the possible implications to Council (and the WBC Alliance) structures / operations in regard to Council mergers; and

- Reviewing the Audit Committee Charter on a periodic basis. This will need to include the foreshadowed changes to the LG Act in regard to the Committee's name and functions.

**Recommendation:** That Council receive and note this report.

Steve Kent

**Chairperson Central Tablelands Water Audit Committee**

**04) WEDDIN SHIRE COUNCIL – EQUAL REPRESENTATION FOR CENTRAL TABLELANDS WATER (CM.ES.4)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

With respect to the Minister for Local Government's in principle support to merge Blayney Shire, Cabonne and Orange City Councils, at its meeting on 15 December 2016, Weddin Shire Council resolved as follows:

*“That Council seek assurance from the Minister for Local Government the Hon Paul Toole MP that in the event of the amalgamation of Orange, Blayney and Cabonne Councils, Central Tablelands Water (CTW) retains equal voting representation for the newly formed Council and Weddin Shire Council.”*

Councillors will recall that CTW also resolved at its October 2016 meeting to make representation to the Minister for Local Government to ensure that the constitution of CTW continues to provide that each constituent Council continues to have an equal number of votes, including any period of administration. To date a response has not been received from the Minister's Office.

The General Manager has been advised by Weddin Shire Council that if the proposed merger was to proceed, there are concerns that the future governance structure of CTW had the potential to be unequal, resulting in the possibility of decisions being made in favour of a newly formed larger entity.

Notwithstanding the above concerns, the proposed merger now seems unlikely to occur in light of the recent NSW State Government Cabinet reshuffle, together with the NSW National Party Leader and Deputy NSW Premier John Barilaro MP, publicly announcing that, *“his first course of business with the new Leader of the Liberal Party (Premier), is to stop any pending or further amalgamations in regional areas.”*

Ultimately it will be the NSW State Government Cabinet that decides whether or not the proposed council merger will proceed. In the meantime, Central Tablelands Water will continue with business as usual in providing a quality water supply to its consumers.

A copy of the equal representation letter from Weddin Shire Council to the Minister for Local Government is attached to this report.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Letter from Weddin Shire Council to Minister for Local Government 1 Page



To Avoid Delay when  
Replying or Telephoning

Please Quote:

Your Ref:

## WEDDIN SHIRE COUNCIL

All Correspondence to be addressed to:  
The General Manager  
Camp Street or P.O. Box 125  
GRENFELL NSW 2810

Tel: (02) 6343 1212  
Fax: (02) 6343 1203  
Email: [mail@weddin.nsw.gov.au](mailto:mail@weddin.nsw.gov.au)  
Website: [www.weddin.nsw.gov.au](http://www.weddin.nsw.gov.au)  
A.B.N. 73 810 323 201

ML:GB:C2.10.9

4 January 2017

The Hon Paul Toole MP  
Minister for Local Government  
GPO Box 5341  
SYDNEY NSW 2001

Dear Minister,

**REFERENCE: CENTRAL TABLELANDS WATER COUNTY COUNCIL – EQUAL REPRESENTATION**

Council at its December 2016 meeting resolved as follows:-

*“that Council seek assurance from the Minister for Local Government the Hon Paul Toole MP, that in the event of the amalgamation of Orange, Blayney and Cabonne Councils, Central Tablelands Water (CTW) retains equal voting representation for the newly formed Council and Weddin Shire Council.”*

This will ensure that the views brought forward will be balanced and representatives from a single Council are unable to set priorities for the County Council. If the representation is unequal this could potentially see water restrictions imposed on Weddin Shire consumers and water being re-directed to a larger regional centre which would be disastrous for our Shire businesses and residents.

It would be appreciated that in the event of the abovementioned proposal occurring, any proclamation specifies that each constituent Council be given an equal number of representatives on the new governing body.

If you would like to discuss the above please do not hesitate to contact the undersigned.

Yours faithfully

MARK LIEBICH  
MAYOR

**05) MEETING WITH FEDERAL MEMBER FOR CALARE MR ANDREW GEE MP (GO.AM.1)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

The Chairman, General Manager and Mayor of Blayney Shire Council met with Mr Andrew Gee MP, the Federal Member for Calare on 24 January 2017 at the Central Tablelands Water (CTW) Administration Office in Blayney.

The main objective of the meeting was to provide Mr Gee with an overview of CTW's major capital works projects currently underway and the operations of CTW's water supply network, emphasising the importance of CTW being essential to the water security of the Central Western Region.

The meeting was both positive and beneficial with Mr Gee expressing his appreciation of the update via social media.



Pictured (L/R) Cr Scott Ferguson (Mayor - Blayney Shire Council), Mr Andrew Gee MP (Member for Calare), Cr David Somerville (CTW Chairman) and Gavin Rhodes (CTW General Manager).

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



**06) DEPARTMENT OF PRIMARY INDUSTRIES WATER - LACHLAN WATER RESOURCE PLAN (GR.LR.2)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

Following a report to the December 2016 Council Meeting regarding the Department of Primary Industries Water – Lachlan Water Resource Plan, Council resolved as follows:

*“That Council endorse the General Manager in consultation with Senior Management to review the DPI Lachlan Water Resource Plan Surface Water Status and Issues Paper and provide a submission to DPI Water as necessary.”*

In consultation with the Chairman and Senior Management, a submission on the *Lachlan Water Resource Plan – Surface Water Status and Issues Paper* was developed and submitted to DPI Water on 20 January 2017.

As CTW’s major water source is Lake Rowlands, which is situated on the Coombing Rivulet, a tributary of the Belubula River, the submission focussed on the issues relating to the Lachlan catchment, local water utilities (LWUs) entitlements and water quality.

In summary, CTW’s submission requested that, the Lachlan Water Resource Plan continued with LWUs having the highest priority to accessing water; investigating further the criticality of water security by ensuring sufficient water is set aside in storages to provide supply; equal representation of stakeholders on the Stakeholder Advisory Panel (including local government representation); and that water quality and protection of drinking water catchment areas continues to be of high importance.

A copy of CTW’s submission on the *Lachlan Water Resource Plan – Surface Water Status and Issues Paper* is provided as an attachment to this report.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 CTW – Lachlan Water Resource Plan submission

3 Pages



## Central Tablelands *Water*

Our Reference: GO.AM.1

Contact: Gavin Rhodes

20 January 2017

Ms Nicky Smith  
 Acting Team Leader – Rural Water Planning (South)  
 Department of Primary Industries - Water  
 Locked Bag 5123  
 Parramatta NSW 2124  
 By email: [Lachlan.sw.wrp@dpi.nsw.gov.au](mailto:Lachlan.sw.wrp@dpi.nsw.gov.au)

Dear Ms Smith,

### **LACHLAN WATER RESOURCE PLAN SURFACE WATER STATUS AND ISSUES PAPER**

Central Tablelands Water County Council makes the following submission in relation to the Lachlan Water Resource Plan (WRP) – Surface Water Status and Issues Paper.

#### **1. Background: Central Tablelands Water**

Central Tablelands Water County Council (CTW) is a water supply authority constituted under the *Local Government Act 1993*. CTW currently supplies water to around 14,000 customers in 14 towns and villages in the shires of Blayney, Cabonne, Weddin and Cowra, and to individual customers also in the Shires of Forbes and Bland.

Because of its central position in the water supply network for the central west, with its major water source (Lake Rowlands) high in the Lachlan catchment, and water security for the central west being assessed on a regional basis, CTW is an important independent water supply authority.

#### **2. CTW's submission**

At its Council meeting on 14 December 2016, CTW resolved to make a submission in relation to the *Lachlan Water Resource Plan Surface Water Status and Issues Paper*. As CTW's major water source is Lake Rowlands, which is situated on the Coombing Rivulet, a tributary of the Belubula River, the focus of this submission will be on the issues relating to the Lachlan catchment, local water utilities (LWUs) entitlements and water quality.

##### **a) Water for towns and essential human needs**

As water is essential for human survival, agricultural production and future growth, CTW fully supports towns having and maintaining a '**higher priority access to water.**'

Water security for the region's urban centres including the need for a new storage in the Lachlan catchment is one of the highest priorities for Central NSW with long term water security vital to meeting community needs and underpin confidence for

Phone: 02 6391 7200 Fax: 02 6368 2451 Email: [water@ctw.nsw.gov.au](mailto:water@ctw.nsw.gov.au) Web: [www.ctw.nsw.gov.au](http://www.ctw.nsw.gov.au)  
 30 Church Street P.O. Box 61 BLAYNEY NSW 2799  
 Central Tablelands County Council T/A Central Tablelands Water ABN: 43 721 523 632



continued investment and growth in the region. Water for urban use is crucial for the sustainability of the region's towns. The Cranky Rock Dam proposal would provide a solution to the severe water security issue facing the Central Tablelands and Central West of NSW and provide far better options for the region, including urban water, irrigation, mining and flood mitigation for the Belubula Valley. It would also take the pressure off the Lachlan River during times of serious drought.

**b) Water Quality**

As a highly reputable water supply authority, CTW completely understands the significant importance of excellent water quality. CTW strongly advocates for the continued and increased environmental protections of drinking water catchment areas for our valuable water supply.

CTW supports co-operative natural resource management between community and government in mitigating some of the poor water quality risks and reducing water quality degradation.

**c) Belubula and Lachlan Regulated Systems**

CTW would welcome the opportunity to have local government representation on the Stakeholder Advisory Panel (SAP) to discuss issues and options relating to the Belubula and Lachlan Regulated Systems. This would enable equal representation from all stakeholders.

**d) WRP Economic, Social and Cultural – Draft objectives and strategies**

As a LWU, CTW agrees with the WRP's draft economic, social and cultural targeted objectives of; ensuring sufficient water is available to local water utilities in the regulated and unregulated river systems; and minimising water quality risks from raw water taken for treatment for human consumption including the risk of the odour of drinking water being offensive to consumers, and maintain the palatability rating of the water. As per the draft targeted objectives, the draft proposed strategies are also concurred with by CTW being; provide for growth in LWU entitlement and licences where necessary; ensure sufficient water is set aside in storage to provide supply; ensure priority is given to maintaining town water supply needs; and continue to implement Drinking Water Management Systems as required by water suppliers operating licences.

In summary, CTW therefore requests that, the Lachlan WRP continues with LWUs having the highest priority to accessing water; investigating further the criticality of water security by ensuring sufficient water is set aside in storages to provide supply; equal representation of stakeholders on the SAP (including local government representation); and that water quality and protection of drinking water catchment areas continues to be of high importance.

Thank you for the opportunity of making this submission.



If any further information is required or you would like to discuss any aspect of this submission prior to finalising the Lachlan WRP, please contact CTW's general manager, Gavin Rhodes on (02) 63691 7200.

Yours sincerely

A handwritten signature in black ink that reads "David Somerville".

David Somerville  
Chairman

**07) LACHLAN VALLEY WATER SECURITY PROJECT PHASE 2-  
INVESTIGATION UPDATE (GR.SL.2)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

WaterNSW issued a project bulletin on the progress of the Lachlan Valley Water Security Project on 11 January 2017. This update focusses on Phase 2 of the project.

The project bulletin includes the following:

- a project overview;
- an indicative project timeline;
- the announcement of the contractor appointed to undertake the Cost Benefit Analysis; and
- information on how you can get involved and the proposed community information and engagement opportunities that will take place throughout Phase 2.

WaterNSW will be sending these project bulletins out regularly over the course of this project to keep stakeholders informed and updated on Phase 2 of the Lachlan Valley Water Security Project.

The WaterNSW project bulletin regarding Phase 2 of the Lachlan Valley Water Security Project is attached for information.

**BUDGET IMPLICATIONS**

NIL

**POLICY IMPLICATIONS**

NIL

**Attachments**

- 1 Water NSW Lachlan Valley Water Security Project Bulletin 3 Pages



# Project Bulletin

## Lachlan Valley Water Security Project

### Phase Two

Water security has historically been a challenge in the Lachlan Valley and is limiting economic growth for the region. The valley has been subject to severe town water restrictions, long periods of little or no general security agricultural water availability and restricted high security water.

#### Project overview

##### Phase 1

Phase 1 of the Lachlan Valley Water Security project was undertaken by WaterNSW in 2014. This project aims to identify a preferred option to improve water security within the Lachlan Valley region.

This first phase identified a range of different options for improving regional water security including the construction of a new dam at various sites and upgrade of existing dams.

Key recommendations from this phase included:

- progress with field investigations for a new dam in the area near Cranky Rock. Investigations should focus on potential foundation and storage integrity risks
- undertake a cost-benefit analysis to determine the economic value of the investments in water security improvement in the region.

##### Phase 2

WaterNSW recently announced that it had engaged GHD as its strategic partner to assist in delivering Phase 2 of the Lachlan Valley Water Security Project.

Phase 2 of the project will include the following activities:

- establish need, service levels, and review of various build and non-build options including those from Phase 1, to develop a shortlist of options for further assessment
- carry out field investigations at sites near Cranky Rock to assess major risks
- preparation of a preliminary business case including detailed cost-benefit analysis
- stakeholder consultation to inform the development of the preliminary business case.

If approved to proceed then preparation of a final business

case will be undertaken to seek funding for the preferred option.

Phase 2 will involve an assessment of a range of issues; including social, economic and environmental factors, in order to determine a preferred option for inclusion in the final business case.

Consultation will be undertaken with the community and other key stakeholders during this stage of the project to assist in assessing the feasibility of options.

##### Field investigations

Over the coming months WaterNSW and GHD will undertake a range of field investigations to assess the feasibility of a dam in the Cranky Rock area.

A new dam is just one of a range of water security initiatives being assessed.



# Project Bulletin

Preliminary site surveys at Cranky Rock are already underway. Information collected from this preliminary process will be used to determine locations where further environmental and geotechnical investigations will occur. These preliminary site investigations are scheduled to occur between March and May 2017.

WaterNSW and GHD will work closely with landowners in the investigation areas to keep them informed of any upcoming field work and will minimise disruptions to any farming or property operations.

### **Cost Benefit Analysis Study**

As part of these Phase Two Investigations, a Cost Benefit Analysis (CBA) study will be undertaken. The CBA will be an important component of the Preliminary Business Case and is a tool that supports evidence-based policymaking. In the case of the Lachlan Valley Water Security project the CBA will compare the forecast costs with the forecast benefits for various options and to determine which option offers superior value for

the money. The CBA will assist selection of projects or package of projects which maximise the benefits to the community relative to cost, or which are the most cost effective.

Following a competitive tendering process in December 2016, WaterNSW is pleased to announce that the Balmoral Group has been awarded the contract for the Cost Benefit Analysis study.

The Balmoral Group will work closely with WaterNSW and our strategic partner GHD, to complete this important piece of work that will be integral to the completion of the Preliminary Business Case due to Treasury by September 2017.

Over the coming weeks we will be able to provide more information on the progress of the project including Cost Benefit Analysis study. Information via the project website page, and this newsletter, will provide information on how interested stakeholders and community members can take part in this process.

### **How you can get involved**

Opportunities for being kept up to date and for providing input to the development of the preliminary business case will occur throughout 2017. Below is an overview of proposed activities.

#### **Project Updates**

We will provide regular updates over the course of the project via email and on the WaterNSW website. Please contact us to join the project mailing list.

[belubulastudy@waternsw.com.au](mailto:belubulastudy@waternsw.com.au)

#### **Community Information**

##### **Sessions**

We will hold community information sessions during this phase of the project. Members of the project team will be there and will give you the opportunity to provide feedback and ask questions related to the project. These sessions will be advertised in local newspapers, and on the WaterNSW website.



# Project Bulletin

## Lachlan Valley Water Security Project Community Reference Group

WaterNSW is establishing a Community Reference Group (CRG) for the Lachlan Valley Water Security Project.

The CRG will be a key form of communication between the local community, stakeholder organisations and the project team throughout the options development process.

The CRG will aim to:

- support communication between WaterNSW and the community
- increase community understanding about the Lachlan Valley Water Security Project options development process
- enhance WaterNSW's understanding of community and stakeholder issues and concerns.

The CRG will include nominated stakeholder representatives as well as positions open to public nomination.

Local residents, local groups/ organisations and people with links to the Lachlan Valley region will be invited to nominate to become a member of the group.

Nominations will open in early 2017 and will be advertised on the WaterNSW website, in project updates and local media.

If you would like to be informed of when the EOI will open, please contact us to join the project mailing list.

[belubulastudy@watnsw.com.au](mailto:belubulastudy@watnsw.com.au)

## Indicative Project timeline for Preliminary Business Case

December 2016 to February 2017	<ul style="list-style-type: none"> <li>• Review options and develop a long list for consideration</li> <li>• Carry out preliminary site surveys and non-invasive investigations</li> <li>• Begin development of preliminary business case</li> <li>• Commence stakeholder consultation process – including the establishment of a Community Reference Group (CRG), regular project bulletins and updates on the WaterNSW website</li> </ul>
March 2017 to July 2017	<ul style="list-style-type: none"> <li>• Develop a shortlist of options</li> <li>• Carry out geotechnical and environmental site investigations in the vicinity of Cranky Rock</li> <li>• Ongoing stakeholder and community consultation process</li> <li>• Select preferred options and begin more detailed development of the concept for inclusion in the preliminary business case.</li> </ul>
September 2017	<ul style="list-style-type: none"> <li>• Submit preliminary business case</li> </ul>



**08) QUANDIALLA DISTRICT SCHOLARSHIP COMMITTEE – LETTER OF THANKS (CR.SD.1)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

The General Manager received a letter from the Quandialla District Scholarship Committee on 15 December 2016, thanking Central Tablelands Water for making a donation towards their 2016 Scholarship Program.

A copy of the letter from the Quandialla District Scholarship Committee is attached to this report.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Quandialla District Scholarship Letter 2 Pages

FROM:

"Blue Hills",  
Piney Range,  
Grenfell. NSW. 2810



Refer to  
February Council  
Meeting.



Stock & Station Agent

8<sup>th</sup> December, 2016

Mr. G. Rhodes,  
General Manager,  
Central Tablelands Water,  
P.O. Box 61,  
BLAYNEY. NSW. 2799

Dear Gavin,

As 2016 comes to a close, I would like to take this opportunity to thank you, and Central Tablelands Water for the kind donation given to our Scholarship Committee earlier this year.

Your continued support is greatly appreciated and goes towards assisting our local students with their future studies.

Best Wishes for a lovely Christmas, and a safe & happy 2017.

KIND REGARDS Narelle Gault, Hon. Secretary,  
Quandialla District Scholarship Committee.  
Help Celebrate Quandialla Central School 75th Anniversary, 23 - 25 Oct. 1988.

## IDLE CHATTER Mark II

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Newsletter No: 206

Thursday 4<sup>th</sup> August 2016

This newsletter is an initiative of the Quandialla Progress Association  
Quandialla Website Page – [www.quandialla.com.au](http://www.quandialla.com.au)

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### Sponsored by

Quandialla District Scholarship Committee

#### News

Congratulations to the following recipients who were awarded Scholarships for 2016:

**Grace Kelly – Year 10 Scholarship**

Grace is continuing her Year 11 and 12 studies at The Henry Lawson High School in Grenfell, as well as maintaining a strong connection with the Quandialla community.

**Alex Penfold – University Scholarship (No. 2 - second or further year of study)**

Alex is in his 3<sup>rd</sup> year of a 4 year Bachelor of Occupational Therapy Course at Charles Sturt University – Albury Campus.

Alex has chosen this course as he has a passion for assisting people in their rehabilitation process and he has a strong desire to work in rural areas on the completion of his course.

**Kate Kelly – University Scholarship (No. 1 – first year of study)**

Kate has commenced her first year of Bachelor of Occupational Therapy, also at the Charles Sturt University in Albury. Kate is enjoying the challenge of her first year at University, and is looking forward to a future career, ideally based in a rural area, where she is hoping to be able to give back to her local community.

Grace, Alex and Kate are all very worthy recipients of the Quandialla District Scholarships for 2016, and the Committee wishes them all the best as they continue with their studies. The Committee would also like to thank Barrick (Cowel) Ltd., GrainCorp, Central Tablelands Water and Fairfax Media Group for their continued support to our local students.

For further information in applying for Scholarships, or if you wish to donate to the Quandialla District Scholarship Committee, please contact Narelle Gault on 6347 1294 a.h.

**09) ST JOSEPH'S PRIMARY SCHOOL MANILDRA – LETTER OF THANKS**  
**(CR.SD.1)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council note the report.

**REPORT**

The General Manager received a letter from St Joseph's Primary School at Manildra on 19 December 2016, thanking Central Tablelands Water for making a donation towards their 2016 Concert and Presentation evening.

According to the principal, Mr Joshua Dunn, the Concert and Presentation evening allows the students to develop and display their own special talents to their families, friends and the wider community.

A copy of the letter from St Joseph's Primary School at Manildra is attached to this report.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 St Joseph's Primary School Letter 2 Pages



Y-REF COI1689  
**RECEIVED**  
19 DEC 2016  
File No: CRSDI, COI 747  
Refer to: Gavin  
Refer to  
February  
Council Meet

### St Joseph's Primary School

Loftus Street Manildra NSW 2865

Ph: (02) 6364 5177 Fax: (02) 6364 5383

Email: [stjosephsmanildra@bth.catholic.edu.au](mailto:stjosephsmanildra@bth.catholic.edu.au)

13th December 2016

Mr Gavin Rhodes  
General Manager  
Central Tablelands Water  
PO Box 61  
BLAYNEY NSW 2799

Dear Gavin

St Joseph's students and staff would like to thank Central Tablelands Water for their generous donation of \$80.00 towards our 2016 Concert and Presentation Evening.

This support gives the students the opportunity to develop and display their own special talents to their families, friends and the wider community.

Your donation was very much appreciated and has been recognised in our Programme as well as on our school notice board.

Thank you once again for your generosity which has helped make the students special night a memorable and successful one.

Yours sincerely

Joshua Dunn  
Principal  
St Joseph's Primary School  
Manildra

**Thank you to all the business and  
community organisations who have  
sponsored St Joseph's  
Concert and Presentation Evening.**

## **Our Sponsors**

Central Tablelands Water  
Manildra Post Office  
Coffee on Kiewa  
Manildra Golf Club  
SPAR Supermarket Molong  
The Royal Hotel Manildra  
MSM Milling Pty Ltd  
Magics Meats  
Manildra Lions Club  
Amusu Theatre Heritage Trust  
Lodge Mandagery  
Cabonne Council

*Thank you!*

**10) CENTRAL TABLELANDS REGIONAL WATER SECURITY PIPELINE PROJECT UPDATE (WS.AG.1)**

(Leonie Freeth)

**RECOMMENDATION:**

That Council:

1. Note the progress report of the Central Tablelands Regional Water Security Project,
2. Authorise the Chairman and General Manager to execute the Deed of Warranty under the Central Tablelands Regional Water Security Project Annexure to the Australian Standard General Conditions of Contract for Design and Construct Part H under Council's Common Seal, and;
3. Formally approve the contribution of \$2.5 million towards the project for the upgrade of pipelines and pump stations from Millthorpe to Blayney and Carcoar.

**REPORT****Background**

In 2015, Central Tablelands Water (CTW) agreed to proceed with the Regional Water Security Pipeline Project. The project aims to improve water security and contingency through the connection of CTW and Orange City Council (OCC) water systems.

**Progress Report**

Following a progress update on the project at Council's Ordinary meeting held on the 14<sup>th</sup> December 2016, Central Tablelands Water Council formally resolved:

- 1. Note the progress report of the Central Tablelands Regional Water Security Project;*
- 2. Obtain confirmation from Orange City Council that CTW is fully protected under the contract with Leed Engineering and Construction Pty Ltd; and*
- 3. Subject to the above, formally approve the contribution of \$2.5 million towards the project for the upgrade of pipelines and pump stations from Millthorpe to Blayney and Carcoar.*

A Deed of Warranty has been included in the construction contract as signed by Leed Construction and includes the following protections:

- CTW will have the benefit of the warranties given by the Contractor to the Principal under the Contract in respect of the CTW Infrastructure; The Contractor further warrants to CTW that all work performed and all materials supplied by the Contractor as part of the CTW Infrastructure will comply in all respects with the requirements of the Contract;

- The Contractor indemnifies CTW against any cost, expense, loss, damage or other liability suffered or incurred by CTW arising out of any breach by the Contractor of clause 2;
- For construction completed within CTW region, CTW is considered to be the 'Principal' with regard to Defects Rectification and the Defects Liability Period, and;
- Definitions and Terms - **CTW Infrastructure** means that part of the Works under the Contract comprised within the Blayney Local Government Area.

Therefore noting the protections listed in the updated Deed of Warranty under the contract with Leed Engineering and Construction Pty Ltd, it is understood that CTW has protection equivalent to the Contract Principal (Orange City Council) for work completed within the Blayney Shire Council boundaries.

Accordingly, the revised Deed of Warranty has been prepared by Leed Engineering and Construction Pty Ltd, Orange City Council and Central Tablelands Water representatives and is attached for Council's endorsement and resolution to execute the document under the Common Seal of Council.

A full copy of the Deed of Warranty is attached to this report.

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

- 1 Deed of Warranty 5 Pages



Annexure to the Australian Standard  
 General Conditions of Contract for  
 Design and Construct

# Part H

## DEED OF WARRANTY

THIS DEED is dated

20[##]

### PARTIES:

[# - CONTRACTOR] ACN [# - insert ACN] of [# - insert address] (Subcontractor)

CENTRAL TABLELANDS WATER of 30 Church Street, Blayney 2799 (CTW)

### INTRODUCTION:

- A Under the Contract Orange City Council engaged the Contractor to design and construct the Works.
- B The Works comprise infrastructure which vests in CTW (CTW Infrastructure).

### IT IS AGREED:

#### 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

In this deed, unless the context clearly indicates otherwise:

**Address for Service** means the address of a party appearing in this deed or any new address notified by a party to the other party as its new address for service;

**Business Day** means any day that is not a Saturday, Sunday or public holiday in New South Wales;

**Contract** means the contract entered into by Orange City Council and the Contractor for the design and construction of the Works dated [# - insert date] and includes any amendment of that contract;

**Contractor** means [# - insert] ACN [# - insert];

**Corporations Act** means the *Corporations Act 2001 (Cth)*;

**CTW Infrastructure** means that part of the Works under the Contract comprised within the Blayney Local Government Area.

**Date of Practical Completion** has the meaning ascribed to that term in the Contract.

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**Defects Liability Period** has the meaning ascribed to that term in the Contract.

**GST Law** means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*;

**Recipient** has the meaning in clause 10.3(a);

**Site** means the lands and other places made available to the Contractor by Orange City Council;

**Supplier** has the meaning in clause 10.3(a);

**Works** means the works under the Contract.

## 1.2 Interpretation

In this deed, unless the context clearly indicates otherwise:

- (a) **clause headings** are inserted for convenience only and do not form part of this deed;
- (b) the **introduction** forms part of this deed;
- (c) a reference to **legislation** or a **legislative provision** includes:
  - (i) any modification or substitution of that legislation or legislative provision; and
  - (ii) any subordinate legislation issued under that legislation or legislative provision including under that legislation or legislative provision as modified or substituted;
- (d) a reference to a **person** includes that person's successors and permitted assignees and novatees;
- (e) an **obligation** or **warranty** on the part of 2 or more persons binds them jointly and severally and an obligation or warranty in favour of 2 or more persons benefits them jointly and severally;
- (f) **including** and **includes** are not words of limitation;
- (g) a word that is derived from a defined word has a corresponding meaning;
- (h) **monetary amounts** are expressed in Australian dollars;
- (i) the singular includes the plural and vice-versa;
- (j) words importing one gender include all other genders; and
- (k) a reference to a thing includes each part of that thing.

## 2 WARRANTY

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The parties agree that on and from the Date of Practical Completion until the expiration of the last Defects Liability Period:

- (1) CTW will have the benefit of the warranties given by the Contractor to the Principal under the Contract in respect of the CTW Infrastructure; and
- (2) The Contractor further warrants to CTW that all Work performed and all materials supplied by the Contractor as part of the CTW Infrastructure will comply in all respects with the requirements of the Contract.

### **3 INDEMNITY**

The Contractor indemnifies CTW against any cost, expense, loss, damage or other liability suffered or incurred by CTW arising out of any breach by the Contractor of clause 2.

### **4 DEFECTS RECTIFICATION**

The parties agree that subclauses 35 and 39 such other provisions of the Contract which are necessary to give effect to or the operation of subclauses 35 and 39 will

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have effect as though they are reproduced here on and from the Date of Practical Completion until the expiration of the last Defects Liability Period such that:

- (1) a reference to 'Principal' is to be read as a reference 'CTW'; and
- (2) a reference to 'Contractor' is to be read as a reference to 'Contractor'.

## **5 CIVIL LIABILITY ACT**

The operation of Part 4 of the Civil Liability Act 2002 (NSW) is excluded in relation to all rights, obligations and liabilities of the parties with respect to any matter to which Part 4 of that Act would apply but for this clause 7.

## **6 GENERAL PROVISIONS**

### **6.1 Governing law and jurisdiction**

- (a) The laws applicable in New South Wales govern this deed.
- (b) The parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any courts competent to hear appeals from those courts.

### **6.2 Counterparts**

This deed may be executed in any number of counterparts. All counterparts taken together constitute one instrument.

### **6.3 Notices**

Any notice, demand, consent, approval, request or other communication (**Notice**) to be given under this deed must be in writing and must be given to the recipient at its Address for Service by being:

- (a) hand delivered;
- (b) sent by facsimile transmission; or
- (c) sent by prepaid ordinary mail within Australia.

The date of receipt of a Notice is:

- (a) if hand delivered, on the date of delivery but, if delivery occurs after 5:00pm New South Wales time or on a day that is not a Business Day, it is taken to be received on the next Business Day;
- (b) if sent by facsimile transmission, on the date that the sending party's facsimile machine records that the facsimile has been successfully transmitted but, if the transmittal is recorded as after 5.00pm New South

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Wales time or on a day that is not a Business Day, it is taken to be received on the next Business Day; or

- (c) if sent by prepaid ordinary mail within Australia, on the date that is 3 Business Days after the date of posting.

**EXECUTED** as a deed.

Executed by **[Contractor]** in accordance with s.127(1) of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Director (Signature)

\_\_\_\_\_  
Director/Secretary (Signature)

\_\_\_\_\_  
Name (Print Name)

\_\_\_\_\_  
Name (Print Name)

**Executed** by **Central Tablelands Water** by the affixing of the Common Seal in accordance with resolution dated :

\_\_\_\_\_  
General Manager (Signature)

\_\_\_\_\_  
Mayor (Signature)

\_\_\_\_\_  
Name of General Manager (Print Name)

\_\_\_\_\_  
Name of Mayor (Print Name)

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**11) TRUNK MAIN K RENEWAL – PROGRESS REPORT (WS.AG.1)**

(Leonie Freeth)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT****Background**

Trunk Main K supplies Grenfell with water from the Central Tablelands Water (CTW) system. Built in 1946, Trunk Main K stretches across 34 kilometres from Gooloogong to Grenfell. The pipeline is cast iron, and while the main has reliably delivered water to the town of Grenfell for the last 70 years, there are some areas of the pipeline that are beginning to fail. The Capital Works budget for replacement of Trunk Main K is \$6.2 million extending from 2015/16 – 2017/18 financial years.

**Progress Report**

Stage 1 construction (11km pipeline between McDonald's Lane pump station and Grenfell North Reservoir) commenced on 21<sup>st</sup> November 2016, with construction suspended for a four week Christmas shutdown period. Progress is summarised in the table below:

<b>Month ending</b>	<b>Actual Construction Days</b>	<b>Construction Length for Period (km)</b>	<b>Total Length constructed (km)</b>
November 2016	8	1.20	1.20
December 2016	17	2.00	3.20
January 2017	5	1.44	4.64
<b>Average construction rate to date</b>	154 metres/day		

The variable progress rates above reflects the various onsite conditions encountered such as rock and difficult undulations, etc. Stage 1 construction was due to be completed on 28 April 2017, however, Stage 1 works is projected to be completed by 30 March 2017. Should this earlier completion date be achieved, CTW will look to completing an additional 3kms of pipeline leading into McDonald's Lane pump station.

The Project budget is summarised in the table below. Actual expenditure of \$477,279.00 is slightly behind budgeted cash flow of \$565,381.00 for December 2016.

	<b>PROJECT BUDGET</b>	<b>ACTUAL EXPENDITURE TO DATE</b>
<b>15/16</b>	\$150,134.00	\$67,843.05
<b>16/17</b>	\$3,027,530.00	\$477,279.00 (end of December 2016)
<b>17/18</b>	\$3,004,700.00	
<b>TOTAL</b>	<b>\$6,182,364.00</b>	<b>\$545,122.05</b>

There have been no safety incidents or misses on site.

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**12) MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)**

(Leonie Freeth)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT***a) Meter Reading*

The third meter read for the 2016/17 financial year commenced in Blayney on 9<sup>th</sup> January 2017, and was finalised on 25<sup>th</sup> January 2017 with Cowra Shire meters.

*b) Meter Change Program*

The meter change program continued throughout the County area with six meters replaced that were reading over 7,500kLs.

*c) Service Replacement Program*

Council staff completed 3 full service replacements during the past two months.

*d) Filtration Plant Maintenance*

Three sludge lagoons have been cleaned and placed back into operation at Carcoar Water Filtration Plant.

On 30<sup>th</sup> December 2016, the inlet magflow meter control board failed. The magflow meter is responsible for flow-pacing dosing etc at the plant. CTW was fortunate to source a Contractor to replace the control board on New Year's Eve. The DAFF inlet line failed at Carcoar WTP on 29<sup>th</sup> January 2017 and was repaired on the same day by CTW staff.

The annual certification of flowmeters at both Blayney and Carcoar WTP's was completed on 24 January 2017.

*e) Pump Station Maintenance*

Canomodine Pump No. 1 control board was reprogrammed.

*f) Reservoir Maintenance*

Mesh installation has been completed at Lyndhurst Reservoir as part of CTW's mesh installation program. A faulty telemetry solar cell at Morebel Reservoir has been replaced.

*g) WH&S*

Council's WH&S representative has conducted internal safety audits at Grenfell Depot and Blayney Water Treatment Plant with only minor issues identified.



*h) Capital Works*

Only minor works outstanding to complete the new office/amenities building at Blayney Filtration Plant.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**13) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)**

(Leonie Freeth)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT**

*a) Main Breaks*

The main failures recorded during the past two months are listed in the table below.

Location		Date	Size	Comment
Canowindra	Radnor St	15/12/16	100mm	DNR
	Mt Pleasant	11/1/17	100mm	DNR
	Rodd St	24/1/17	100mm	DNR
Trunk Main C	Newry/Mandurama	20/1/17	225mm	S/L

*b) Service Complaints and Requests*

A summary of service complaints and requests received for the last two months are as follows:

<b>BLAYNEY</b>	<b>18</b>
CUSTOMER DAMAGED METER	1
HYDRANT LEAKING	1
LEAKING METER	10
LEAKING SERVICE	4
METER NOT SHUTTING OFF	1
QUALITY COMPLAINT	1
<b>CANOWINDRA</b>	<b>12</b>
LEAKING METER	3
LEAKING SERVICE	3
MAIN BREAK	3
NO WATER COMPLAINT	1
PRV ISSUE/MAINTENANCE	2
<b>CARGO</b>	<b>2</b>
LEAKING METER	1
LEAKING SERVICE	1
<b>CUDAL</b>	<b>3</b>
LEAKING SERVICE	3
<b>EUGOWRA</b>	<b>6</b>
HYDRANT LEAKING	1
LEAKING METER	2

LEAKING SERVICE	1
METER NOT SHUTTING OFF	1
NO WATER COMPLAINT	1
<b>GRENFELL</b>	<b>8</b>
HYDRANT LEAKING	1
LEAKING METER	3
MAINTENANCE - GENERAL	1
METER NOT SHUTTING OFF	2
RESTORATION WORK	1
<b>LYNDHURST</b>	<b>3</b>
LEAKING METER	2
NO WATER COMPLAINT	1
<b>MANDURAMA</b>	<b>2</b>
LEAKING METER	1
LEAKING SERVICE	1
<b>MANILDRA</b>	<b>1</b>
LEAKING SERVICE	1
<b>MILLTHORPE</b>	<b>3</b>
CUSTOMER DAMAGED METER	1
MAINTENANCE - GENERAL	1
METER NOT SHUTTING OFF	1
<b>TRUNK MAINS</b>	<b>1</b>
MAIN BREAK	1

c) *Lake Rowlands*

The level of Lake Rowlands has decreased from 99.3% (05.12.16) to its present level of 94% (01.02.17). De-stratification system operating since mid-November 2016.

d) *New Water Services*

During the past two months there have been four new domestic water services connected to Council's mains.

**14) QUESTIONS ON NOTICE**

(Gavin Rhodes)

No questions on notice were received.

**ATTACHMENTS**

Nil