

# CENTRAL TABLELANDS *Water*



**Business Paper**

**Ordinary Meeting of Central Tablelands Water**

**12<sup>th</sup> June 2013**

**Molong**





7 June 2013

## Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Cabonne Council on Wednesday, 12 June 2013 at 10.30am. Morning tea will be served at 10.00am.

### Agenda

1. Public Forum
2. Apologies for non-attendance
3. Leaves of absence granted
4. Confirmation of Minutes - Ordinary Meeting held on 10.04.13
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 – Grenfell - 12<sup>th</sup> June 2013

Yours faithfully

A. Perry  
**General Manager**



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**HELD ON WEDNESDAY 12 JUNE 2013**

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**01) Integrated Planning & Reporting - 2013/2014 Management Plan (FM.PL.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That, in accordance with Sections 402-406 of the Local Government Act 1993, and, following the statutory period of 28 days public display, Council now resolve to adopt the following draft Plans:
  - a. Delivery Plan 2013 – 2017
  - b. Operational Plan 2013 - 2014 – Part 1 & 2
  - c. Workforce management Plan 2012 – 2016
  - d. Asset Management Strategy and Plans
  - e. Long Term Financial Plan

**REPORT**

In accordance with the requirements of Section 405 of the Local Government Act, the Draft Operational Plan 2013-2014, Part 1 & 2, together with the Delivery Plan 2013 – 2017, the Workforce Management Plan 2012–2016, the Asset Management Strategy and Plans and the Long Term Financial Plan was placed on public exhibition for a statutory 28-day minimum period. Advertisements were placed in all local and regional newspapers advising that the draft Plans were on public exhibition at Council's office in Blayney and on Council's website. The advertisements invited members of the public to review the draft Plans and to make written submissions prior to 5 pm on 20 May 2013.

As at 5pm on 20 May 2013, Council had received no submissions.

If there are no submissions received prior to this meeting, Council can proceed to adopt the Draft Operational Plan 2013-2014, Part 1 & 2, the Delivery Plan 2013 – 2017, the Workforce Management Plan 2012–2016, the Asset Management Strategy and Plans and the Long Term Financial Plan and give approval to the estimates of expenditure and income for the ensuing 12 months.

The draft Operational Plan 2013-2014 provides for consumption charges to increase by 8% from \$1.99 to \$2.15, with residential and rural consumers being subject to a 50% increase in the usage charge for consumption in excess of 450 kL per annum. There is no planned increase in the annual availability charge which will remain at \$200.00 per year for a standard 20mm service.

The Section 64 Developer Charge for 2013/2014 will reduce from \$8,732.00 to \$8,333.00 per ET, whilst the capital contribution charge on existing vacant unconnected land (in-fill blocks) for 2013/2014 will increase to \$3,870.00 per ET.

The Estimates of Income and Expenditure for 2013/2014, as presented in the draft Operational Plan, are summarised as follows:

**Operating Revenue**

Availability Charges	1,235,673	
Water Sales	3,211,242	
User Charges	89,200	
Interest	148,000	
Other Revenues	323,939	
Grants – Acquisition of Assets	138,415	
Grants & Subsidies	53,707	
Contributions	22,893	
Net Gains on Disposal of Assets	64,699	5,287,768

**Less: Operating Expenses**

Management Expenses	982,616	
Supervision & Technical Expenses	196,129	
Operational Expenses	2,013,674	
Interest	244,365	
Depreciation - System Assets	1,656,336	
Depreciation - Plant & equipment	192,825	5,285,939

**Estimated Operating Result for Period - Surplus** 1,829

**Add Expenses not Involving Flow of Funds**

Depreciation	1,849,161
	<u>1,850,990</u>

**Add Non-Operating Revenue**

Written-down value of Assets Sold	266,301
Transfer from Reserves	370,811
	<u>2,488,102</u>

**Less Non-Operating Expenditure**

Acquisition of Assets	701,811
Repayment of Loans	336,292
Transfer to Reserves	1,449,999
	<u></u>

**Budget Result (Balanced)** 0

**BUDGET IMPLICATIONS**

Nil



**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**02) Budget Review Statement - 31st March 2013 (FM.FR.1)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That the budget review statement for the quarter ended 31<sup>st</sup> March 2013 be accepted, and the variations therein be adopted.

**REPORT**

The Quarterly Budget Review (QBR) for the period ended 31 March 2013 is submitted for examination by Council (refer Attachment 1).

It is estimated that the original forecast operating budget deficit for 2012/2013 of \$598,400 is now estimated to have a significant improvement with the final result for the year now estimated to produce a surplus of \$92,258, noting that this surplus is achieved even after providing for depreciation expenditure totalling \$1,795,000. This significant improvement of \$690,658 against the original operating budget estimate is, as reported to the February meeting, mainly attributed to the significant increase in water sales as a result of reduced rainfall and hot seasonal conditions in the Central Western area this financial year. The estimated final revenue forecast water sales and charges is an increase of \$766,011 over the original budget estimate.

The major variations to the operational budget and capital budget are detailed in the March 2013 QBR attached to this report.

The overall cash surplus of \$83,151, as originally estimated for 2012/2013 has now been revised to a surplus of \$734,689, which, as per policy, has been transferred to reserves.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Quarterly Budget Review Statement March 2013 6 Pages
- 2 Budget review Summary March 2013 1 Page

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/01/13 to 31/03/13

**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 31/03/13 indicates that Council's projected financial position at 30/6/13 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

**Signed:**



Gavin Rhodes  
Responsible Accounting Officer

**Date:**

6/06/2013

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/01/13 to 31/03/13

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Quarterly Budget Review Statement  
for the period 01/01/13 to 31/03/13

Central Tablelands Water

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2013

Income & Expenses - Water Fund

	Original Budget 2012/13	Approved Changes		Revised Budget 2012/13	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRS	Sep QBRS					
<b>Income</b>								
Rates and Annual Charges	1,201,489			1,233,665	1,325	1a	1,234,990	950,217
User Charges and Fees	2,791,249			3,236,056	287,703	1b	3,523,759	2,553,824
Interest and Investment Revenues	116,800			116,800	34,928	1c	151,728	75,957
Other Revenues	337,570			337,570	31		337,601	265,938
Grants & Contributions - Operating	54,084			56,906	650	1d	57,556	28,453
Grants & Contributions - Capital	138,061			213,061	46,323	1e	259,384	195,448
Net gain from disposal of assets	26,000			26,000			26,000	-
<b>Total Income from Continuing Operations</b>	<b>4,665,253</b>	<b>-</b>	<b>-</b>	<b>5,220,058</b>	<b>370,960</b>		<b>5,591,018</b>	<b>4,069,837</b>
<b>Expenses</b>								
Employee Costs	1,526,778			1,526,778	(1,224)	2a	1,525,554	1,087,184
Borrowing Costs	265,640			265,640			265,640	201,360
Materials & Contracts	855,570			843,030	29,576	2b	872,606	687,791
Depreciation	1,795,554			1,795,554			1,795,554	1,346,666
Legal Costs	8,000			8,000	(2,000)	2c	6,000	-
Consultants	60,000			72,540	(20,000)	2d	52,540	-
Other Expenses	614,050			614,050	107,432	2e	721,482	487,856
Interest & Investment Losses								
Net Loss from disposal of assets								
<b>Total Expenses from Continuing Operations</b>	<b>5,125,592</b>	<b>-</b>	<b>-</b>	<b>5,125,592</b>	<b>113,784</b>		<b>5,239,376</b>	<b>3,823,439</b>
<b>Net Operating Result from Continuing Operations</b>	<b>(460,339)</b>	<b>-</b>	<b>-</b>	<b>94,466</b>	<b>257,176</b>		<b>351,642</b>	<b>246,398</b>
Discontinued Operations								
<b>Net Operating Result from All Operations</b>	<b>(460,339)</b>	<b>-</b>	<b>-</b>	<b>94,466</b>	<b>257,176</b>		<b>351,642</b>	<b>246,398</b>
Net Operating Result before Capital Items	(598,400)			(118,595)	210,853		92,258	50,950

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

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/01/13 to 31/03/13

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

Budget Variations being recommended include the following material items:

<b>Notes</b>	<b>Details</b>
1a	\$1,325 increase due to increased water connections.
1b	\$287,703 increase due to forecasted increase in water consumption for the remainder of the financial year as a result of the reduced rainfall and hot seasonal conditions in the Central Western area this year. There has also been a significant increase of bulk water sales to Cowra Shire Council.
1c	\$34,928 increase in interest revenue due to additional term deposits being purchased throughout the year as a result of additional income received from water sales.
1d	\$650 increase in pensioner subsidy rebate.
1e	\$46,323 net increase in Capital Contributions for Section 64 Developer Charges, Infill Blocks and Mains Extensions due to increased development and connections in the County Council area.
2a	(\$1,224) net decrease in Employee Cost due to savings in Workers Compensation insurance.
2b	\$29,576 net increase due to increased private works, increased chemical purchases as a result of additional water sales, and final payment for the Developer Services Plan (DSP) which wasn't carried over from FY11/12.
2c	(\$2,000) net decrease due to less legal costs being incurred than originally anticipated during the financial year.
2d	(\$20,000) decrease due to lower than anticipated costs for the Lake Rowlands Upgrade Options Study.
2e	\$107,432 net increase in Other Expenses due to increased electricity costs from pump stations as a result of supplying additional volumes of water. These pump stations included Canomodine, McDonalds Lane, Newry Downs and Gooloogong Bore.

Central Tablelands Water  
Capital Budget Review Statement

Quarterly Budget Review Statement  
for the period 01/01/13 to 31/03/13

Budget review for the quarter ended 31 March 2013  
Capital Budget - Water Fund

	Original Budget 2012/13	Approved Changes		Revised Budget 2012/13	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRS	Sep QBRS					
<b>Capital Expenditure</b>								
New Assets								
- Plant & Equipment	412,000		8,000	412,000	10,000	3a	422,000	198,294
- Land & Buildings								
- Office Equipment	-		50,000	58,000	32,240	3b	90,240	77,008
Renewal Assets (Replacement)								
- Plant & Equipment								
- Land & Buildings								
- Water Supply Network	2,468,005		(2,000,000)	468,005	(154,063)	3c	313,942	230,223
- Land & Buildings	315,017			315,017			315,017	234,133
Loan Repayments (Principal)								
<b>Total Capital Expenditure</b>	<b>3,195,022</b>	<b>-</b>	<b>(1,942,000)</b>	<b>1,253,022</b>	<b>(111,823)</b>		<b>1,141,199</b>	<b>739,658</b>
<b>Capital Funding</b>								
Rates & Other Unified Funding								
Capital Grants & Contributions								
Reserves:								
- External Restrictions/Reserves								
- Internal Restrictions/Reserves	2,847,022		(1,942,000)	905,022	(119,093)	4b	785,929	526,539
New Loans								
Receipts from Sale of Assets								
- Plant & Equipment	348,000			348,000			348,000	205,849
- Land & Buildings								
<b>Total Capital Funding</b>	<b>3,195,022</b>	<b>-</b>	<b>(1,942,000)</b>	<b>1,253,022</b>	<b>(111,823)</b>		<b>1,141,199</b>	<b>739,658</b>
<b>Net Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/12/2012 and should be read in conjunction with the total QBRS report

Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/01/13 to 31/03/13

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

Budget Variations being recommended include the following material items:

Notes	Details
3a	\$10,000 increase due to acquisition of a boring machine for boring under roads etc when installing water mains.
3b	\$32,240 increase is due to carryover works and additional modules purchased for IT Vision Synergysoft System (\$26,500) and purchase of new scanner for implementation of electronic records management system (\$5,740).
3c	\$154,063 net decrease - due to reduction in anticipated costs of flood restoration works (\$100,000) and meter replacement program (\$60,000). There was also an increase capital expenditure for a mains extension in Manildra of \$5,937.
4a	\$7,270 increase due to Capital Contribution received for mains extension in Manildra.
4b	\$119,093 net decrease - Flood restoration works (\$100,000), meter replacement program (\$60,000) and mains extension contribution (\$1,333) transferred back to renewal reserve until FY 2013/2014. IT Vision Synergysoft System \$26,500 and new scanner \$5,740 to be funded from reserves.



# Budget Review Statement

## as at 31 March 2013

Council's Revised Income and Expenditure for the year 2012/2013

<b>Original Budget</b>	<b><u>Operating Revenue</u></b>		
1,201,489	Availability Charges	1,234,990	
2,791,249	Water Charges	3,523,759	
116,800	Interest	151,728	
300,857	Other Revenues	304,084	
54,084	Grants & Subsidies	57,556	
36,713	Contributions	33,517	
26,000	Gains on Disposal of Assets	<u>26,000</u>	
<u>4,527,192</u>			5,331,634
	<b><u>Operating Expenses</u></b>		
1,526,778	Employee Costs	1,525,554	
265,640	Borrowing Costs	265,640	
855,570	Materials & Contracts	872,606	
8,000	Legal Costs	6,000	
60,000	Consultants	52,540	
614,050	Other Expenses	721,482	
1,795,554	Depreciation - System Assets	1,795,554	
<u>5,125,592</u>			<u>5,239,376</u>
(598,400)	<b><u>Operating Result for Period</u></b>	<b>Surplus/(Deficit)</b>	92,258
	<b><u>Less Non-Operating Expenditure</u></b>		
2,880,005	Aquisitions of Assets	826,182	
315,017	Repayment of Loans	315,017	
138,061	Transfer to Reserves - S64 Developer Charges	259,383	
514,916	Transfer to Reserves - Renewal Reserves	514,916	
115,883	Water Pricing Increase @ 5%	115,883	
83,151	<b>Estimated Budget Surplus/(Deficit)</b>	<b>734,689</b>	
93,708	Transfer to Reserves - Plant	126,890	
48,480	Transfer to Reserves - DA	<u>48,480</u>	
<u>4,189,221</u>		<u>1,800,241</u>	<u>2,941,440</u>
(4,787,621)			(2,849,182)
	<b><u>Add Non-Operating Revenue</u></b>		
322,000	Book Value of Assets Sold	322,000	
138,061	Grants, Subsidies & Contributions - Capital	259,383	
-	Loan Funds	-	
64,000	Transfer from Reserves - Plant	64,000	
-	Transfer from Reserves - ELE	-	
2,468,005	Transfer from Reserves - Renewals	<u>408,245</u>	
<u>2,992,066</u>			<u>1,053,628</u>
(1,795,555)			(1,795,554)
	<b><u>Add Expenses not Involving Flow of Funds</u></b>		
1,795,555	Depreciation		<u>1,795,554</u>
<u>\$ -</u>	<b>Budget Result Surplus/(Deficit)</b>		<u>\$ -</u>

**03) Financial Matters (FM.BA.1)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT**

Details of all payments made to creditors in the preceding two months are available for inspection at the Blayney office.

The Bank Reconciliation, as at 30<sup>th</sup> April 2013, together with a Statement of Funds Invested, is attached to the business paper.

Council's Petty Cash Book and the Warrant Listing will be **tabled** on meeting day.

As required by Council, the following table details the status of Council's investments through Lehman Bros at 30<sup>th</sup> April 2013:

Investment	Interest Rate	Above BBSW	Call Date	Maturity Date	Interest Paid	Face Value	Current % value	Current Value
Aphex (Glenelg AA-)	4.7600%	1.85%	22/06/2009	22/12/2014	Quarterly	50,000	70.95	35,475
MAS (Parkes AA-)	N/A	N/A	20/12/2009	20/06/2015	Quarterly	300,000	N/A	N/A
<b>Total</b>						<b>\$350,000</b>	<b>10.14</b>	<b>\$35,475</b>

The value of the CDO investments acquired through Lehman's have a current valuation as at 30 April 2013, of \$35,475. This is an increase of \$8,495 from the last reported valuation of \$26,980 as at 28 February 2013. The CDO investments are now valued at 10.14% of par value.

As reported at the previous three Council Meetings, the class action by a significant number of councils against Lehman Australia has finally been completed and the Federal Court has ruled in favour of the councils. Council's solicitors Piper Alderman continue to reconcile the holdings of Council to ensure that any final settlement amount agreed with the Liquidators or any judgment amount in favour of Council accurately reflects Council's holdings and/or crystallised losses. Council is still awaiting the outcome of this reconciliation process.

Whilst Council's CDO investments are currently well below par value, Council's remaining investment portfolio of approximately \$3.82 million is all capital guaranteed, primarily in term deposits.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

1 Bank Reconciliation 30th April 2013 1 Page

**CENTRAL TABLELANDS COUNTY COUNCIL  
STATEMENT OF BANK BALANCES AS AT 30TH APRIL 2013**

**GENERAL FUND**

(a) Cash Book Balance	\$ 516,149.76				
(b) Bank Balance	\$ 516,367.27				
(c) Limit of Overdraft (Bank)	Nil				
(d) Limit of Overdraft (Statutory)	\$ 1,130,000.00				

**BANK RECONCILIATION**

Balance as per Bank Statement	\$516,367.27
Add: Outstanding deposits	\$ 311.49
	<u>\$516,678.76</u>
Less: Outstanding Cheques	
Less: Deposits not processed	\$ 529.00
	<u>\$516,149.76</u>

**FUNDS INVESTED AS AT 30 APRIL 2013**

	<u>Amount</u>	<u>Rate of Interest</u>	<u>Bank Bill Swap Rate</u>
(1) Floating Rate CDO	\$ 50,000.00	4.84%	2.91%
(2) Floating Rate CDO	\$ 300,000.00	N/A	2.91%
	<u>\$ 350,000.00</u>		
(3) Term Deposit	\$ 500,000.00	4.42%	2.91%
(4) Term Deposit	\$ 500,000.00	4.28%	2.91%
(5) Term Deposit	\$ 500,000.00	4.35%	2.91%
(6) Term Deposit	\$ 500,000.00	4.26%	2.91%
(7) Term Deposit	\$ 300,000.00	4.56%	2.91%
(8) Term Deposit	\$ 500,000.00	4.40%	2.91%
(9) Term Deposit	\$ 500,000.00	4.42%	2.91%
	<u>\$ 3,650,000.00</u>		
(10) Cheque Account	\$ 22.58	3.00%	2.91%
(11) Cheque Account	\$ 97,567.92	2.95%	2.91%
(12) Business On-line Saver	\$ 418,776.77	3.30%	2.91%
	<u>\$ 4,166,367.27</u>		

In accordance with the Local Government (Finance Regulations) 1993 (Part 4, Cl. 19), I hereby certify:

The above Investment Summary represents Council's total investments as at 30 April 2013 and that the investments have been made in accordance with the Act, the regulations and Council's investment policies.



Gavin Rhodes  
Manager Finance & Corporate Services

**04) External Audit Services - Tenders for Renewal (CM.AU.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council appoint Morse Group to carry out Council's external audit services for the six year period ending 30 June 2019.

**REPORT**

As the six-year contract period for Council's audit services expires on 30 June 2013, advertisements were recently placed inviting audit tenders for Council's audit services for the six-year period to 30 June 2019.

As a result of that advertisement, the following two (2) tenders were received:

1. Morse Group – Initial Year (proposed hours 106.5) \$17,000.00 (Excl. GST)  
(Subsequent years increased by movement in average weekly earnings.)
2. Crowe Horwath - Initial Year (proposed hours 83) \$14,500.00 (Excl. GST)  
(Subsequent years increased by percentage increase in the Sydney All Groups CPI.)

Morse Group is a Central West based firm with offices in Bathurst, Blayney, Dubbo, Gilgandra, Oberon and Orange. Morse Group has extensive local government audit experience and have been auditors to Central Tablelands County Council continuously for 69 years, having been appointed at the formation of the Council in 1944.

Morse Group currently audit the following Councils:

- City Councils: Blue Mountains, Bathurst Regional, Campbelltown, Dubbo, Lithgow, and Orange.
- Shire Councils: Bland, Blayney, Cabonne, Central Darling, Cobar, Cootamundra, Cowra, Forbes, Gilgandra, Lachlan, Mid-Western Regional, Moree Plains, Oberon, Parkes, Upper Lachlan, Weddin and Wellington.
- County Councils: Central Tablelands Water.

Crowe Horwath is part of the WHK Group Ltd with 25 offices state wide. They have a major office in Bathurst, also have extensive local government audit experience and they currently audit the following Councils:

- City Councils: Griffith.
- Shire Councils: Bombala, Boorowa, Carrathool, Conargo, Coolamon, Cooma-Monaro, Junee, Leeton and Lockhart.
- County Councils: Central Murray County Council and Goldenfields Water County Council.

The tendered fee of \$17,000.00 from Morse Group provides for total staff time of 106.5 hours to complete the audit, detailed as follows:

Partners	21.5 hours	\$ 6,450.00
Seniors/Intermediates	85 hours	<u>\$ 10,625.00</u>
Estimated fee calculation		\$ 17,075.00
Rounded		<u>\$ (75.00)</u>
<u>Tendered fee (Excl. GST)</u>		<u>\$ 17,000.00</u>

The tendered fee of \$14,500.00 from Crowe Horwath provides for total staff time of 83 hours to complete the audit, detailed as follows:

Principal - Lead	13 hours	\$ 3,640.00
Principals – Review	6 hours	\$ 1,680.00
Principal – Consultant	5 hours	\$ 1,000.00
Manager – Review	3 hours	\$ 540.00
Manager and Auditors	56 hours	<u>\$ 7,590.00</u>
<u>Tendered fee (Excl. GST)</u>		<u>\$ 14,450.00</u>

Both tenders have been submitted from firms recognised as leaders in the field of local government audit and the audit process, detailed in both tenders, is not dissimilar. Whilst the tendered fee from Morse Group is \$2,500.00 higher than Crowe Horwath, the audit process submitted by Morse Group provides for 106.5 hours whilst the audit process submitted by Crowe Howarth provides for 83 hours.

As noted above, Morse Group have been Council's auditors for the past 69 years and have provided Council with high quality professional audit service and advice. The audit is conducted with staff from their Orange and Bathurst offices, which are both only 30 minutes from Blayney or a local telephone call.

Crowe Howarth are extremely well qualified and experienced local government auditors whose principals have between 16 and 35 years' experience in local government.

The Executive Summary of both tenders are attached as an annexure to this business paper. The complete tender documents will be tabled at the council meeting. If any Councillor would like to view these documents prior to the meeting, please contact the General Manager.

### **BUDGET IMPLICATIONS**

Council's 2013/2014 budget has an audit provision of \$16,427.00

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Executive Summary - Morse Group 2 Pages
- 2 Executive Summary - Crowe Horwath 1 Page

# MORSE | GROUP

## ACCOUNTANTS & ADVISORS

### EXECUTIVE SUMMARY

#### What makes an audit successful?

It's well known that good governance principles and indeed legislation dictate that an annual audit must be part of a council's control environment.

But few people get excited about the audit process.

Well we are among the few!

We've often heard it said that an audit is "a necessary evil". That isn't a view that we share and so we are actively trying to change that perception.

You see, we know first-hand what happens when an audit is tightly focussed and effectively executed. Change happens. Controls and reporting improve. Management confidence and willingness to delegate grows and in turn the council and community confidence in management grows.

Put simply, a successful audit can make a significant positive impact on the operation of your council.

So what is needed to make an audit successful?

- An auditor who is responsive, but also focussed on more than just the annual statutory audit reports
- Someone who engages across the breadth of council's operations. Working with engineers and asset managers on revaluation projects, getting down to the depot to see how the stores operate, spending time with cashiers at the front counter and then thoroughly de-briefing senior management.
- A depth of experience in the industry – importantly, this experience should be specific to *rural* councils.
- A working relationship built around regular, frank, open and honest communication.
- Someone who can deliver a thorough and professional audit, but also use their experience and knowledge to do it in minimal time so that your staff are free to focus on their jobs, not respond to seemingly endless audit queries.

#### Why we know this

*"Tackling local infrastructure needs and backlogs warrants the highest priority. This will require continued efforts to improve asset management, make more efficient use of available resources and build the capacity of smaller councils."*  
Independent Local Government Review Panel "The Case for Sustainable Change" November 2012

From actively listening to senior staff and Councillors in rural NSW, we know that right now there is genuine concern about the future of the industry. The "Destination 2036" plan promulgated by the State Government and the resultant review panel chaired by Professor Graham Sansom suggest that the next year will be pivotal for local government in NSW.



# MORSE | GROUP

## ACCOUNTANTS & ADVISORS

### EXECUTIVE SUMMARY

Much interest has focussed on the efficiency and effectiveness of council processes, the strength of their finances, the extent of community consultation and the visionary perspectives embraced by the elected bodies. Reform is an overused verb at present, but it seems very possible that a reduction in the number of councils will occur and that those who are marginal will be amalgamated. In particular, county councils seem likely to be one of the first points where reform will take place, creating greater pressure on county councils to ensure their organisation is well managed and governed.

In this challenging environment, our role is critical in ensuring that smaller councils effectively respond, adapt and succeed. Our future in this industry is linked to our ability to help councils succeed.

### Benefits that Morse Group will bring to your audit

- We have a collaborative approach that sees us involving Central Tablelands Water with other client councils to trouble-shoot projects and issues before they grow into problems. Where we see something being done well, we seek to share that knowledge with other clients so that they benefit from the depth of our client base.
- Local knowledge of the political, social, economic and demographic factors that impact Council's business.
  - John O'Malley, the Audit Partner proposed for the Central Tablelands Water Audit was born and bred in the Central West, is a past-president of the Local Government Auditors Association and has 19 years' experience in local government audit with the majority of that in working with rural councils.
- Reduced time spent on future audits - our thorough documentation of your systems means that we have ready-made audit plans and subsequent audits are only confirming the accuracy of our knowledge, not starting it all over again.
- A proven track record. We have been Council's auditors since its very formation and over that period we have worked closely with the finance team, at times in difficult circumstances, to ensure that deadlines are achieved.



Commercial in Confidence

## Executive Summary

We have extensive experience in the provision of audit and advisory services to the local government sector across regional and rural New South Wales.

We understand the importance of creating relationships with the right audit team who understand your business and will provide you with accurate insight.

At Crowe Horwath Auswild, your audit will be delivered with a systematic, disciplined approach that goes beyond compliance to evaluate and improve your risk management, control and governance processes.

You will work with a pragmatic, commercially aware and responsive audit team that is committed to identifying issues early. Further, our Principals will maintain regular contact with you throughout the year. Your team will be consistent and have years of local government experience, supported by specialists, where necessary, who are subject matter experts, and with our substantial investment in training and methodology, we are always up to date with latest thinking and best practice.

At Crowe Horwath Auswild, we have specialists in corporate finance, forensics accounting and business advisory. We know that our clients prefer these services to be provided in a co-ordinated manner by people they know, which is why our Principals focus on working together to building long-term relationships with clients.

### Independence confirmation

We confirm that we are independent, as defined by the Australian Auditing Standards and the other professional ethical announcements, to be engaged as auditor of Central Tablelands County Council (Central Tablelands Water).

### The key benefits we bring

Crowe Horwath is one of Australia and New Zealand's largest professional services firms with around 2,600 people. As part of the Crowe Horwath International network, our experienced people share common international processes to deliver excellence to clients, with local and international operations.

Our firm is especially qualified to be the external auditor of Central Tablelands County Council (Central Tablelands Water) for the following reasons:

- **We are specialist auditors and advisers** to local government and we have a commitment to being the leading auditing practice servicing local government Councils and entities in rural N.S.W.
- **We are accessible.** Crowe Horwath Auswild has a major office in Bathurst. We are therefore in close proximity to Blayney and as such we are readily accessible and able to attend promptly to issues as they arise.
- **We have a proven track record** in providing auditing services to rural Councils and our audit team has vast experience in the local government industry. As detailed in the staff profiles, we have extensive local government knowledge and backgrounds. This means we are aware of the industry developments and their implications and can bring these benefits to Central Tablelands County Council (Central Tablelands Water).
- We are able to offer, with confidence, a **continuity of experienced staff** on the audit assignment. Our knowledge and experience in local government audits will ensure minimal disruption to staff.
- **We communicate and care.** Our success can be attributed to a close and caring rapport with our client Councils. We seek to establish an open and close relationship and encourage constant communications. Our availability to help on any matter is well acknowledged.

**05) Audit Committee - May 2013 Meeting Minutes (CM.AU.4)**

(Gavin Rhodes)

**RECOMMENDATION:**

1. That Council receive and note the May 2013 Audit Committee Meeting Minutes.

**REPORT**

A copy of the May 2013 Audit Committee Meeting Minutes are attached for Councils notation.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 CTW Audit Committee Minutes May 2013 4 Pages

**Minutes of the Audit Committee Meeting of Central Tablelands Water Held at  
Blayney on Thursday, 9th May 2013, commencing at 11.30am**

<b>PRESENT:</b> Mr Steve Kent	(Chair - Independent Member - voting)
Cr Geoff Braddon OAM	(Independent Member - voting)
Mr Steve Woods	(IAB Services- Internal Auditor and Invitee)
G. Rhodes	(Manager Finance & Corporate Services - Secretariat)

**1. Welcome**

The Chair of the Committee Mr Steve Kent welcomed all attendees at the meeting.

The Committee noted with sadness the sudden passing of Mr Matthew Lawrence (Independent Committee Member) and acknowledged his significant contribution to the Committee since inception. Refer further comments under Item 5 below.

**2. Declarations of any Conflicts of Interest**

Members declared that they had no conflicts of interest.

**3. Apologies for non-attendance**

The Audit Committee accepted the apology for non-attendance of Mr Tony Perry.

**4. Confirmation of Minutes – Audit Committee Meeting 25/10/2012**

The Minutes of the Audit Committee Meeting of Central Tablelands Water (CTW), held on 25 October 2012 were confirmed by the Audit Committee.

**5. Audit Committee Member replacement discussion**

In light of the sudden and unexpected passing of Mr Matthew Lawrence (Independent Member), the Committee decided to wait until the current CENTROC Internal Audit tender process was finalised before seeking another suitable Independent Committee Member.

MFCS advised the Audit Committee that Tony Perry had organised a floral arrangement to be delivered to Ms Meredith McIntyre (Mr Lawrence's partner) and family on behalf of Central Tablelands Water, Cabonne Council and Blayney Shire Council in sympathising with Mr Lawrence's family as well as acknowledging the contribution Mr Lawrence made to the Audit Committee of the three Councils.

**6. Internal audits progress/reports**

The Audit Committee was advised that a joint internal audit on Information Technology Strategy and Network Security Systems Health Check for Blayney Shire Council and Central Tablelands Water is currently being undertaken by Dr Stephen James (IAB Services). This joint internal audit was approved by Blayney Shire Council and Central Tablelands Water Audit Committees as part of their approved 2012 Internal Audit Plans and was rated as high risk for both Councils. The objectives of the review are to assess the adequacy of the IT Strategy and security related controls over Councils network, operating systems and workstations.

The Internal Audit Report for the Information Technology Strategy and Network Security Systems Health Check with management responses will be presented to the Audit Committee once available.

**7. CENTROC Internal Audit Tender**

Steve Kent advised that his employer BDO had submitted a tender to CENTROC for Internal Auditing Services. Steve Kent advised the Committee that he would have to resign from the Committee if BDO were the successful tenderers to negate any potential conflicts of interest. The CENTROC Internal Audit Tender process is expected to be finalised in late May or early June 2013.

**8. External Audit Services RFT update**

MFCS advised the Audit Committee that CTW advertised a tender on 23 March 2013 for the Provision of External Auditing Services for the period of six (6) years from 1 July 2013 to 30 June 2019. The tender officially closed at 4pm on 26 April 2013. Senior Management will assess the tenders received against the tender specifications and provide a report with a recommendation to Council at its next Council Meeting scheduled for 12 June 2013. The Audit Committee will be advised of Council's decision at the next Audit Committee Meeting.

**9. Current financial position of Council (latest QBR)**

MFCS provided the Audit Committee with a copy of the December 2012 Quarterly Budget Review (QBR). MFCS advised the Committee that this financial year is looking more favourable than prior years due to increased water consumption in the County Council area as a result of a decrease in rainfall this year compared to recent years. The March 2013 QBR will be presented to the June 2013 Council Meeting and a copy will be provided at the next Audit Committee Meeting.

**10. IP&R Draft documents**

MFCS advised the Audit Committee that the draft Integrated Planning & Reporting documents were presented to Council at its April 2013 meeting and are currently on public exhibition from 22 April 2013 to 20 May 2013. Members of the public are invited to review the draft Plans and to make written submissions prior to 5pm on Monday 20 May 2013. The draft IP&R documents will then be presented to Council at its June Meeting for final adoption taking into consideration submissions received.

**11. DLG LG reviews in progress/planned and impact on Councils**

MFCS advised the Audit Committee of the latest paper released in April 2013 by the Independent Local Government Review Panel titled '*Future Directions for NSW Local Government Twenty Essential Steps*'. This is a progress report and a basis for further consultation. It sets out the latest thinking of the Independent Local Government Review Panel as it enters the final 3-4 months of its scheduled program. The paper sets out the following key proposals and options:

- Sustainability and Finance;
- Infrastructure;
- Productivity and Improvement;
- Better Governance;
- Structural Reform;
- Western NSW; and
- Implementation

This paper has crystallised what was reported at the October 2012 Audit Committee Meeting, being that the status quo is unlikely to remain and that mergers, alliances and boundary adjustments are likely to be the way forward.

The paper proposes that CTW be incorporated into the new 'multi-purpose' Central West County Council which includes the following Councils:

- Lachlan;
- Bland;
- Weddin;
- Forbes;
- Parkes;
- Cabonne;
- Orange;
- Blayney;
- Cowra;
- Young;
- Harden; and
- Boorowa.

The Local Government Independent Review Panel is now undertaking further council and community consultation sessions throughout the State prior to presenting its final report to the DLG in September 2013.

**12. Feedback on the Audit Committee Annual Report**

The Audit Committee Annual Report 2011/2012 was tabled at the December 2012 Council Meeting and was received and noted by Council. No further feedback was provided by Council.

**13. Risk Management Update**

The Audit Committee was advised that Blayney Shire Council has recently employed a permanent Risk Management Officer who will also provide assistance to CTW.

**14. Shared Services update with WBC/CENTROC Councils**

CTW as a member of the WBC and CENTROC Councils continues to be involved with shared services discussions and proposals. CTW & Blayney Shire Council still maintain shared services arrangement for IT Management, Human Resources and Risk Management services. Cabonne, Blayney, Gilgandra and CTW Councils are also creating a 'User Group' for the new corporate IT System – IT Vision Synergysoft which all four Councils have recently implemented. This will assist in system knowledge sharing and problem resolutions.

**15. Any major developments/issues since last meeting**

MFCS advised the Audit Committee that there have been no major developments/issues since the last meeting.

**16. Status of prior report recommendations – Review of action list**

A status of prior report recommendations was presented to the Audit Committee for review. The Audit Committee advised that completed actions should be placed at the bottom of the report for historical purposes.

**17. Any other business**

There was no other business raised by Committee Members.

**18. Next meeting – Blayney - TBA**

As this meeting was re-scheduled for a later date, the Audit Committee agreed to postpone the next scheduled meeting of 24 June 2013 to a later date in August 2013. The Committee Secretariats from Blayney, Cabonne and CTW will discuss and put forward a proposed August meeting date to committee members for concurrence.

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

**06) WBC Alliance - Executive Officer's Report (CM.AG.6)**

(Donna Galvin)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT**

Report attached.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 WBC Executive Officers Report 3 Pages





***WBC Alliance Report for Council meeting April 2013 (Prepared by the Executive Manager, WBC Alliance)***

**Independent Review of Local Government.**

By now Councillors will have reviewed the latest report from the Independent Review Panel and for each of the Alliance members there are different scenarios/options being recommended. As predicated there is going to be major change for the local government sector in the future.

From an Alliance perspective the inclusion of a **County Council model for ongoing regional collaboration, cooperation and sharing of services is positive and consistent with the submission made by the Alliance.** Our research on shared services over the last 18 months and our long term relationship as members of a successful Alliance place our councils in a **good position to be strong advocates and contributors to the design and operation of the county councils in our regions.**

There are some issues that we would want changed from the initial recommendations, primarily the suggestion that the General Manager of the Regional City Council would also be the General Manager of the County Council. It is my view that this would be difficult to manage, especially around transparency and equity of service provision, and of all members having an equal place in decisions making around the services to be provided from the County Council. I also believe that the Chairmanship of the county Council should not automatically be given to the Mayor of the Regional City Council.

The General Managers of the Alliance are meeting on 2<sup>nd</sup> May to discuss strategies and response from the Alliance and it is likely that an extraordinary meeting of the WBC Board will be called.

**Fleet Management Review Project:**

This project continues to make some progress although final decisions on purchasing systems and potentially allocating a joint position to help with fleet management are on hold for now.

The Joint Purchasing group which has been formed to coordinate the joint tender and purchase of plant met recently and have identified the following items that could be jointly purchased in the next 12 months:

- Wellington & Cabonne: Purchase of 1 and 3 water carts respectively
- Wellington & Cabonne: Purchase of 1 backhoe each
- Wellington & Cabonne: Purchase of 4 & 1 tractor respectively

*WBC Executive Manager Report to April 2013 Council Meeting*

- Wellington, Blayney & Cabonne: Purchase of a Front End Loader, pending finalisation of Wellington & Cabonne’s program for next year.

Blayney recently coordinated the tender with Wellington for purchase of a truck and dog. In the end the councils chose different make of truck but the overall coordination by one council instead of running separate processes is where the savings can be achieved. For the time of the Manager at Blayney and advertising costs we estimate that this process has cost \$4 500. Local Government Procurement have an industry cost for tendering of between \$10 - \$15k which covers all the other incidental costs.

So, if we used an average of say **\$7 000** for each joint tender we can see that there are some good savings to be achieved in the coming year.

**Joint Tender Sealing**

The councils are currently coordinating a joint tender process for the sealing programs of councils. This is another example where there will be savings from joint coordination and potential strength in purchasing power

**Road Permits:**

Cabonne Council recently developed new forms and templates for Road Permits, closures etc and have distributed them to the other member councils for their modification.

**Business Process Improvement Programs:**

Cabonne and Wellington commenced a new program supported and delivered by the WBCEM on **business process improvement**. The key outcomes of the project are to:

- Analyse current business practices and identify opportunities for improvement (through the use of Business Process Mapping methodology).
- Improve staff understanding and competence in managing projects.
- Provide staff with skills to promote innovation and manage change.

The overall aims of the program are:

- Improving the customer experience and journey;
- Identifying, mitigating and/or adapting to risk;
- Improving efficiencies and **foster a continuous improvement culture**

The processes under review so far include:

Wellington	<ul style="list-style-type: none"> <li>• Payroll Processing</li> <li>• Records Management</li> <li>• Rates and Water Billing</li> </ul> (HR, leaseback, Sect 149, Risk Management, Insurances, Workplace)
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	health and Safety, Internal governance and business paper preparation, financial management will all be reviewed by August)
Cabonne	<ul style="list-style-type: none"> <li>• Customer Request</li> <li>• Induction</li> <li>• Engineering Section – workflow and Communication</li> </ul> Land Management and Waste Facility Management will be done next.

Blayney are likely to commence the program in the coming months.

This program is consistent with some of the findings in the review panel report that states:

*“compliance takes precedence over excellence and innovation.....relatively little emphasis has been placed on **fostering continuous improvement**. .....More needs to be done to bring about a change of culture from compliances to improvement and ensure that councils are truly accountable for their performance.*

Regardless of what happens in the future about potential mergers the current individual councils will benefit from having a program like this in place.

#### **Code of Conduct Committee:**

As reported in March the advertising and recruitment to a new joint Code of conduct Committee was completed during April. All councils have endorsed the recommendation of the selection panel and new committee members have been advised of their successful appointment.

This is a great example of Alliance cooperation. The process moved quickly and with the cooperation of the Directors Corporate Services a quick outcome has been achieved. The estimated savings from this **joint initiative are \$11 500**. This is based on only having one lot of advertising costs not four, and the time saving for Directors not having to manage the whole process, plus a central administration – again not doing this four times.

#### **Up Coming Dates/Events**

- 2 May Meeting General Managers WBC Alliance
- 6<sup>th</sup> May- BIP review – Engineering Cabonne
- 8<sup>th</sup> May Water Billing Review Wellington
- 9<sup>th</sup> May - Finalise Induction and CRM reviews Cabonne Council

#### **RECOMMENDATION**

THAT the information be noted.

**07) Local Government Independent Review Panel (IRP) - Future Directions Report, "Twenty Essential Steps" (GR.LR.5)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council advise the Minister for Local Government of Councils support for the WBC Alliance submission to the IRP and Minister for Local Government for the WBC to conduct a pilot program trialling a County Council Shared Services model with Central Tablelands County Council being the vehicle for delivery of the program.

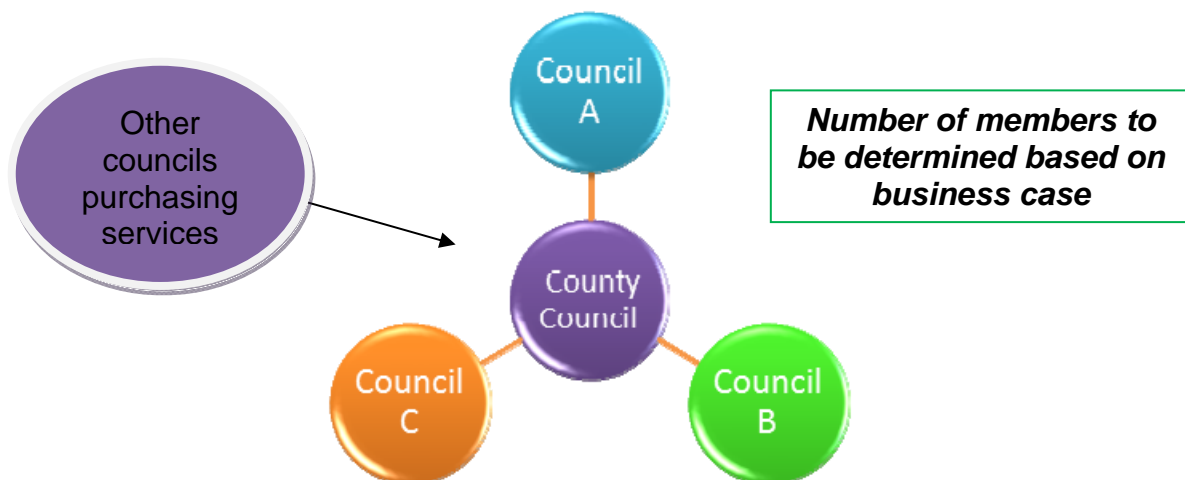
**REPORT**

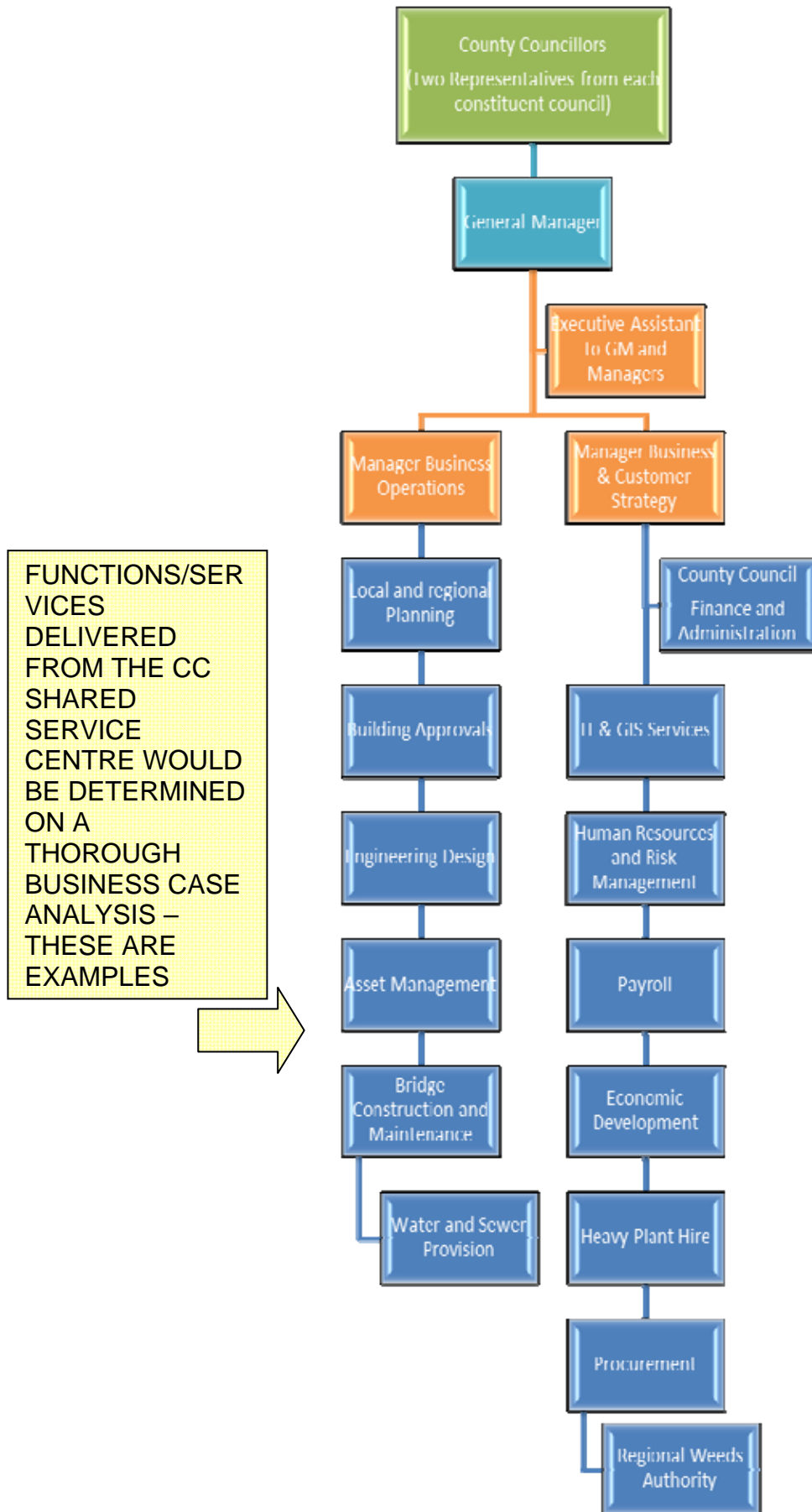
At the February 2013 Council meeting Councillors considered at length a report from the General Manager outlining details of the second Local Government Independent Review Panel consultation paper titled *“Better Stronger Local Government – The Case for Sustainable Change”*.

Following consideration of that report, Council resolved

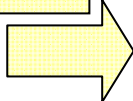
1. *to endorse the WBC Alliance submission to the second Local Government Independent Review Panel (IRP) consultation paper.*
2. *That the General Manager prepare a separate Council submission to the IRP to be circulated to each Councillor for endorsement prior to lodgement.*

The general thrust of the WBC Alliance submission, endorsed by Council, centred on the viability of shared services as a future operating model for some councils. The WBC submission outlined the recent work undertaken in developing a shared service model using a county council as the platform for delivery. The model was loosely called a County Council Shared Service Centre (CCSSC) and, taken from the WBC submission, is graphically described as follows:





FUNCTIONS/SERVICES DELIVERED FROM THE CC SHARED SERVICE CENTRE WOULD BE DETERMINED ON A THOROUGH BUSINESS CASE ANALYSIS – THESE ARE EXAMPLES



*“Using a County Council as the delivery platform a range of services would be provided on a fee for service basis to the member councils and to other councils or private enterprise. The CCSSC (County Council Shared Service Centre) would operate with a representative council from its constituent councils, and within the relevant Act of the day.”*

*“Services would be priced on a fee for service basis. Member councils would buy services at cost rate within the parameters of a service level agreement. Other councils or private enterprise could also purchase services but at cost plus, thereby supplementing the services provided to the member councils.”*

*“Functions that **could** be delivered through a CCSSC include:*

*Environmental Services -*

- Local and regional planning*
- Building approvals*
- Heritage*
- Food shop inspections*

*Engineering Services –*

- Engineering design*
- Asset management*
- Fleet management*
- Water and sewerage (need to determine if this includes transfer of assets or if it is purely a service provider role)*
- Weeds – (would require significant discussions with the Weeds County Councils that currently provide services to the member councils)*

*Corporate Services –*

- Human Resources*
- Risk Management*
- Payroll*
- IT (would possibly still require a technical position on the ground in each council)*
- GIS*
- Procurement*
- Economic Development*

*“These functions had **been identified during the Shared Services Research Project** as being suitable for delivery through a shared arrangement. The member councils would need to agree on exactly which functions would transfer to the CCSSC and would need much more detailed business case.”*

*“The County Council would have a **General Manager** with the same responsibilities as other County Council General Managers but with a different*

*skills set. The suitable person would need to have more business/marketing/commercial experience or qualifications. He/she would need to be entrepreneurial, a lateral thinker, and a change leader.”*

*“Within the CCSSC there would be two units:*

***Business and Customer Strategy –***

- responsible for liaising with the customers*
- interpreting customer requests and developing project specifications and costing for service requests*
- interface with operations for provision of services*
- ensuring service level agreements are in place and being met*
- establishing KPI's for the CCSSC*
- providing finance and administrative support and resources to the operations Unit*
- coordinating service provision to customers in the functions of HR, Risk Management, GIS , IT and Procurement*
- promotion of services to other customers – new business development*

***Business Operations –***

- provision of range of services and functions on a fee for service basis and in accordance with service level agreements*
- project management*
- promotion of services to other customers – new business development”*

Council's submission to the IRP (circulated to Councillors) in March 2013, whilst stating its support for the WBC submission, focused mainly on the support for the aggregation of local water utilities.

The support for the WBC submission was stated in Council's submission as follows:

***Collaboration and Shared Services***

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*CTW fully supports the WBC position on a shared services model for general purpose councils to access, for example, specialist planning, engineering, building services, IT, payroll and risk management services. CTW is more than willing to work and help develop this concept, including exploring using the County Council structure as the vehicle for delivering shared services to its Alliance member councils. With CTW already being an existing County Council, established in 1944, it is conceivable that CTW could be considered as this vehicle to set up and deliver a specialist shared services capability.*

*As mentioned above, the WBC Alliance is submitting a separate response to the IRP November 2012 Paper. The WBC submission outlines in excellent detail the benefits of shared services collaboration and how the model of a County Council shared service centre can be a strong partner in regional collaboration and*

*representation. On the strength of the WBC submission, CTW does not intend to further elaborate in this regard other than to say it is 100% in support of the submission.*

Council's March submission also included the following in the Executive Summary:

*The position of Central Tablelands Water (CTW), as endorsed by its Councillors, is that so far as local government reform generally is concerned:*

- there is a pressing need for change, particularly in the areas identified by the Panel;*
- a shared services organisation, structured as a County Council, will best deliver economies while preserving local identity,*  
*and that specifically in relation to the provision of water and sewerage services in regional urban areas:*

- to achieve the required scale, regional water utilities need to be aggregated into regional bodies but remain under local government control;*

*CTW as a specialist water utility already serving four local government areas is ideally placed as the vehicle to provide water and sewerage services to regional urban communities in and proximate to the Lachlan catchment.*

As reported to Council in February, the IRP would release its third and final discussion paper: 'Future Directions' in April and that the paper would provide as much detail as possible on the Panel's conclusions and the likely shape of its final recommendations to Government. There would be further opportunities made available for consultation and submissions on the IRP's recommendations.

The *Future Directions Paper, Twenty Essential Steps*, has been released and this was circulated to all Councillors. There are a range of proposed "options" summarised on page 5 of the document. In summary there are 26 proposals in the areas of:

- Sustainability and Finance
- Infrastructure
- Productivity and Improvement
- Better Governance
- Structural Reform
- Western NSW
- Implementation of reform

The key issues that would have a significant impact on Central Tablelands Water are the proposals outlined on pages 34 – 37. In summary:

- Introduction **of regions** with a large regional centre, and **"new look" multi-purpose County Councils** – one per region for the delivery of a range of services to support general purpose councils



- These would absorb the functions and services currently provided through **Regional Organisations of Councils (ROCS), which would be disbanded**
- They would **replace current special purpose County councils** (*they could establish subsidiaries for some areas of service delivery and may expand their functions over time.....*)
- In the table on page 39 the future of existing county councils is listed - it indicated CTW would be **absorbed into the new Central West CC.** the only two authorities that would be re “reconstituted” to become the multifunction Cc are Mid Coast Water and Upper Hunter Weeds.....
- the new look county councils would be **located in the regional city centre**
- the **GM of the regional city council** would be the GM of the County Council
- the **Mayor of the regional city council** would be the Chair of the County Council
- the **purpose and functions** to be delivered from the county council would be dependent on the needs of the **member councils** and could vary from region to region. A list of core functions is on page 34.
- In regards to Water Utilities, the Panel sees merit in enhanced regional collaboration to facilitate strategic business planning, to provide a high-level technical support to smaller councils, and - where agreed - to offer an additional option for infrastructure development and service delivery. *“making water utilities a function of the new multi-purpose County Councils achieves those objectives whilst keeping rural water supply and sewerage assets and operations firmly under local government ownership and control.”* However this paper does not deal with asset ownership
- Almost all multipurpose councils are recommended for some sort of **merger or amalgamation** – Weddin with Forbes and Bland; Blayney and Cabonne with Orange
- In Box 10 – Factors in Defining County Councils (page 34) one factor listed is:  
Commercial viability of water utilities (**at least 10 000 connections**)

There would be general consensus and strong resistance from all councils, that are recommended to fall under a regional county council, to the suggestion that the Regional County Council would be located in the regional city centre, that the GM of the regional city council would be the GM of the County Council and that the Mayor of the regional city council would be the Chair of the County Council.

The General Manager is also in dispute with the statement that water utilities need to have at least 10,000 connections to be financially viable and would argue that CTW is a contradiction to that statement.

Considerations for Central Tablelands Water:

If these options are adopted by the State Government it would mean that CTW would cease to exist in its current form. It would be “absorbed” into the Central West Regional County Council.

The WBC Strategic Alliance has again indicated to the panel, DLG and the Minister our willingness to be involved in a pilot program for the establishment of the county council for this region. As the county council structure is already available under the Local Government Act 1993, it is felt that, with a minor modification to its constitution, CTW could be allowed to take on a greater range of services and be the vehicle to trial a County Council Shared Services model.

At present, Council’s constitution, proclaimed in 1944, only allows for the provision of town water supply, however, under Section 383 of the Local Government Act 1993, the Minister may amend the constitution of a county council.

The Minister for Local Government, the Hon Don Page MP, has previously stated that he has a high regard for the WBC Alliance and for what it has achieved to date in collaboration amongst its member councils. The Minister and the IRP are very much in favour of a county council model to deliver the reform that is considered necessary in local government and to this end the WBC is quietly confident that the Minister will support the WBC running a pilot program for a County Council Shared Services model.

At the WBC Board meeting held on Wednesday 5<sup>th</sup> June the following recommendations were adopted:

1. That Blayney Shire, Cabonne Shire and Central Tablelands Water indicate their support and commitment to the new project ‘Development and Implementation of a County Council Shared Service Centre’ as outlined in the project brief.
2. That the WBC Alliance write to the Division of Local Government to request approval for the WBC to trial a County Council Model for the Alliance.

Next steps:

A final submission period closes on 28<sup>th</sup> June. Attached is the copy of the WBC Alliance response. It is not considered necessary for Council to submit a detailed response other than a letter once again formally supporting the WBC submission.

For Councillors information a further copy of the IRP “*Future Directions Paper*” is attached, a copy of the Executive Manager’s report to the WBC Board, a copy of the WBC draft submission response to the IRP and a further copy of Council’s March 2013 submission to the IRP.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**08) Local Government Remuneration Tribunal (GR.LR.4)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council endorse its policy of paying the maximum fees to the Chairman and Members of Central Tablelands County Council, as determined by the Local Government Remuneration Tribunal for Category County Council – Water

**REPORT**

Council has received advice that the Local Government Remuneration Tribunal has delivered its determination in regards to fees payable to councillors and mayors/chairpersons for 2013-2014, increasing fees by 2.5 per cent from 1 July 2013.

A full copy of the Tribunal's 2013 Annual Review **will be tabled** at this Council meeting for Councillors information.

The following table lists the Tribunal's determinations for 2013-2014:

	<b>Councillor/Member Annual Fee</b>		<b>Mayor/Chairperson Additional Fee*</b>	
	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>
<i>Principal City</i>	23,830	34,950	145,810	191,860
<i>Major City</i>	15,880	26,220	33,760	76,390
<i>Metropolitan Major</i>	15,880	26,220	33,760	76,390
<i>Metropolitan Centre</i>	11,910	22,240	25,320	59,100
<i>Metropolitan</i>	7,930	17,490	16,890	38,160
<i>Regional Rural</i>	7,930	17,490	16,890	38,160
<i>Rural</i>	7,930	10,480	8,430	22,870
<b>County Council – Water</b>	<b>1,580</b>	<b>8,740</b>	<b>3,380</b>	<b>14,350</b>
<i>County Council – Other</i>	1,580	5,230	3,380	9,540

Council's policy is to pay the maximum fees as determined by the Local Government Remuneration Tribunal.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**09) 2011/2012 NSW Water Supply Performance Monitoring Report (GR.SL.2)**

(Tony Perry)

**RECOMMENDATION:**

1. That the 2011/2012 Water Supply Performance Report for Local Government Water Utilities be received and noted.

**REPORT**

The NSW Office of Water (NOW) has released the *2011/2012 NSW Water Supply and Sewerage Performance Monitoring Report* which shows that local water utilities are continuing to make good progress in complying with the requirements of the *Best-Practice Management of Water Supply and Sewerage Guidelines 2007*. **The Full Report will be tabled at this meeting.**

NOW advise that overall compliance with the 19 requirements of the *Best Practice Guidelines* is now 89%, compared to 46% seven years ago. Compliance with each requirement is a pre-requisite for eligibility for financial assistance towards the capital cost of backlog infrastructure under the *Country Towns Water Supply and Sewerage Program*. Councils are reminded that they are now all expected to have substantially complied with the guidelines.

NOW has also sent a copy of Council's 2011/2012 TBL Performance Report (see attached).

As reported last year, Central Tablelands Water has performed well in the 2011/2012 performance reports.

The report shows that, in 2011/2012, Council was 90% compliant with all requirements of the Best-Practice Guidelines, including full cost recovery. This is a slight reduction from the 100% compliance of the past few years. The reduction is due to a slight negative result in the economic real rate of return for 2011/2012, which can be directly attributed to the significant drop in revenue as a result of the wet seasonal conditions in 2011/2012.

Notwithstanding, Council ranks fairly highly in other areas of the report when compared against water utilities of similar size and even when compared against the State median.

Council's 2011/2012 TBL Water Supply Performance Report is provided as an attachment to this business paper.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- |   |   |         |
|---|---|---------|
| 1 | TBL Water Supply Performance Monitoring Report                                | 2 Pages |
| 2 | Letter from Office of Water regarding 2011-2012 Performance Monitoring Report | 2 Pages |

*GR. 5L. 2.*

**Central Tablelands Water TBL Water Supply Performance 2011-12**

**WATER SUPPLY SYSTEM** - Central Tablelands Water serves a population of 11,600 (5,400 connected properties). Water is drawn from 7 bores (7 ML/d) and from Lake Rowlands to supply Blayney, Canowindra, Glenfell, Eugowra, Millothorpe, Mandurama, Lyndhurst, Carcoar, Manildra, Cargo, Cudal, Woodstock and Gooloogong. Council has 2 storage dams (total capacity 4800 ML). The water supply network comprises 1 conventional treatment works (5 ML/d) and 1 DAFF works (9 ML/d), 45 service reservoirs (29 ML), 32 pumping stations, 15 ML/d delivery capacity into the distribution system, 320 km of transfer and trunk mains and 269 km of reticulation. With the exception of Quandialla, all the water supply is fully treated.

**PERFORMANCE** - Central Tablelands Water achieved 90% compliance with Best Practice requirements. The 2012-13 typical residential bill was \$506 which was close to the statewide median of \$450 (indicator 14). However, the economic real rate of return was negative (Indicator 43). The operating cost (OMA) per property was \$464 which was above the statewide median of \$390 (Indicator 49). Water quality complaints were well above the statewide median of 3 (Indicator 25). Compliance was achieved for microbiological water quality (2 of 2 zones compliant), chemical water quality (2 of 2 zones compliant) and physical water quality. There were no failures of the chlorination system or the treatment system. Central Tablelands Water reported no water supply public health incidents. Current replacement cost of system assets was \$113M (\$19,900 per assessment). Cash and investments were \$3.2M, debt was \$4.1M and revenue was \$3.7M (excluding capital works grants).

**IMPLEMENTATION OF REQUIREMENTS OF BEST PRACTICE MANAGEMENT FRAMEWORK**

(1) Complete Current Strategic Business Plan & Financial Plan	YES	(3) Sound water conservation implemented	YES
(2) (2a) Pricing - Full Cost Recovery, without significant cross subsidies	Yes	(4) Sound drought management implemented	YES
(2b,2c) Pricing - Appropriate Residential Charges		(5) Complete performance reporting (by 15 September)	YES
(2d) Pricing - Appropriate Non-residential Charges	Yes	(6) Integrated water cycle management strategy	YESE
(2e) Pricing - DSP with Commercial Developer Charges	Yes	<b>IMPLEMENTATION OF ALL REQUIREMENTS</b>	<b>90%</b>

**TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS**

NWL No	DESCRIPTION	UNIT	LWU RESULT	RANKING			MEDIAN		
				3,001 to 10,000	All LWUs	Statewide	National		
				Col 1	Col 2	Col 3	Col 4	Col 5	
UTILITY	CHARACTERISTICS	C1 1 Population served:	11600						
		C4 2 Number of connected properties:	5400	Number of assessments: 5680					
		3 Residential connected properties (% of total)			75			91	
		4 New residences connected to water supply (%)			1.5	1	1	0.9	
		A3 5 Properties served per kilometre of water main		Prop/km	10			32	35
		6 Rainfall (% of median annual rainfall)			120	5	5	138	
		B11 7 Total urban water supplied at master meters (ML)		ML	1,390			6,100	8,810
		8 Peak week to average consumption (%)			367	5	5	130	
		9 Renewals expenditure (% of current replacement cost of system assets)			0.2	4	4	0.4	
		10 Employees per 1000 properties		per 1,000 prop	3.5	5	5	1.5	
SOCIAL	HEALTH	P1 Residential tariff structure for 2012-13: incising block, independent of land value; access charge \$200							
		P1.3 12a Residential water usage charge for 2011-12 for usage <450 kL (c/kL)	c/kL (2011-12)	184	2	2	179	167	
		12 Residential water usage charge for 2012-13 for usage <450 kL (c/kL)	c/kL (2012-13)	199	2	2	185		
		P2 14a Typical residential bill for 2011-12 (\$/assessment)	\$ (2011-12)	443	2	2	457	474	
		14 Typical residential bill for 2012-13 (\$/assessment)	\$ (2012-13)	506	3	2	490		
		15 Typical developer charge for 2012-13 (\$/equivalent tenement)	\$ (2012-13)	8,730	1	1	5,200		
		F4 16 Residential revenue from usage charges (% of residential bills)		%	65	3	3	69	65
		F5 17 Revenue per property - water (\$)		\$	680	3	3	659	681
		18 Urban population without reticulated water supply (%)		%	9.4	5	5	0.8	
		H6 18a Risk based drinking water quality plan?		Yes					
19 Physical compliance achieved? Note 10		Yes		1	1				
19a Chemical compliance achieved? Note 10		Yes		1	1				
H4 19b Number of zones with chemical compliance		2 of 2							
20 Microbiological (E. coli) compliance achieved? Note 10		Yes		1	1				
H3 20a % population with microbiological compliance		%	100	1	1	100	100		
ENVIRONMENTAL	WATER RESOURCES	C9 25 Water quality complaints per 1000 properties	per 1,000 prop	6.3	5	4	3	3	
		C10 26 Water service complaints per 1000 properties	per 1,000 prop	19.6	4	4	4	1	
		C17 27 Average frequency of unplanned interruptions per 1000 properties	per 1,000 prop	44	4	4	37	69	
		C16 28 Average duration of interruption (min)	min	180	4	4	168	119	
		A8 30 Number of water main breaks per 100 km of water main	per 100km	10	2	3	9	13	
		31 Drought water restrictions (% of time)		%	0	1	1	0	
		32 Total days lost (%)		%	6.3	5	5	2.0	
		W12 33 Average annual residential water supplied per property (kL)	kL	154	2	2	155	167	
		33a Average annual residential water supplied - COASTAL (kL/property)	kL/property				140		
		33b Average annual residential water supplied - INLAND (kL/property)	kL/property	154	1	1	203		
A10 34 Real losses (leakage) (L/service connection/day)	L/connection/day	70	3	3	65	73			
ECONOMIC	EFFICIENCY	35 Energy consumption per Megalitre (kWh/Mt hours)	kWh	780	5	4	650		
		36 Renewable energy consumption (% of total energy consumption)	%				0		
		E12 36a Net greenhouse gas emissions - WS & Sge (net tonnes CO2 - equivalents per 1000 properties)	t CO2	210	3	2	370	390	
		F17 43 Economic real rate of return - Water (%)	%	-1.0	5	4	0.5	0.6	
		44 Return on assets - Water (%)	%	-1.3	5	5	0.0		
		F22 45 Net Debt to equity - WS&Sge (%)	%	2	2	2	2	11	
		F23 46 Interest cover - WS&Sge		0	5	5	1	2	
		47 Loan payment per property - Water (\$)	\$	106	1	1	60		
		F24 47b Net profit after tax - WS & Sge (\$'000)	\$'000	-670	5	5	73	2591	
		48 Operating cost (OMA) per 100km of main (\$'000)	\$'000	444	1	1	1,280		
F11 49 Operating cost (OMA) per property (\$ Note 8)	\$	464	3	3	380	393			
50 Operating cost (OMA) per kilolitre (cents)	c/kL	167	4	4	131				
51 Management cost per property (\$)	\$	248	5	5	130				
52 Treatment cost per property (\$)	\$	92	2	3	49				
53 Pumping cost per property (\$)	\$	36	3	2	28				
54 Energy cost per property (\$)	\$	27	3	3	18				
55 Water main cost per property (\$)	\$	55	2	2	59				
F28 56 Capital Expenditure per property (\$)	\$	124	3	3	189	213			

**NOTES:**

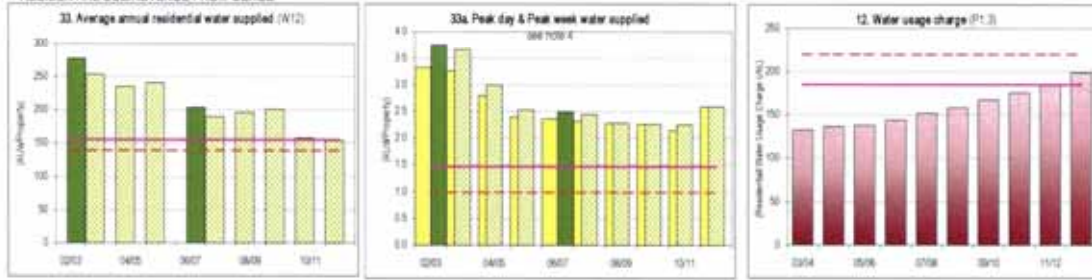
- Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 3,001 to 10,000).
- Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs).
- Col 4 (Statewide Median) is on a % of connected properties basis - best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
- Col 5 (National Median) is the median value for the 67 utilities reporting water supply performance in the National Performance Report 2011-12 ([www.dws.gov.au](http://www.dws.gov.au)).
- LWUs are required to annually review key projections & actions in their Strategic Business Plan and annually update their financial plan. The SBP should be updated after 4 years.
- 2012-13 Non-residential Tariff: Access Charge based on Meter Size\*(40mm:\$800), Two Part Tariff: Usage Charge 199c/kL.
- Non-residential water supplied was 49% of potable water supplied excluding non-revenue water.  
Non-residential revenue was 47% of annual rates and charges, indicating fair pricing of services between the residential and non-residential sectors.
- The operating cost (OMA) per property was \$464. Components were: management (\$248), operation (\$38), maintenance (\$123), energy (\$27) and chemical (\$28).
- Central Tablelands Water rehabilitations included 0.4% of its water mains and 2.04% of its service connectors. Renewals expenditure was \$42,000/100km of main.
- Compliance with ADWG 2011 for drinking water quality is shown as "Yes" if compliance has been achieved (indicators 19, 19a & 20), otherwise the % of samples complying is shown.



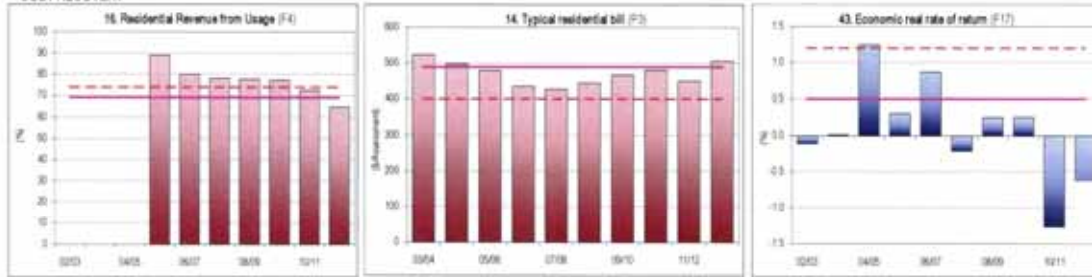
Central Tablelands Water TBL Water Supply Performance (page 2) 2011-12

(Results shown for 10 years together with 2011-12 Statewide Median and Top 20%)

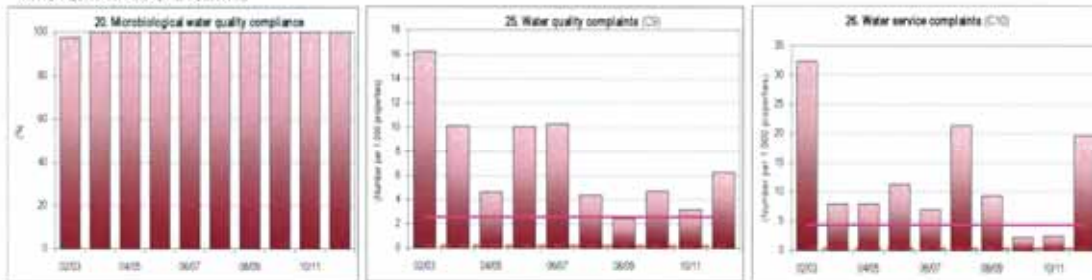
RESIDENTIAL USER/REVENUE FROM USAGE



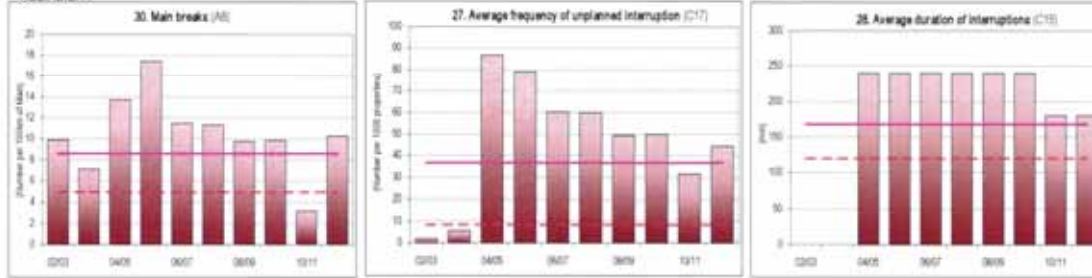
COST RECOVERY



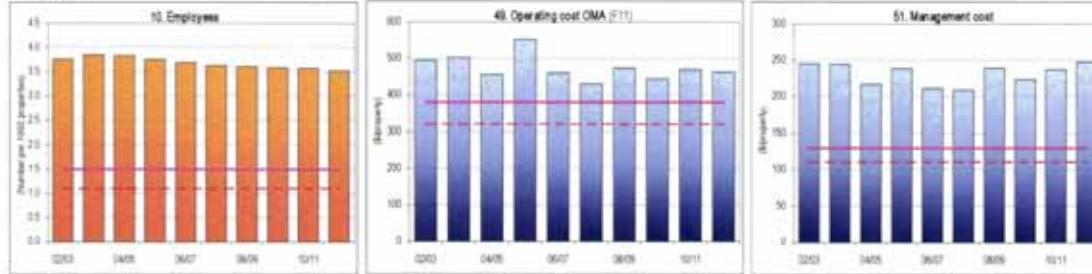
WATER QUALITY/CUSTOMER SERVICE



RELIABILITY



EFFICIENCY



NOTES:

- Costs are in Jan 2012\$ except for graphs 12 and 14, which are in Jan 2013\$
- Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004-05 to 2010-11 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines (ADWG) and for 2011-12 compliance was on the basis of the 2011 ADWG
- Indicators 33 and 33a - Green shading shows % of Time Drought Water Restrictions applied in each year
- Indicator 33a - Yellow bars show Peak Week Water Supplied for comparison with Peak Day Water Supplied

LEGEND

2011-12 State Median (solid red line)

2011-12 Top 20% (dashed red line)

Green shading: Nil or < 30%

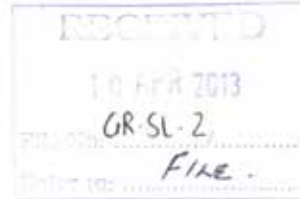
Yellow shading: 30-50%

Dark Green shading: >50%

Yellow bar: Peak Week Water Supplied



Mr Antony Perry  
General Manager  
Central Tablelands Water  
PO Box 61  
BLAYNEY NSW 2799



Dear Mr Perry

I am pleased to provide Council with copies of the *2011-12 NSW Water Supply and Sewerage Performance Monitoring Report* (the Report) to facilitate continuing improvement in the performance of the 105 local water utilities in regional New South Wales.

**2011-12 NSW Performance Monitoring Report**

This Report is the latest in the series jointly developed by the NSW Office of Water and the Local Government Association and Shires Association (LGSA). The Report has been streamlined and simplified to make it more user friendly for both the community and Councils. In particular, the report will assist each local water utility (LWU) to compare its performance relative to other LWUs. You can find a link to the Report on the NSW Office of Water's website ([www.water.nsw.gov.au/urban\\_water](http://www.water.nsw.gov.au/urban_water)), if you require further copies.

The Office of Water will shortly be completing a *Benchmarking Report* which will provide a wealth of disaggregated performance and cost data to facilitate benchmarking and improving each utility's performance. The *Benchmarking Report* will also help NSW meet its obligations under the National Water Initiative along with the *Performance Monitoring Report*. The *Benchmarking Report* will be available on the Office of Water's website.

An important section of the Performance Monitoring report is "*Best-Practice Management*". The NSW *Best-Practice Management of Water Supply and Sewerage Guidelines* were published in 2004 and updated in August 2007 pursuant to section 409(6) of the *Local Government Act 1993*. The purpose of best-practice management is to achieve appropriate, affordable, cost-effective and sustainable water supply and sewerage services throughout NSW.

Overall implementation of the 19 planning, pricing and management requirements of the *Best Practice Management Guidelines* is now 89 per cent, compared to 46 per cent seven years ago. Implementation of each requirement is a pre-requisite for eligibility to pay a dividend from the surplus of a utility's water supply and sewerage businesses and for financial assistance towards the capital cost of backlog infrastructure under the *Country Towns Water Supply and Sewerage* program. Councils are reminded they are now all expected to have substantially implemented these requirements.

Each utility should address each of the 19 requirements of the *Best-Practice Management Guidelines*, which include:

- 1) **Strategic Business Planning** - I congratulate the 97 utilities that have completed such plans, which includes all the utilities serving over 3,000 connected properties. A number of these utilities now need to update their strategic business plan and financial plan in accordance with the *NSW Water and Sewerage Strategic Business Planning Guidelines, July 2011* (available at [www.water.nsw.gov.au/urban\\_water](http://www.water.nsw.gov.au/urban_water)). I remind each utility that annual updating of the financial plans is required together with a brief report

to Council. An example report to Council on the updated financial plan is provided in Appendix H of the new *Strategic Business Planning Guidelines*.

- 2) **Pricing and Regulation of Water Supply, Sewerage and Trade Waste** – In addition to implementing a trade waste regulation policy, all utilities should implement best-practice water supply, sewerage and trade waste pricing. The NSW Office of Water has prepared comprehensive guidelines, software and other tools to assist utilities in implementing best-practice pricing and achieving full cost recovery. A help desk (02 8281 7321, urbanwater@water.nsw.gov.au) is also available to assist in clarifying any concerns and reviewing pricing options. Ninety four utilities (94) have full cost recovery for water supply (98% of the water supply utilities), 96 have full cost recovery for sewerage (97% of the sewerage utilities), 60 utilities have met the residential revenue from usage charges requirement and 80 utilities have implemented a sound liquid trade waste regulation policy.
- 3) **Water Conservation** – Demand management delivers significant environmental and social benefits and reduces capital and operating costs. Utilities should identify and implement cost-effective demand management measures to achieve cost and energy savings, protect the environment and reduce waste water flows. Each utility should review its demand management measures every two years to ensure it continues to achieve an appropriate balance between demand and supply side investment. 88 utilities have implemented sound water conservation.
- 4) **Drought Management** – 89 utilities have implemented sound drought management.
- 5) **Performance Monitoring** – Utilities should continue to lodge their annual water supply and sewerage performance report with the Office of Water by 15 September each year. Utilities also need to prepare an annual Action Plan to Council after reviewing the 2-page TBL Performance Reports provided by the Office of Water to each utility.
- 6) **Integrated Water Cycle Management (IWCM)** – Eighty (80) utilities have commenced an integrated water cycle management evaluation or IWCM strategy. Sixty five (65) utilities have completed an IWCM evaluation, 33 of which have also completed an IWCM strategy.

I remind all utilities that the value of the best-practice requirements lies in the rigour with which they are applied, and that the regular review and updating of plans is essential to best-practice.

Utilities are encouraged to continue to improve their performance by comparing their performance indicators with those of similar utilities and benchmarking their key work processes with those of one or two high-performing similar utilities. They should then implement the best practices thus identified. This will help provide better customer service, reduced environmental impact and better value-for-money for the community.

I encourage Council to make a copy of the *Performance Monitoring Report* available to interested residents.

Yours sincerely



David Harriss  
Commissioner, NSW Office of Water

Encl.

**10) Local Government NSW - Membership (CM.CI.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council advise Local Government NSW that it has resolved to apply for Associate Membership of the Association.

**REPORT**

As Councillors would be aware the Shires' Association of NSW merged with the Local Government Association of NSW, effective from 1 March 2013, to form Local Government NSW (LGNSW).

Membership of the new Association is limited to either Ordinary Membership or Associate Membership. Ordinary Membership is self-explanatory and members have full voting rights and delegates can stand for and vote in elections for any office within the Association. Associate Members have the right through its delegates to attend, participate and vote on resolutions proposed at conferences of the Association, and to participate in or receive such benefits or services as the Board shall deem appropriate for Associate Members from time to time, but does not confer any right to have its delegates stand for all vote in elections for any office within the Association.

Council is required to advise LGNSW of which type of membership it has elected to join. For 2013/2014 the membership fee for Associate membership is \$2,366.67, the fee for Ordinary membership is \$12,231.00.

As council will not be seeking for any of its delegates to stand for any office within the Association and will not be seeking to vote in the elections for any office within the Association, it is the General Manager's recommendation that Council resolve to apply for Associate membership of LGNSW.

A copy of the letter from LGNSW is attached for council information.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Letter regarding membership of Local Government NSW 3 Pages



6 May 2013

Mr Antony Perry  
General Manager  
Central Tablelands Water County Council  
PO Box 61  
BLAYNEY NSW 2799



Dear Mr Perry

**Membership of Local Government NSW**

As you will be aware, effective 1 March 2013 the Local Government Association of NSW and the Shires Association of NSW merged to form Local Government NSW (LGNSW).

The Rules of LGNSW provide that County Councils shall be eligible for Ordinary membership or Associate membership, with the decision as to which level of membership being made by the County Council concerned.

The purpose of this letter is to request Central Tablelands Water County Council consider this issue and advise the Association of its decision.

To assist with your deliberations please note the following:

The membership provisions of the Rules are covered under Clause 6;

- "6. (a) *Membership of the Association shall be open to Councils, County councils in the State of New South Wales and the ALC.*
- (b) *Membership of the Association shall be limited to:*
- (i) *Ordinary members; and*
  - (ii) *Associate members.*
- (c) *Any Council shall be eligible for Ordinary membership of the Association subject to compliance with the requirements of Rule 7 and payment of the prescribed annual subscription in accordance with Rule 13, Annual Subscriptions.*
- (d) *County councils and the ALC (each of which is referred to in this sub rule as an "entity") shall be eligible for Ordinary membership or Associate membership of the Association, at the election of the entity concerned, provided that:*

*the original application for membership made by such entity complies with the requirements of Rule 7 and the prescribed subscription is paid in accordance with the requirements of Rule 13;*

LOCAL GOVERNMENT NSW  
GPO BOX 7003 SYDNEY NSW 2001  
LB, 28 MARGARET ST SYDNEY NSW 2000  
T 02 9242 4000 F 02 9242 4111  
LGNSW.ORG.AU LGNSW@LGNSW.ORG.AU  
ABN 49 853 913 862

*the election as to the category of membership that such entity wishes to make is communicated to the Chief Executive at the time of application for membership or, in the case of renewal of membership, not later than 21 days after the date upon which notice is given to the member by the Chief Executive pursuant to Rule 13 (c);*

*any such election shall remain in force for not less than 3 (three) financial years; and*

*where an entity that has made an election pursuant to this sub Rule is entitled to exercise a further election, a failure to exercise that election will be regarded as an election to remain in that entity's existing category of membership."*

- (e) *Associate Membership of the Association confers on the Associate Member the right through its delegates to attend, participate and vote on resolutions proposed at conferences of the Association, and to participate in or receive such benefits or services as the Board shall deem appropriate for provision to Associate Members from time to time, but does not confer any right to have its delegates stand for or vote in elections for any office within the Association.*

7. (a) *An application for membership of the Association, whether as an ordinary member or as an associate member, shall be in writing, signed by the General Manager, to the Chief Executive.*

*Upon receipt of an application for membership the Chief Executive shall inform the applicant in writing of:*

- (i) *the financial obligations arising from membership; and*  
(ii) *the circumstances, and the manner, in which a member may resign from the Association.*

- (b) *Any application for membership of the Association shall be promptly submitted to the Board which may either approve or reject the application, but may only reject the application if it is not in accordance with these Rules or does not comply with the Act."*

The important components of this section of the Rules are essentially:

- Each County Council has the right to choose either Ordinary or Associate membership
- The choice made remains in force for a 3 year period
- There is a subscription amount payable for membership; this is outlined in more detail later in this letter.
- Associate membership does not confer the right of an Associate member's delegates to stand for or vote in elections for any office
- Associate membership does confer the right of an Associate member's delegates to attend, participate and vote on resolutions proposed at conferences.

### Voting at Conferences

The Rules provide that each Metropolitan/Urban County Council is afforded 2 voting delegates at the Annual Conference, while Rural/Regional County Councils are afforded 1 voting delegate.

The number of voting delegates is the same regardless of choice of membership type, however if a County Council chooses to be an Associate member then their delegates are unable to vote (or nominate) for any election for any office.

### Subscriptions

The subscription required depends on the choice of membership. For the 2013/2014 financial year the amounts are as follows:

Associate membership	\$2,366.67
Ordinary membership	\$12,231.00

The ordinary membership subscription amount has been determined to be the same amount as that paid by the General purpose Council who paid the smallest subscription for the 2013/2014 financial year. This decision was taken by the Board to ensure equity for all members.

It would be appreciated if you could consider this issue and advise the Association of your decision by 30 May 2013.

Should you require a full copy of the Association's Rules you can find them at the Fair Work Australia website: <http://www.e-airc.gov.au/142n/rules>. Should you require any further information in relation to this matter please contact me direct on 9242 4030.

Yours sincerely,



Peter Coulton  
Director Corporate Services

**11) Drinking Water Management System (EM.MO.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That the information be noted and that a letter be written to NSW Health acknowledging with gratitude the funding of the development of the Drinking Water Management System.

**REPORT**

The *Public Health Act 2010* and the Public Health Regulation 2012 require drinking water suppliers to develop and adhere to a 'quality assurance program' (or drinking water management system) from 1 September 2014. This requirement applies to water suppliers defined in the Act, including water utilities, private water suppliers and water carters. Major water utilities, such as Hunter Water Corporation, Sydney Catchment Authority and Sydney Water Corporation, already have risk-based drinking water management systems as a requirement of their operating licences.

A Drinking Water Management System (DWMS) consists of documents, procedures and other supporting information for the safe supply of drinking water. The DWMS must address the elements of the Framework for Management of Drinking Water Quality (Australian Drinking Water Guidelines) relevant to the operations of the supplier. At the heart of the Framework are Critical Control Points (CCPs). A CCP is an activity, procedure or process that is critical to control a water quality hazard (for example chlorination and filtration/particle removal).

The steps involved in developing a DWMS are:

- identify personnel to participate (including Public Health Unit and NSW Office of Water)
- document current practice that aligns with DWMS requirements and identify any gaps
- hold a risk assessment workshop develop operational procedures for CCPs, prioritise the improvements and actions
- undertake immediate improvements and actions, implement the DWMS
- submit DWMS document to Public Health Unit for review
- review and continuous improvement (regularly review to ensure the DWMS is current and effective).

NSW Health recommends the use of an external facilitator for the risk assessment workshop. The Regulation requires a water supplier to provide its most recent DWMS to NSW Health. The Public Health Unit will review the DWMS in consultation with NSW Office of Water and note any areas for improvement in future revisions. Any critical matters must be addressed immediately.



In order to comply with the requirements of NSW Health to have a DWMS in place and operating prior to 1 September 2014, the General Manager sought quotes from two specialised consultants to conduct a risk assessment workshop and to develop a compliant DWMS for Central Tablelands Water.

The two quotes received are as follows:

- HydroScience Consulting \$34,580.00 (excl. GST)
- NSW Public Works (NSW Water Solutions) \$36,100.00 (excl. GST)

As indicated above, there is not a great deal of difference in the quotes from both consultants and, from experience, both consultants are highly professional and competent. The General Manager is recommending the appointment of HydroScience Consulting as they are extremely familiar with Council's operation having recently completed the following Council plans:

- Integrated Water Cycle Management Plan (Evaluation & Detailed Studies)
- Demand Management Plan
- Drought Management Plan
- Developer Servicing Plan

The General Manager has been in contact with the head of the NSW Health Environment Branch, Dr Paul Byleveld, seeking funding towards the cost of implementing the DWMS. Dr Byleveld has responded advising that NSW Health will fully fund the cost of developing a Drinking Water Management System and will engage HydroScience directly to carry out this work.

This will be a considerable saving to Council as \$36,000 had been provided for in the 2013/2014 budget.

### **BUDGET IMPLICATIONS**

Saving of \$36,000 from 2013/2014 budget.

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**12) NBN CO LTD - Deed of Access, Eugowra NSW (LS.CO.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the Deed of Access, granted to the NBN Co Ltd, over Lots 1–3 DP 383826 Eugowra.

**REPORT**

As reported to Council in June 2012, the General Manager negotiated with consultants working on behalf of the National Broadband Network to provide access to a property adjacent to council's reservoir site on Nanima Road Eugowra.

In order to access their property, it would be necessary to acquire a Deed of Access over the road leading to council's reservoir site. The General Manager successfully negotiated a Deed of Access agreement with an annual access fee of \$1,500 per annum, which is indexed annually to be CPI rate.

The term of the Deed of Access is for 22 years with either party able to terminate the Deed by giving not less than 6 month's written notice.

The Deed of Access has been legally prepared and requires a resolution of Council to execute the document under the Common Seal of Council.

**BUDGET IMPLICATIONS**

Not included as revenue in the draft 2013/2014 budget as negotiations had not been completed at that time. Supplementary vote for additional income of \$1,500 will be included in the September 2013 Budget Review.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**13) NBN Co Ltd - Lease Agreement - Carcoar Reservoir (LS.CO.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the lease agreement between Council and the NBN Co Ltd to erect a telecommunications facility on the roof of Carcoar Reservoir.

**REPORT**

The General Manager has successfully negotiated with consultants for the NBN Co Ltd a lease agreement to erect a telecommunications aerial on the roof of Council's Reservoir at Carcoar.

The term of the lease is for a period of 5 years commencing on 24 June 2013 and thereafter on a year-to-year basis. The negotiated annual lease payment is \$8,000 and is subject to an annual increase equivalent to the CPI rate.

Prior to entering into these negotiations, the General Manager consulted with the Manager of Technical and Operational Services and was assured by him that the installation of this facility on the roof of the Carcoar Reservoir would in no way interfere with the integrity or operation of the reservoir.

A resolution of Council is now required authorising the execution of the lease agreement under the Common Seal of Council.

A copy of the lease agreement is **tabled** for Council's information.

**BUDGET IMPLICATIONS**

Not included as revenue in the draft 2013/2014 budget as negotiations had not been completed at that time. Supplementary vote for additional income of \$8,000 will be included in the September 2013 Budget Review.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**14) Grenfell P.A.H. & I Association (CR.SD.1)**

(Tony Perry)

**RECOMMENDATION:**

1. That Council approve a Section 356 payment of \$250.00 to the Grenfell Show Committee in support of the 2013 Grenfell Show to be held on 30 & 31 August 2013.

**REPORT**

The Grenfell P.A.H & I Association Show Committee has written to Council seeking support by way of sponsorship for their 2013 Grenfell Show on 30 & 31 August 2013.

The Committee is once again offering three levels of sponsorship, namely Gold \$250.00, Silver \$150.00 and Bronze \$100.00.

In the past seven years, Council has supported this Association with a sponsorship of \$250.00

The Association's letter is provided **within this business paper**.

**BUDGET IMPLICATIONS**

Nil – Within budget provisions

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Letter from Grenfell P.A.H & I Association 2 Pages



**GRENFELL P.A.H & I ASSOCIATION INC.**

PO Box 47, GRENFELL NSW 2810  
Email: grenfellshow@hotmail.com  
Ph/Fax: 02 6343 1513  
ABN: 90 023 665 545



22 April 2013

Central Tablelands Water  
Davies Place  
GRENFELL NSW 2810

President: Mark Liebich  
Treasurer: Lorette Walmsley  
Secretary: Jeannie Murray

After a very successful and enjoyable event in 2012, the Grenfell Show Committee is preparing for the Show to be held Friday 30<sup>th</sup> August and Saturday 31<sup>st</sup> August 2013.

We are offering you another invaluable opportunity to become part of our annual show whilst receiving the benefits of the advertising opportunities that come with being a sponsor. Once again there are three levels of sponsorship being offered. Each level will receive mention in the 'Grenfell Record' and our 500 Schedules.

The levels are as follows:

**GOLD SPONSORS:**

For this a donation of \$250 or equivalent in prizes is required.

At GOLD level you will be allocated a full page advertisement in the schedule, space for signs that your business provides to be placed around various locations and in frequently used sites. Eg. Bar, Food Hall, Front Gate etc. Also you will receive the opportunity to have twenty second speil of your discretion aired over the PA system during the show. In addition to this you will receive GOLD SPONSOR tickets for you and your family for free entry to the show and four meal tickets to be redeemed at the BBQ on Friday Night.

**SILVER SPONSORS:**

For this a donation of \$150 or equivalent in prizes is required.

At SILVER level you will be allocated a half page advert in the Schedule, a space for signs that your business provides, to be placed in high traffic areas around the show. You will receive the opportunity to put together a twenty second speil about your business to be aired over the PA system during the show. In addition to this you will receive SILVER SPONSOR tickets for you and your family for free entry to the show and four meal tickets to be redeemed at the BBQ on Friday Night.

**BRONZE SPONSORS:**

For this a donation of \$100 or equivalent in prizes is required.

At BRONZE level you will be allocated a ¼ page advert in the Schedule, a space for signs that your business provides. You will have the opportunity to have a twenty second spiel of your discretion aired over the PA System during the show. Also you will receive BRONZE SPONSOR tickets allowing you and your family free entry to the show.

As you can see there are a variety of packages on offer and we would be most appreciative of your support. We appreciate the generosity of Past Sponsors and welcome the opportunity to work with new sponsors whilst appreciating the tight economic conditions faced by most small & rural business today. If you feel these levels of sponsorship to be outside of your business advert/sponsorship budget, any other donations will be most gratefully received and will be acknowledge in our schedule of sponsors.

As we are currently preparing our Schedule we would appreciate it if you could advise us if you wish to be involved in our sponsorship program as soon as possible.

If you have any questions please feel free to contact me on Phone/Fax: 02 6343 2600 or after hours on 0488432800.

**Please Note: Payment of Sponsorship & Advertising copy will need to be received by 31<sup>st</sup> May 2013.**

Yours Sincerely,



Mark Liebich  
President  
Grenfell PAH & I

BUSINESS NAME:.....  
POSTAL ADDRESS:.....  
EMAIL ADDRESS:.....  
CONTACT PHONE NO.....

Please circle the Level of Sponsorship: GOLD / SILVER / BRONZE

PAYMENT OPTIONS: CASH / CHEQUE / DIRECT DEBIT (please circle your option)  
**If paying by direct deposit please forward this form with receipt of deposit attached**  
**Our Banking Details: Grenfell PAH & I Ass Inc BSB: 032 824 Acc No: 10087**

**15) Lake Rowlands - 2013 Dam Safety Inspection Report (WS.SP.4)**

(Darrell Sligar)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT**

The NSW Office of Water (NOW) has written to Council enclosing the 2013 Dam Safety Inspection Report for Lake Rowlands.

NOW advised that the inspection, carried out by the Urban Water Branch Dam Safety Unit on 19 February 2013, indicated that the general condition of the dam appeared to remain unchanged since the previous inspection on 6 September 2011 and remains in a satisfactory condition.

The report states that to ensure the continuing satisfactory performance, safety and integrity of the dam, Council's is required to continually undertake close and careful surveillance of the dam's physical behaviour and performance to ensure the early detection of any defects, changes or unsafe trends that may develop. Council staff fulfil this requirement by visually inspecting the dam three times weekly. The staff involved in these inspections have all been trained in dam safety inspections through courses conducted by the NSW Office of Water. It is a requirement that they attend refresher courses every five years.

The *Recommendation Table* is provided as an attachment to this report and a full copy of the Inspection Report will be tabled at this meeting.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Lake Rowlands Dam - 2013 Inspection Recommendations 1 Page

LAKE ROWLANDS DAM – 2013 INSPECTION RECOMMENDATIONS

No.	LOCATION	DETAIL / DESCRIPTION	PRIORITY
1 & 2	Spillway	Remove the build up of material and vegetation growth from the slab/buttress toe contact areas to enable rainwater and seepage to drain. Bays 25 & 26	Routine maintenance
3	Auxiliary (emergency) spillway	Relocate the stock fence(s) to downstream of the spillway training walls to prevent any vegetation build up blocking/restricting the approach channel and spillway to prevent the possibility of the embankment being overtopped during a major flood event.	Within 12 months
4	Outlet valves	i) Regrade the d/s outlet channel between buttresses to drain the area round the outlet valve system. Bays 9 & 10. ii) Carryout condition assessment of system. <b>(2011 Report recommendation)</b>	Council priority Complete as soon as possible If feasible
5	Seepage weir Telemetry system	It is essential that safety/operation/accuracy of the telemetry system is improved ensure that: <ul style="list-style-type: none"> <li>• it is operational at all times.</li> <li>• it is calibrated to provide accurate measurement of flow rates.</li> <li>• the 'nappe' over the V-notch is increase to 2H.</li> <li>• it is protected from damage during major flood events.</li> <li>• the V-notch is kept clear of debris at all times</li> </ul>	Immediate
6	Spillway	Advise NOW whether the: <ul style="list-style-type: none"> <li>• levels of alkaline aggregate reaction (AAR) are being monitored.</li> </ul> <b>(2011 Report recommendation)</b>	CTW to advise NOW
7	Construction of New Dam or upgrade of existing Dam	Provide NOW with a copy of the programme for either the <ul style="list-style-type: none"> <li>• Construction of a new dam d/s of the current structure or</li> <li>• The upgrade of the existing dam for flood security if the proposed dam will not be constructed by 2021.</li> </ul>	When available



**16) Lake Rowlands Safety Upgrade - Options Study WS.SP.4**

(Darrell Sligar)

**RECOMMENDATION:**

1. That the Lake Rowlands Safety Upgrade Options Study, prepared by GHD, be received and, following receipt of a peer review, be submitted to the NSW Dam Safety Committee with a recommended option and seeking deferral of any required upgrade until at least 2017/2018.

**REPORT**

The following extract from the June 2012 Council meeting will enable the new Councillors to have knowledge of a number of studies that have been carried out on Lake Rowlands over a number of years, as required by the NSW Dam Safety Committee.

**June 2012**

*“Councillors would remember that to comply with the requirements of the NSW Dam Safety Committee (DSC), consultants GHD were engaged to carry out a Societal Risk Assessment (SRA) of the existing Lake Rowlands Dam. This assessment (completed in February 2011) was in addition to the Lake Rowlands Dam Safety Review (March 2008), Lake Rowlands Dam Hydrology and Dambreak Study (July 2009) and Lake Rowlands Dam Embankment Stability Analysis (May 2009).*

*As mentioned above, this SRA was required by the DSC to assess whether Lake Rowlands meets the new requirement of being secure in the event of a 1 in 100,000 year flood occurrence.*

*On completion, the SRA found that the Societal Risk is below the DSC’s Limit of Tolerability and is within the ALARP region for which remedial works are to be considered to ensure that the risk is as low as reasonable practicable. In order to lower the risk posed by the dam, it is recommended to undertake an option study for upgrading the dam and evaluate the cost effectiveness of the options using cost to save a statistical life (CSSL) method and other measures in accordance with ANCOLD (Australian National Committee on Large Dams) guidelines. Among the recommended options are:*

1. *Raise the embankment dam crest by approximately 1.5m, or*
2. *Construct a wider auxiliary spillway to alleviate the risk posed by an extreme flood and to prevent overtopping of the embankment dam, which accounts for about 96% of the risk.*

*Council was advised by DSC that, if they could be provided with a plan that showed a new dam would be built within 10 years, they were prepared to defer any requirements for upgrade works on the existing dam. Unfortunately, as Council is now not able to provide any concrete assurance that a new dam would proceed or even eventuate, Council has no option other than to proceed with*

*upgrading the dam to meet the new safety guidelines and, accordingly, \$2,000,000 has been included in the 2012/2013 budget (assuming a 50% subsidy will be received). However, as mentioned above there are two recommended options for the proposed upgrade and the General Manager has sought fee proposals from GHD and the NSW Office of Public Works (PWD) to carry out an options study to assess which is the preferred option and to report back to Council and DSC with their recommendation and full cost estimate.*

*The two (2) fee proposals have been received and the General Manager and Operations Manager have assessed the two proposals and recommend the appointment of GHD to carry out the Lake Rowlands upgrade options study at a cost of \$38,160 (excl. GST) and to carry out a survey required for the development of Concept Design Layouts at an estimated cost of \$5,000.”*

Following consideration of the above report at the June 2012 meeting, Council resolved *“That engineering consultants GHD be appointed to carry out the Lake Rowlands upgrade options study at a cost of \$38,160 (excl. GST) and to carry out a survey required for the development of Concept Design Layouts at an estimated cost of \$5,000.”*

GHD have now completed the study and the draft report has been submitted to Council with a number of options, namely:

Option	1A	Vertical Sand Filter (only relevant as a first stage of a staged remediation)	\$634,070
Option	1B	Vertical Reinforced Concrete Wall embedded in main embankment (will pass a 1:100,000 AEP flood, but no freeboard above the flood level is provided)	\$1,600,320
Option	2	Raise Embankment 1.83m to pass 1:100,000 AEP flood	\$4,224,050
Option	3	Infill Auxiliary Spillway and Raise Embankment 2.68m to pass 1:100,000 AEP flood	\$6,333,480
Option	4	Infill Auxiliary Spillway, combination of embankment raise and 1.4m Parapet Wall to achieve a total crest raise of 2.68m to pass 1:100,000 AEP flood	\$5,513,650

This study now needs to be submitted to the NSW Dam Safety Committee (DSC) for their consideration and direction. The DSC has requested that Council nominate its preferred option when submitting the study.

As previously indicated to Council, the General Manager has been advised by the NSW Office of Water that, whilst the upgrade of Lake Rowlands qualifies for 50% subsidy funding under the guidelines of the Country Towns Water Supply and Sewerage Program (CTWS&S), any application for subsidy would be refused

because the CTWS&S Program is now closed and further funding of the Program will not be considered by the State Government until at least 2017. So unless Council can persuade the DSC to delay any requirement to upgrade Lake Rowlands until at least 2017, Council will need to fund the cost of the upgrade from current reserves.

Neither the General Manager nor the Manager of Technical and Operational Services are qualified to recommend a preferred option from the above detailed list and, accordingly, the General Manager is seeking a peer review of the study in order to formulate a preferred option to recommend to the DSC. The General Manager has approached Mr Rob Parker of Rob Parker Engineering P/L, a well-qualified expert on dam building and design, and Mr Paul Heinrichs, a dam engineer who previously headed up the dam safety inspection department with the NSW Office of Water.

Both of these gentlemen are well known to management and Rob Parker carried out the foundation investigation study for the site of the proposed new Lake Rowlands Dam in 1998. A decision on who will carry out the review will be made on receipt of their respective fee proposals. The cost should be able to be met from within the current budget.

As mentioned above, it will be the intention of the General Manager to seek a deferral of any required upgrade to Lake Rowlands until at least 2017/18 when new funding of the CTWS&S program will be considered. The General Manager will argue that, as the DSC advised Council a couple of years ago that they would be prepared to defer any required upgrade for ten (10) years if a plan of action showing a new dam would be built within that time frame, it should automatically follow that a deferral of 4 to 5 years should be approved.

The Lake Rowlands Safety Upgrade Options Study is **tabled** for Council's information.

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**17) Maintenance of Council's Systems (WS.MO.4)**

(Darrell Sligar)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT***a) Meter Reading*

The final meter read for the 2012/2013 financial year commenced in Blayney on 12<sup>th</sup> April 2013 and was finalised with Trunk Main 'C' rurals on 3<sup>rd</sup> May 2013. All dead meters have been repaired/replaced.

*b) Meter Replacement/Service Replacement Program*

Council staff replaced 6 full services and twelve partial services during the past two months.

*c) Hydrant/Valve Maintenance*

Hydrant and valve maintenance continued throughout the County area over the past two months.

*d) Reticulation Flushing*

Reticulation flushing was carried out in the towns of Lyndhurst, Mandurama, Carcoar, Blayney and Millthorpe over the past two months.

*e) Pump Station Maintenance*

Pump maintenance was carried out on the North Street pump at Grenfell and supernatant pumps at Carcoar Filtration Plant.

*f) Trunk Main Inspections*

Inspections have been carried out on the following trunk mains: Trunk Main 'C' Mandurama to Gooloogong, Trunk Main 'V' Canowindra to Manildra, Trunk Main 'P' Mandurama to Somers and the Bologong Line.

A total of twelve minor leaks were repaired along with two faulty air valves. A new scour valve was installed on Trunk Main 'C' near Mandurama.

*g) Master Meter Replacement*

Two new master meters were installed, one on Pearces Scheme (Cowra Shire), the second on the Hiawatha Line on Trunk Main 'U' Canowindra to Cargo.

*h) Filtration Plant Maintenance*

Two sludge lagoons were cleaned and placed back into service at Carcoar Filtration Plant. A new gear box was installed on the Polyelectrolyte system replacing a faulty unit.

*i) Safety Audit*

A full safety audit of the County area was carried out by Councils WHS representative, with a number of issues now being rectified.

Tool tagging was carried out in Grenfell and Canowindra/Cudal areas.

*j) Staff Training*

Two staff members completed Stage 2 of Certificate IV Training and Assessment.

*k) Flood Restoration*

All flood restoration is now completed.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**18) Performance of Council's Systems (WS.MO.4)**

(Darrell Sligar)

**RECOMMENDATION:**

1. That the information be noted.

**REPORT**

*l) Main breaks*

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

Location		Date	Size	Comment
Blayney	Binstead Street	03.05.13	100mm	DNR
	Stanfield Close	19.04.13	100mm	Tree Root
Canowindra	Rodd Street	13.04.13	100mm	Split Length
Nyrang Creek	"Leneva"	24.04.13	100mm	DNR
Trunk Main 'V'	"Valley View"	22.05.13	150mm	Split Length
Trunk Main 'P'	Somers	22.05.13	100mm	Split Length

*m) Reservoir Levels*

All reservoir levels have been maintained at or near 100% of capacity.

*n) Service Complaints and Requests*

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

Location	Complaint/Request	Total
Blayney	Dirty water	2
	Leaking meter	2
	Leaking service	2
	Main break	1
	Maintenance	2
	Meter not shutting off	5
Canowindra	Leaking meter	6
	Leaking service	2
	Main break	1
	Meter not shutting off	1
	No water	1
	Quality complaint	1

Cargo	No water	1
Cudal	Leaking meter	1
	Leaking service	1
Eugowra	Maintenance	1
	Meter not shutting off	1
Grenfell	Main inspection	1
	Service failure	1
Mandurama	No water	1
Manildra	Leaking meter	1
	Leaking service	3
Millthorpe	Leaking service	1
	Main break	1

*o) Lake Rowlands*

The level of Lake Rowlands has decreased from 78% to its present level of 68% as at 30<sup>th</sup> May 2013.

*p) New Water Services*

During the past two months there have been 8 new water services connected to Councils mains:

2 x 20mm Blayney

1 x 20mm Carcoar

1 x 20mm Eugowra

2 x 20mm Canowindra

1 x 50mm Canowindra

1 x 20mm Trunk Main 'U'

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**19) Questions on Notice**

(Tony Perry)

No questions on notice were received.

**ATTACHMENTS**

Nil



**Minutes of the Ordinary Meeting of Central Tablelands Water held at  
Blayney Shire Council, on Wednesday, 10 April 2013,  
commencing at 10.30am**

<b><u>Present</u></b>	Cr. Geoff Braddon OAM	(Chairman)	Blayney
	Cr. Geoffrey McClelland	(Deputy Chairman)	Weddin
	Cr. Anthony Durkin		Cabonne
	Cr. Kevin Walker		Cabonne
	Cr. David Somerville		Blayney
	Cr. Alan Griffiths		Weddin
	Tony Perry	(General Manager)	
	Gavin Rhodes	(Finance & Corporate Services Manager)	

**APOLOGIES**

Nil

**CONFIRMATION OF MINUTES**

**13/144 RESOLVED:**

That the Minutes of the Ordinary Meeting of Central Tablelands Water, held on 13 February 2013, being minute numbers 13/126 to 13/143 inclusive, be confirmed.

(Cr. McClelland/Cr. Walker)

**CHAIRMAN'S MINUTE**

Today is our annual budget meeting where we consider the where council is going not only next year but in the future and the fees and charges we set will have a significant bearing on when and where councils infrastructure upgrade programme is carried out.

The General Manager and the Finance & Corporate Services Manager will present a mini workshop for Council to consider what options may be available.

During the past two months there have been some significant events that have occurred. As recently as two weeks ago, I accompanied the General Manager and our Federal Member John Cobb to visit the possible dam site at the Needles on the Belubula River where it has been suggested a 90,000 megalitre dam could be built and we also visited the proposed Lake Rowlands new dam site. John Cobb was very interested and is supportive of increased water storage for the region.

As we all know, the Local Government Independent Review Panel has been conducting a series of public consultation meetings and recently the Chairman of the IRP, Professor Sansom, met with the Board of Centroc and on that day the WBC Board was fortunate to have a one to one with Professor Sansom and present him with the WBC submission.

CTW has also lodged a submission which the GM circulated to all councillors.

I am disappointed with the Centroc and Orange City Council submissions to the IRP. The Centroc submission was rather critical of County Councils and the reasons put forward were rather weak and lacking in substance. Orange City Council was also

critical of a County Council model and also put forward the claim to take over CTW and for Orange City Council to become the regional water authority.

The next Centroc Board meeting will be on 23 May and it is being held at Parliament House in Sydney and will be addressed by quite a number of Ministers. Could be very interesting.

I have nothing else to report so I would like someone to move that my Chairman's minute be noted and endorsed.

**13/145 RESOLVED:**

That the Chairman's Minute, as read, be accepted and the contents therein be noted and endorsed.

(Cr. Durkin/Cr. Somervaille)

**COUNCILLOR REPRESENTATION**

The Chairman reported that he had represented Council at the Centroc and WBC Board Meetings.

Cr McClelland and Cr Griffiths represented Council at the meeting with Weddin Shire Council to negotiate the transfer of Bogolong Dam and the subsequent visit to Bogolong Dam with representatives from Weddin Shire Council.

**01) INTEGRATED PLANNING & REPORTING 2013/2014 MANAGEMENT PLAN (FM.PL.1)**

**13/146 RESOLVED:**

1. That council endorses the draft:
  - a. Delivery Plan 2013 – 2017
  - b. Operational Plan 2013 - 2014 – Part 1 & 2
  - c. Workforce management Plan 2012 – 2016
  - d. Asset Management Strategy and Plans
  - e. Long Term Financial Plan

To be placed on public display for a period of 28 days.

2. That the CTW Community Strategic Plan be adopted by Council.

(Cr. McClelland/Cr. Walker)

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

**13/147 RESOLVED:**

That the information be noted.

(Cr. Somervaille/Cr. McClelland)

**03) NATURAL DISASTER FUNDING (CM.CI.1)****13/148 RESOLVED:**

That the information be noted.  
(Cr. McClelland/Cr. Griffiths)

**04) NEW MODEL CODE OF CONDUCT (GO.PR.1)****13/149 RESOLVED:**

That Council:

1. Note the information, endorse the appointment of Mr Gavin Rhodes as Council's complaints coordinator and Mr Darrell Sligar as alternate complaints coordinator.
2. Endorse the appointment of the Conduct Review Panel as recommended for appointment by the Executive Manager of the WBC Alliance.
3. Allow the appointment of a panel member from a formally selected panel of any other Centroc Council in the instance where the nominated panel members are unavailable or unable due to conflict or policy restriction to assess the code of conduct item

(Cr. Walker/Cr. Somerville)

**05) DEVELOPER SERVICING PLAN (DB.LA.1)****13/150 RESOLVED:**

That:

1. Council adopt the 2012 draft Developer Servicing Plan (DSP) for Lake Rowlands and Quandialla supply areas;
2. Council adopt the following developer charges, as calculated in the DSP, for all subdivision developments within the Lake Rowlands and Quandialla DSP areas:

(a) Lake Rowlands	\$ 8,333.00
(b) Quandialla	\$15,088.00
3. The capital contribution charge for all vacant unbuilt upon land within the existing village of Quandialla remain in accordance with the adopted annual fees and charges;

(Cr. Somerville/Cr. McClelland)

**06) COUNCILLOR EXPENSES AND FACILITIES POLICY (GO.CO.1)****13/151 RESOLVED:**

That Council adopt the draft Councillor Expenses and Facilities Policies.  
(Cr. Somerville/Cr. Durkin)

**07) WBC ALLIANCE - PROJECT OFFICER'S REPORT (CM.AG.6)**

**13/152 RESOLVED:**

That the information be noted.  
(Cr. McClelland/Cr. Griffiths)

**08) ANNUAL STAFF PICNIC (PE.AR.1)**

**13/153 RESOLVED:**

That approval be given for the closing of Council's administration office on Friday 10th May 2013 for the occasion of the Annual Award Staff Picnic Day.  
(Cr. McClelland/Cr. Somerville)

**09) BOGOLONG DAM (WS.SP.7)**

12.14pm: Crs McClelland and Griffiths declared an interest in this item and left the meeting room.

**13/154 RESOLVED:**

1. That Council endorse to General Manager's offer to transfer Bogolong Dam and its internal infrastructure to Weddin Shire Council for the nominal price of \$1.00 and authorise the General Manager to place Council's Common Seal on the transfer documentation.
2. That Council agree to the points of agreement as outlined in the acceptance letter from Weddin Shire Council, dated 2 April 2013.

(Cr. Walker/Cr. Durkin)

12.21pm: Crs McClelland and Griffiths resumed their attendance at the meeting.

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

**13/155 RESOLVED:**

That the information be noted.  
(Cr. Durkin/Cr. Somerville)

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

**13/156 RESOLVED:**

That the information be noted.  
(Cr. Durkin/Cr. Somerville)

- 12) **WATER LEAKAGE – ACCOUNT 1426000004 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 63729000008 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 63710000009 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 1954010003 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 9101100007 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 9471010000 (CR.EQ.1)**  
**WATER LEAKAGE – ACCOUNT 1716000003 (CR.EQ.1)**

13/157 **RESOLVED:**

That, as these matters deal with items that are subject to the affairs of an individual, Council consider it in Committee of the Whole and that in terms of Section 10A (2) of the Local Government Act, the press and the public be excluded from the meeting of the Committee of the Whole.

(Cr. Durkin/Cr. Somerville)

13) **QUESTIONS ON NOTICE**

No questions on notice were received.

14) **PROCEED TO COMMITTEE OF THE WHOLE**

13/158 **RESOLVED:**

That, as business for the Ordinary Meeting has now concluded, Council proceed into Committee of the Whole to discuss the items referred to in the report.

(Cr. Walker/Cr. Somerville)

**REPORT OF THE COMMITTEE OF THE WHOLE**

**WATER LEAKAGE – ACCOUNT 1426000004 (CR.EQ.1)**

**RECOMMENDATION:**

That Council grant the consumer a one off 50% reduction on the consumption recorded on the February 2013 water account.

(Cr. McClelland/Cr. Somerville)

**WATER LEAKAGE – ACCOUNT 63729000008 (CR.EQ.1)**

**RECOMMENDATION:**

That Council adhere to its policy of no concession for water leakage.

(Cr. Durkin/Cr. Somerville)

**WATER LEAKAGE – ACCOUNT 63710000009 (CR.EQ.1)**

**RECOMMENDATION:**

That Council grant the consumer a one off 50% reduction on the consumption recorded on the February 2013 water account.

(Cr. Walker/Cr. McClelland)

**WATER LEAKAGE – ACCOUNT 1954010003 (CR.EQ.1)**

**RECOMMENDATION:**

That Council grant the consumer a one off 50% reduction on the consumption recorded on the February 2013 water account.

(Cr. McClelland/Cr. Walker)

**WATER LEAKAGE – ACCOUNT 9101100007 (CR.EQ.1)**

**RECOMMENDATION:**

That Council adhere to its policy of no concession for water leakage.

(Cr. Somerville/Cr. Walker)

**WATER LEAKAGE – ACCOUNT 9471010000 (CR.EQ.1)**

12.40pm: Cr Walker declared an interest in this item and left the room.

**RECOMMENDATION:**

That Council grant the consumer a one off 50% reduction on the consumption recorded on the February 2013 water account.

(Cr. McClelland/Cr. Griffiths)

12.44pm: Cr Walker returned to the meeting.

**WATER LEAKAGE – ACCOUNT 1716000003 (CR.EQ.1)**

**RECOMMENDATION:**

That Council grant the consumer a one off 50% reduction on the consumption recorded on the February 2013 water account.

(Cr. McClelland/Cr. Durkin)

**RECOMMENDATION:**

That as the deliberation of the Committee is concluded, the Council reconvene the Ordinary Meeting.

(Cr. McClelland/Cr. Sommerville)

**15) REPORT OF THE COMMITTEE OF THE WHOLE**

**13/159 RESOLVED:**

That the recommendations of the Committee of the Whole be adopted.

(Cr. McClelland/Cr. Walker)

**Next Meeting:** The next meeting of Central Tablelands Water will be held in Molong on Wednesday 12<sup>th</sup> June 2013.

There being no further business, the Chairman declared the meeting closed at 12.46pm.