

CENTRAL TABLELANDS *Water*



Business Paper

Ordinary Meeting of Central Tablelands *Water*

12 December 2018

Canowindra



7 December 2018

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Old Vic Inn, Canowindra on Wednesday, 12 December 2018 at 10.30am. Morning tea will be served at 10.00am.

Agenda

1. Presentation of Financial Statements FY2017-2018 – Mr John O'Malley - Intentus
2. Public Forum
3. Apologies for non-attendance
4. Confirmation of Minutes - Ordinary Meeting held on 10 October 2018
5. Disclosures of interests
6. Chairman's Minute
7. Councillor Representation
8. Notices of Motion
9. Reports of Staff
10. Adjourn Meeting and proceed into Committee of the Whole
11. Resume Ordinary Meeting & Report of Committee of the Whole
12. Next Meeting – Blayney – 13 February 2019

Yours faithfully

G. Rhodes
General Manager

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OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER
HELD ON WEDNESDAY 12 DECEMBER 2018

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01) 75 YEAR SILVER JUBILEE OF CENTRAL TABLELANDS COUNTY COUNCIL (GO.CO.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply

Strategic Priority 2 – An efficient, sustainable and customer focussed organisation

Strategic Priority 3 – Regional leadership and collaboration

RECOMMENDATION:

That Council authorise the General Manager to plan an official function to commemorate the 75 Year Silver Jubilee of the proclamation of Central Tablelands County Council in 2019.

REPORT

The proclamation of the Central Tablelands County District was published in the Government Gazette on 28 January 1944. The area as constituted comprised the Municipality of Grenfell and the Shires of Lyndhurst, Waugoola, Boree, Goobang and Lachlan. The first meeting of Central Tablelands County Council was held at Canowindra on 9 February 1944.

As next year marks the 75 Year Silver Jubilee of the proclamation of Central Tablelands County Council, it would be fitting to recognise such an occasion with an official Council function.

In 1994, Council commemorated its' 50 year anniversary with a luncheon at Canowindra.

Therefore, it is proposed that Council authorise the General Manager to commence planning a 75 Year Silver Jubilee official function to commemorate this significant occasion in 2019.

BUDGET IMPLICATIONS

Currently not funded in the 2018/19 Operational Budget

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

02) ANNUAL REPORT 2017-2018 (CM.RP.2)

Author: General Manager

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 – Improving performance and managing risk
Strategic Priority 3 – Regional leadership and collaboration - 3.1 Regional collaboration and partnerships.

RECOMMENDATION:

That the Central Tablelands Water Annual Report for 2017/2018 be received and noted.

REPORT

The 2017/2018 Annual Report of Central Tablelands Water was posted on Council's website at www.ctw.nsw.gov.au on 30 November 2018, with notification provided to the Minister for Local Government in accordance with the *Local Government Act 1993 Sec 428(5)*.

A copy of the Annual Report 2017/2018 was distributed to all Councillors via email on 30 November 2018.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

03) SAFE & SECURE WATER PROGRAM UPDATE (GR.SL.2)

Author: General Manager

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.2.7 – Secure grant funding where available to support delivery and development of services and infrastructure.

Strategic Priority 3 – Regional leadership and collaboration – 3.1.1 Work closely with Central West JO (through Water Alliance) for regional water security – 3.1.2 – Participate in opportunities for resource, expertise and knowledge sharing with Central West JO – 3.1.4 – Develop a regional water security strategy.

RECOMMENDATION:

That Council note the report.

REPORT

As previously reported, the NSW Government announced in June 2017 the Safe and Secure Water Program (SSWP) targeting water and sewerage projects in regional NSW to ensure infrastructure meets contemporary standards for water security, public health, environmental and safety outcomes into the future. The SSWP provides co-funding to successful applicants for water and sewerage infrastructure.

12 ML Carcoar Water Treatment Plant Reservoir and Trunk Main K

The Senior Management Team (SMT) resubmitted the 12 ML reservoir application on 3 December 2018 for consideration at the next SSWP Technical Review Panel (TRP) meeting. The application included further reservoir sizing information aligning with CTW's strategic infrastructure planning framework.

A detailed submission for the Trunk Main K (Stage 3) was also submitted to the SSWP on 3 December 2018 for consideration by the TRP.

Scoping Study - Lithgow to Kings Plains Water Transfer Pipeline

A steering committee is currently being established for this important regional water security project.

The General Manager has received written confirmation from the SSWP Chair that even though the project has been unsuccessful in receiving scoping study funding, it will not preclude CTW from submitting an application for funding of latter project stages, such as business case funding or design and construction funding if CTW decide to proceed with the project.

Feasibility Study - Caragabal Water Supply

The SMT are currently developing an EOI and detailed submission for the feasibility study.

BUDGET IMPLICATIONS

Operational Plan 2018/19

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

04) LAKE ROWLANDS TO CARCOAR DAM LINKAGE PROJECT (WS.SP.4)

Author: General Manager

IP&R Link: Strategic Priority 3 – Regional leadership and collaboration – 3.1 – Regional collaboration and partnerships.

RECOMMENDATION:

That Council note the report.

REPORT

As Councillors are aware, on 22 October 2018 the Minister for Regional Water, Niall Blair, announced at Lake Rowlands that the NSW government would be committing \$850,000 for the preparation of a final business case for a pipeline between Lake Rowlands and Carcoar Dam.

The purpose of the pipeline is to transfer excess water from Lake Rowlands and store in Carcoar Dam. This additional stored water would then increase CTW's water security for town water supply, provide additional water for irrigators along the Belubula Valley and also improve regularity of flows which will assist with flood mitigation.

This will be a joint project between WaterNSW (owners of Carcoar Dam) and CTW. The project was included in the Lachlan Valley Water Security Study and the recently released WaterNSW's 20 year infrastructure plan.

This announcement is very positive news for CTW moving forward with regards to increased water security for our consumers and the region.

Media releases from the announcement are attached to this report for your information.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- | | | |
|---|---|--------|
| 1 | NSW Government - Carcoar pipeline may be the answer | 1 Page |
| 2 | CTW – Linking Lake Rowlands and Carcoar Dam | 1 Page |



Niall Blair
Minister for Regional Water

Paul Toole
Member for Bathurst

MEDIA RELEASE

Monday, 22 October 2018

CARCOAR PIPELINE MAY BE THE ANSWER

The NSW Government is committing \$850,000 to exploring infrastructure options for a pipeline between Carcoar Dam and Lake Rowlands.

Minister for Regional Water Niall Blair said a pipeline could provide improved water security for the region.

"The Lachlan Valley was severely impacted by the millennium drought and its enclosed water sources mean water security and reliability can drop dramatically during dry periods, as we are currently seeing at the moment," Mr Blair said.

"We know how precious water supply in the Lachlan Valley is and we want to make sure the community has a secure and reliable water supply in the future.

"Our next step is to deliver a business case which will explore the engineering and design elements, environmental considerations and estimated cost.

"This announcement is part of a broader Lachlan Valley Water Security Study which will be announced in the coming weeks."

A 12-kilometre pipeline would transfer surplus water from the Central Tablelands Water-operated Lake Rowlands Dam to the larger Carcoar Dam, which is operated by WaterNSW.

A pipeline would provide water security for towns including Blayney, Carcoar and Canowindra as well as water users within the Belubula Valley.

Member for Bathurst, Paul Toole said the community have been crying out for long-term solutions and this was the next step in ensuring water security for the region.

"The Lachlan Valley covers an area of around 90,000 square kilometres. From a single water supply, it supports a number of urban centres, agriculture and industry, and key environmental assets," Mr Toole said.

"We're looking to this region's future by exploring long-term water security solutions for the communities, irrigators and farmers, and the environment."



Central Tablelands Water Media Release

Linking Lake Rowlands and Carcoar Dam

Minister for Regional Water, Niall Blair, announced today that the NSW government will be committing \$850,000 for the preparation of a final business case for a pipeline between Lake Rowlands and Carcoar Dam.

Lake Rowlands is the dedicated town water dam on Coombing Creek owned and operated by Central Tablelands Water (CTW).

CTW chairman David Somervaille said: "The concept is a simple one. Surplus water is transferred from Lake Rowlands and stored in Carcoar Dam, only about 10kms away. It is then available to supplement drinking water supplies for the towns and villages connected to the CTW network, provide additional water for irrigators along the Belubula Valley and improve the regularity of flows of environmental water.

The idea has been discussed by Central Tablelands Water with Water NSW over the last few years. It was included in the Lachlan Valley Water Security Study and is one of the projects identified in WaterNSW's 20 year infrastructure plan.

"Not only does the project offer improved water security outcomes on all fronts, but it is a great example of state and local governments working together." "And it is good to see urban water being included as an integral part of regional water planning", Councillor Somervaille added.

MEDIA

Cr David Somervaille – Chairman Central Tablelands Water Ph: 0419 803 153
Gavin Rhodes – General Manager Central Tablelands Water Ph: 6391 7200

05) DEMAND MANAGEMENT REPORT (WS.AG.1)**Author:** General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply – 1.1 – Service provision through fit for purpose infrastructure – 1.3 Best practice asset management – 1.4 – Mitigate environmental impacts on service delivery – 1.5 – Efficient use of water.

RECOMMENDATION:

That Council adhere to its Water Restrictions Policy and ensure preparedness to implement applicable level water restrictions if and when policy triggers are reached, or if the Bureau of Meteorology rainfall forecasts change significantly.

REPORT

Leading into the peak summer demand period, whereby invariably water consumption is increased, the Senior Management Team (SMT) in consultation with CTW's Water Quality Manager and Water Network Manager have undertaken a review of current water supply levels and future long term rainfall forecasts for the catchment.

After the recent rainfall events in November, Lake Rowlands has held steady at 68% of capacity. CTW's current water restriction level for all consumers is Level 1. Under Level 1 restrictions, the target water consumption is 260 litres per person per day. Consumers may water residential gardens using watering systems, microsprays, drip systems, soaker hoses, non-fixed sprinklers, and hand held hoses between 6pm and 9am daily.

If Lake Rowlands reaches 60%, Level 2 restrictions will apply under an "odds and evens" system. A detailed list of CTW's Water Restrictions definitions are available on CTW's [website](#).

The Bureau of Meteorology (BOM) climate outlook for the period December 2018 to February 2019 (as at 7/12/18) have forecasted the following rainfall in the Blayney area:

Rainfall (mm)	Chance (%)
50	100
100	96
150	87
200	62
250	36
300	14
400	5

Based on the current level of Lake Rowlands and the forecasted rainfall listed above in the Blayney area, it is recommended at this stage that Council adheres to its current

Water Restrictions policy and ensure preparedness to implement applicable water restrictions, if and when policy triggers are reached or BOM rainfall forecasts change significantly.

The SMT and Managers will continue to closely monitor the level of Lake Rowlands and future BOM rainfall forecasts.

BUDGET IMPLICATIONS

Operational Plan 2018/2019

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

06) RENEWABLE ENERGY ACTION PLAN (CM.ES.3)

Author: General Manager

IP&R Link: Strategic Priority 1 – Providing a high quality and reliable drinking water supply – 1.4 Mitigate environmental impact of service delivery – 1.4.3 – Develop and implement an energy cost reduction strategy.

RECOMMENDATION:

That Council note the report and resolve to undertake further research on the potential costs and benefits of on-site energy generation at the CTW sites of Lake Rowlands, Carcoar Water Filtration Plant and Blayney Water Filtration Plant.

REPORT

As reported at the October 2018 Council meeting, CTW's Renewable Energy Action Plan reflects CTW's leadership stance in the delivery of energy efficiency and renewable generation projects for the benefit of the organisation and the community.

CTW is committed to maximising the use of renewable energy technology to reduce operating costs and increase the affordability, reliability and water security for the region.

As a result of further analysis of CTW's Renewable Action Plan and nine (9) recommendations, the Senior Management Team (SMT) have been liaising with Skillset Environment to identify potential significant energy cost savings and operational efficiencies through taking advantage of modern technology.

At this stage three (3) CTW sites have been identified for analysis and installation of solar equipment to reduce energy costs and realise operational efficiencies. These 3 sites include:

- Lake Rowlands
- Carcoar Water Filtration Plant
- Blayney Water Filtration Plant

All 3 sites are currently high energy consumers and would benefit most from on-site energy generation to reduce consumption.

The SMT are currently considering a proposal from Skillset Environment to assist with the analysis, installation and delivery of these energy saving projects. The proposal is based on a staged approach being: project development; preparation of tender documentation; and assisting in the management of installation.

This staged approach will allow CTW to reliably estimate the total costs and benefits of the projects. These costs and benefits can then be considered by Council for potential funding and progression as part of the 2019/20 budget deliberations.

Future government grant funding opportunities for renewable energy projects will also be regularly researched and monitored.

BUDGET IMPLICATIONS

Operational Plan 2018/2019 – consultancy services

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

07) LGNSW ANNUAL CONFERENCE 2018 (CM.CF.1)

Author: General Manager

IP&R Link: Strategic Priority 3 – Regional leadership and collaboration – 3.2 Industry and regional leader in the water sector – 3.2.1 – Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies.

RECOMMENDATION:

That Council note the report.

REPORT

Cr Walker (Deputy Chairman) and the General Manager attended the 2018 LGNSW Annual Conference in Albury from 21 October to 23 October 2018. Cr Somerville (Chairman) was a late withdrawal due to attending the Lake Rowlands to Carcoar Dam pipeline linkage final business case funding announcement by the NSW Minister for Regional Water on 22 October 2018.

The LGNSW Annual Conference is the annual policy making event for NSW general-purpose councils and associate members. CTW is an associate member of LGNSW. The conference is considered a key event of the local government calendar, where local councillors come together to share ideas and debate issues that shape the way Councils are governed.

Of particular interest to CTW was the motion put forward by Riverina Water County Council regarding the term of the chairperson for county councils. The motion put forward was as follows:

“That Local Government NSW makes representations to the NSW Government to amend Section 391(2) of the Local Government Act 1993 so as to read “the chairperson holds office for two years subject to this Act”.

Amendment proposed by Hawkesbury River County Council:

“That Local Government NSW makes representations to the NSW Government to amend Section 391(2) of the Local Government Act 1993 so as to read “the chairperson may hold office for two years subject to this Act”.

Amendment became the motion and was carried.

The *Local Government Act 1993* was amended in 2016 to provide that mayors of councils elected by the councillors holds the office of mayor for two years, subject to the Act. When the legislation was changed, the term of chairs of county councils was not considered.

The purpose of this motion is to bring the term of chairs of county councils into parity with Mayors of general purpose councils, with the view of enhancing political leadership and maintaining stable governance of county councils.

Apart from 101 motions moved at the conference, the following informative presentations were also made: smart places; smart cities and towns: what, why and how; smart data – what local government needs to know to thrive; and how to implement smart strategies to give your residents better options.

The conference was also a great opportunity to network with fellow industry colleagues and see the latest technology and services available to the local government sector.

BUDGET IMPLICATIONS

Operational Plan 2018/2019

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

08) CENTROC AND CENTRAL NSW JOINT ORGANISATION BOARD MEETINGS HELD 22 NOVEMBER 2018 AT MAYFIELD GARDENS OBERON (CM.CF.3)

Author: General Manager

IP&R Link: Strategic Priority 3 – Regional leadership and collaboration – 3.1 Regional collaboration and partnerships – 3.1.1 – Work closely with Central NSW JO (through Water Alliance) for regional water security – 3.1.2 – Participate in opportunities for resource, expertise and knowledge sharing with Central NSW JO.

RECOMMENDATION:

That Council note the report and associated minutes of the Centroc Board and Central NSW Joint Organisation meetings held 22 November 2018.

REPORT

A Centroc Board meeting and Central NSW Joint Organisation meeting were held at Mayfield Gardens in Oberon on 22 November 2018. The Chairman and General Manager represented CTW at both meetings.

With the transition of Centroc to the Central NSW Joint Organisation, it was the last official Annual General Meeting of Centroc.

A copy of the Mayoral Report and the Minutes from both meetings held 22 November 2018 are attached to this report for your information.

BUDGET IMPLICATIONS

Operational Plan 2018/2019

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- | | | |
|----------|---|---------|
| 1 | Centroc & Central NSW JO Mayoral Report | 5 Pages |
| 2 | Centroc Board AGM Minutes | 3 Pages |
| | Centroc Board Meeting Minutes | 4 Pages |
| 3 | Central NSW JO Meeting Minutes | 3 Pages |

**Report from the Mayor attending the
Centroc Annual General Meeting
Centroc Board Meeting and
Central NSW Joint Organisation
22 November 2018
held at Mayfield Gardens Oberon**



I attended the Centroc Annual General Meeting in Oberon at Mayfield Gardens on Thursday 22 November. It marked the last official AGM of Centroc and the last Annual Report was presented. Copies will be sent to every Councillor in the region.

The Centroc Board and Central NSW Joint Organisation Board meetings were also held that afternoon.

Cr John Medcalf, Mayor of Lachlan Shire Council was re-elected as Chair and Cr Scott Ferguson, Mayor of Blayney Shire Councils was re-elected as Deputy Chair.

As you are aware, Councils in Central NSW have resolved to transition from Centroc to the Central NSW Joint Organisation. This region decided to take a thorough approach to the Joint Organisation's strategy. A Steering Committee was elected to progress this and the Western Research Institute (WRI) were engaged to undertake the work.

In line with this approach the Steering Committee wanted every Mayor and General Manager to be interviewed on a per member Council basis. Interviews were also conducted with other key stakeholders including from State agencies. The advice from the interviews informed the first half day workshop, which was held in the morning, before the three meetings.

All members of the Joint Organisation including the Department of Premier and Cabinet were represented, and the workshop was well received. Thanks to Kathy Woolley from WRI for facilitating the session. Advice from this session will inform options to be progressed through the Steering Committee. The final workshop will be in February.

At the AGM the Priority Portfolios were elected as follows:

Transport - Cr Ken Keith, Mayor of Parkes Shire Council

Water – Cr David Somerville, Chairman, Central Tablelands Water

Health - Cr John Medcalf, Mayor of Lachlan Shire Council

Regional Development - Cr Bill West, Mayor of Cowra Shire Council

Planning – Cr Reg Kidd, Mayor of Orange City Council

For more delegations and the meeting dates for 2019, please see the Centroc AGM Minutes attached.

Just before lunch the Board were treated to a spectacular tour of the Mayfield Gardens.

I provide the following report for Council's information, along with the meeting minutes for the Centroc AGM and Board and the Central NSW Joint Organisation.



Transport Infrastructure – The Centroc Board continue advocating for a safe swift link between Central NSW and Western Sydney. Recent advice is that there will not be a report provided by the Taskforce led by Lt Gen Ken Gillespie (the Taskforce), rather its role is to provide periodic personal briefings to Ministers. This is disappointing.

The Board is seeking access to any final report under development by the Taskforce and meetings with State representatives, especially Deputy Premier, The Hon John Barilaro are being pursued through the Member for Bathurst's Office to discuss the matter.

A submission to the Sydney Airport Masterplan was lodged in line with existing policy on retaining regional slots.

Water Infrastructure - The Executive has committed \$7,500 towards a scoping study for the Lithgow to Kings Plains' Pipeline and Cr B West endorsed as the Central NSW JO Representative on the Steering Committee for this project. The purpose of the Lithgow to Kings Plains' Water Transfer Pipeline project is to increase water security for the region.

A submission to the Public consultation on the draft Water Resource Plan and draft Water Sharing Plan for Lachlan Surface Water 2019 is to be developed.

18 Operators from Cowra, Parkes, Forbes, Orange and Bathurst were certified under the National Framework for Water Operators administered by the Water Industry Operators Association at a ceremony in Parkes on 30 October. The culmination of 6 years of work, this was a proud moment and testament to the region's commitment to drinking water quality.



Please refer to the detailed Water Infrastructure Board Report.

Health – The Board resolved to seek a briefing from Orange City Council on its proposed Special Activation Precinct.

Regional Development – The Chair of RDACW, Ms Christine Weston was in attendance and requested the status for reviewing the RDACW and Centroc MOU. This is being progressed through the JO.

A Macquarie University student contacted Screen Central about their interest in a fictional student film called "Drought". The film intends to highlight the drought currently affecting many farmers and their livelihoods in Australia. The students hope that this project will help create awareness of the struggles of our farmers and are wanting to source vacant towns/shops, empty paddocks and farmhouses for filming. Their interest is to travel to the Lithgow, Bathurst and Oberon regions and Bathurst and Lithgow have assisted with some location suggestions.

A group of five photographers travelled to Oberon and surrounding villages in mid-September 2018. They located the owner of the Mountain View Homestead and plan to travel back to the region next year when there is snow around. They met with the Deputy Mayor who provided an update on what the current owners' plans were for the Malachi Hall. Their pictures of Oberon and surrounding villages have been uploaded onto the individual photographer's Facebook page and once permission is given, Screen Central will be able to share these images.

Planning – An update on the Priority Projects of the Central West and Orana Regional Plan from NSW Government Planning and Environment was listed.

Of note in the Implementation Plan is item 3.4 – Develop a Food and Fibre Strategy for the Central West. To progress this, a meeting of EDO and Planning staff was coordinated for 10/11 September in Blayney and Forbes.

Tourism –An application for the Building Better Regions Fund was submitted. The intention is to broadly use the same material lodged in the unsuccessful application in December 17 with the addition of a leadership component predicated on the need for Central New South Wales to be resilient through climate impacts such as drought. A tailored approach to growing the visitor economy lead by Mayors and building on the success of the collaborative approach to tourism in Central New South Wales will address this challenge in the context of a broader campaign.

Various stakeholders have agreed to co-contribute both financially and in kind. Approaches have been made regarding measurement of the project to be co-contributed to by Destination Network Outback and Country and Western Research Institute. My Travel Research are partnering in this project financially with a view to learnings being shared more widely across Australia. They will deliver workshops and a tool kit with an implementation plan to progress the 10 most important actions Mayors of the region can undertake collaboratively to grow the visitor economy.

The total investment in Public Relations (PR) and media monitoring since February of this year has been \$30,000. The public relations and media partnership campaign for Unearth Central NSW has generated valuable exposure and engagement for the region, with media coverage appearing across television, major state and regional newspapers, magazines and blogs. The region has hosted 6 media visits during 2018 (from February till October), issued themed and news orientated press releases and targeted Australian travel and lifestyle media to generate publicity opportunities to promote the diverse Central NSW region.

In quarters 1 and 2 of 2018, the equivalent advertising value was calculated at \$577,800 with 31 media articles generated. Please note, no official media monitoring was in place for the first half of 2018.

In quarter 3 of 2018 and into quarter 4 of 2018, the equivalent advertising value was calculated at \$1,334,562 with 47 media articles so far (until October 2018). Please note, official media monitoring came into effect as of July 2018, which saw an increase in media coverage opportunities that may have been missed without monitoring

Please refer to the Tourism Board report for the total list of publications and their value.

Operational – The Board were updated on the \$9.84m in savings that Centroc has assisted members since 2009.

Southern Lights Streetlighting Forum was held in Orange on 16 October for its member councils to walk through the business cases that have been developed by Next Energy for individual councils. The Forum was attended by Bathurst, Blayney, Cabonne, Cowra, Forbes, Oberon and Orange.

In the coming weeks members can expect to receive proforma reports to Council recommending in principle support of the Southern Lights Project, with the heads of consideration as follows:

- Project benefits including being part of an aggregated approach
- Advice on individual Council business cases
- Funding opportunities

Over the next few weeks local MP's of Bathurst, Orange and Cootamundra will have been updated on the business case of this project.

Opportunities in Energy Programming led through the Energy Group include:

- Assessment of the number of decorative lights in each LGA – Bathurst has a significant number of decorative lights which will affect the Southern Lights Business Case where the cost for a similar looking LED replacement will be drastically more expensive.
- Identification of areas where there is inadequate streetlighting with a view to correct the lighting spacing during the bulk LED rollout.
- Group procure of Power Factor Correction (PFC) devices and Variable Speed Drives (VSDs).
- Participation in a potential grant funded project aimed at solar car parks with EV charging.
- Group procure of onsite behind the meter solar PV and/or batteries.

Further information can be provided on any of the above projects.

Financial – The Centroc Board noted the anticipated full year profit of \$42,977 at 30 June 2019 against a budgeted profit of \$12,059.

All activities through Centroc and the Central NSW Joint Organisation are progressing well, members are asked to contact Executive Officer Ms Jenny Bennett at any stage with questions.

I commend this report to you for noting.

Recommendation/s
That the Mayoral Report from the Centroc Board and Central NSW Joint Organisation Meeting 22 November 2018 at Mayfield Gardens, Oberon be noted.

Minutes of AGM Thursday 22 November 2018 held in Oberon**Delegates in Bold**

Cr G Hanger	Bathurst Regional Council	Cr K Sajowitz	Oberon Council
Mr D Sherley	Bathurst Regional Council	Mr G Wallace	Oberon Council
Cr S Ferguson	Blayney Shire Council	Cr R Kidd	Orange City Council
Ms R Ryan	Blayney Shire Council	Cr K Boyd	Parkes Shire Council
Cr A Durkin	Cabonne Council	Cr P Best	Weddin Shire Council
Mr S Harding	Cabonne Council	Mr L Gibson	Weddin Shire Council
Cr D Somerville	Central Tablelands Water	Ms C Weston	RDACW
Mr G Rhodes	Central Tablelands Water	Mr A Albury	DPC
Cr B West	Cowra Council	Ms K Purser	OLG
Mr P Devery	Cowra Council	Ms J Bennett	Centroc
Mr S Murru	Forbes Shire Council	Ms Meredith Macpherson	Centroc
Cr J Medcalf	Lachlan Shire Council		
Mr G Tory	Lachlan Shire Council		

1 Meeting opened at 1:42pm Chaired by Cr J Medcalf**2 Apologies**

Cr M Liebich, Cr K Keith, Cr K Beatty, Cr P Miller, Mr S Loane, Mr G Styles, Mr G Carroll, Cr R Thompson, Mr G Faulkner, Cr J Stafford, Mr J Bell, Cr B Ingram, Dr E Marks, Ms J Andrews,

Resolved	Cr B West/Cr R Kidd
That the apologies for the Centroc AGM meeting 22 November 2018 listed above be accepted.	

3 Minutes**Ratification of the Minutes of the AGM 23 November 2017**

Resolved	Cr S Ferguson/Cr K Sajowitz
That the Minutes of the AGM 23 November 2017 be confirmed.	

4 Chairperson's Report – Presentation of the Annual Report

Resolved	Cr J Medcalf/Cr R Kidd
That the Annual Report be received and accepted with copies sent to member Councils for circulation to all Councillors in the region.	

5 Election of new Executive

- Cr John Medcalf stepped down from Chair
- Mr G Wallace became Returning Officer and advised he had received 6 nominations all of which were in order.
- Cr John Medcalf was elected as Chair unopposed.
- Cr Scott Ferguson was elected as Deputy Chair unopposed.

Resolved	Cr R Kidd/Cr B West
That the Board confirm Mr David Sherley as Executive Secretary and Chair of the General Managers' Advisory Committee.	

Resolved	Cr R Kidd/Cr B West
That the Centroc Board confirms that Cr K Keith, Cr R Kidd, Cr G Hanger and Cr K Sajowitz being the Mayors from, Parkes Shire Council, Orange City Council, Bathurst Regional Council and Oberon Shire Council as the ordinary members of the Centroc Executive.	

The Centroc Board welcomed the balance of the Executive:

- Cr B West as immediate past Chair
- Cr G Miller and Mr S Loane (Forbes) as Centroc Treasurer
- General Managers – Tory (Lachlan), Devery (Cowra), Boyd (Parkes), Styles (Orange) and Ryan (Blayney) forming the balance of the Executive

Cr J Medcalf Assumed Chair

6 Election of Centroc Delegates

Resolved	Cr R Kidd/Mr D Sherley
<ol style="list-style-type: none"> 1. Cr S Ferguson will represent Centroc on the Western Region Academy of Sport 2. Charmaine Bennett will represent Centroc on the NSW Council Safe Advisory Network. A second representative will be provided if required. 3. Cr B West, Cr K Keith and Cr P Miller are the representatives for the Regional Strategic Transport Group 4. Cr J Medcalf and Cr S Ferguson are the representatives for The Western Mining Taskforce 5. Cr J Medcalf and Cr S Ferguson are the representatives for The Outer Sydney Orbital and Castlereagh Connection Corridor Steering Committee 6. Cr D Somerville be the representative for the Lachlan Water Sharing and Water Resource Plan Stakeholder Advisory Panel 7. Cr B West be the representative for the Lachlan Valley Water Security Investigations Phase 2 – Community Reference Group 	

6a Portfolio Mayors

Resolved	Cr R Kidd/Cr B West
Transport – Cr Ken Keith Water – Cr David Somerville Health – Cr John Medcalf Regional Development – Cr Bill West Planning – Cr Reg Kidd	

7 Appointment of Auditor

Resolved	Cr R Kidd/Mr K Boyd
That Intentus be appointed as the Auditor for Centroc.	

8 Presentation of the Statement of Finances

Resolved	Mr P Devery/Mr D Sherley
That the Statement of Finances for Centroc be adopted.	

9 Meeting Dates for 2019

Recommendation/s		Mr D Sherley/ Mr K Boyd	
That the meeting dates for the Central NSW JO Board and any Centroc meetings for 2019 be:			
Board			
Date	Meeting of	Time	Host
Thursday 28 February	Board	9:30 for 10am	Orange
Thursday 23 May	Board	9:30 for 10am	State Parliament
Thursday 22 August	Board	9:30 for 10am	Federal Parliament
Thursday 28 November	Board	9:30 for 10am	Parkes
Executive & GMAC			
Date	Meeting of	Time	Host
Thursday 31 January	Executive	8.30 - 10am	Orange
Thursday 2 May	Executive	8.30 - 10am	Orange
Thursday 25 July	Executive	8.30 - 10am	Orange
Thursday 24 October	Executive	8.30 - 10am	Orange

Meeting closed at 2.08pm

Page 3 is the last page of the Centroc AGM Minutes 22 November 2018 held in Oberon

Minutes of the Board Meeting 22 November 2018 held at Mayfield Gardens, Oberon

Cr G Hanger	Bathurst Regional Council	Cr K Sajowitz	Oberon Council
Mr D Sherley	Bathurst Regional Council	Mr G Wallace	Oberon Council
Cr S Ferguson	Blayney Shire Council	Cr R Kidd	Orange City Council
Ms R Ryan	Blayney Shire Council	Cr K Boyd	Parkes Shire Council
Cr A Durkin	Cabonne Council	Cr P Best	Weddin Shire Council
Mr S Harding	Cabonne Council	Mr L Gibson	Weddin Shire Council
Cr D Somerville	Central Tablelands Water	Ms C Weston	RDACW
Mr G Rhodes	Central Tablelands Water	Mr A Albury	DPC
Cr B West	Cowra Council	Ms K Purser	OLG
Mr P Devery	Cowra Council	Ms J Bennett	Centroc
Mr S Murru	Forbes Shire Council	Ms Meredith Macpherson	Centroc
Cr J Medcalf	Lachlan Shire Council		
Mr G Tory	Lachlan Shire Council		

Board Delegates in bold**1. Welcome by Chair John Medcalf 2.36pm****2. Apologies**

Cr M Liebich, Cr K Keith, Cr K Beatty, Cr P Miller, Mr S Loane, Mr G Styles, Mr G Carroll, Cr J Stafford, Mr J Bell, Cr B Ingram, Dr E Marks, Cr R Thompson, Mr G Faulkner, Ms J Andrews

Resolved	Mr D Sherley/Cr B West
That the apologies for the Centroc Board meeting 22 November 2018 listed above be accepted.	

3. Speakers – Nil**4. Minutes****4a Noting of the Minutes of the GMAC Meeting 25 October 2018**

Resolved	Mr D Sherley/Mr K Boyd
That the Minutes of the Centroc GMAC Meeting 25 October held in Orange be noted.	

4b Confirmation of the Minutes of the Board Meeting 23 August 2018 at Parliament House Canberra

Resolved	Mr G Wallace/Cr D Somerville
That the Minutes of the Centroc Board Meeting 23 August 2018 held at Parliament House be confirmed and write to Lt. K Gillespie, Mr Don Murray and the Taskforce Team thanking them for their efforts.	

4c Noting of the Minutes of the Centroc Executive Meeting 25 October 2018 at Orange

Resolved	Cr R Kidd/Mr D Sherley
That the Minutes of the Centroc Executive Meeting 25 October 2018 held at Orange be noted.	

5 Business Arising from the Minutes – Matters in Progress

Resolved	Mr D Sherley/Mr S Harding
That the Board note the Matters in Progress, making deletions as suggested.	

6 Correspondence**6a Correspondence In**

Resolved	Mr K Boyd/Mr P Devery
That the Board note the incoming correspondence.	

6b Correspondence Out

Resolved	Mr D Sherley/Mr S Harding
That the Board note the outgoing correspondence.	

7 Reports**7a Transport Infrastructure including Bells Line of Road**

Resolved	Mr K Boyd/Mr D Sherley
That the Board note the Transport Infrastructure Report; and	
<ol style="list-style-type: none"> 1. endorse that with regard to a safe swift link between Sydney and Central NSW, the Executive have sought to have access to any final report under development by Taskforce led by Lt Gen Ken Gillespie and; <ol style="list-style-type: none"> a. seek meetings through State representatives, especially Deputy Premier, The Hon John Barilaro; b. a report be provided to the Joint Organisation Board on 'game changer' projects for the \$4.2 (Snowy Hydro Fund) billion in line with advice provided by the Hon J Barilaro to media 24 October; and c. Through the Chair engage with Regional Strategic Alliance (Western Sydney) on the connection between Sydney and Central NSW; and 2. note that a submission to the Sydney Airport Masterplan has been lodged in line with existing policy on retaining regional slots. 	

7b Water Infrastructure Report

Resolved	Cr D Somerville/Mr K Boyd
That the Board note the Water Infrastructure Report; and	
<ol style="list-style-type: none"> 1. Write to Mr Jeremy Voss advising that the raising of the Wyangala Dam wall is a regional priority with advocacy underway seeking election commitment; 2. Note that the Executive has committed \$7,500 towards a scoping study for the Lithgow to Kings Plain Pipeline and that Cr B West be the Central NSW JO Representative on the steering committee for the Lithgow to Kings Plains Pipeline project. 3. Note that the Executive has approved a submission to the Public consultation on the draft Water Resource Plan and draft Water Sharing Plan for Lachlan Surface Water 2019 to be developed in due course; and 4. Note the meeting with Mr Ashley Albury, DPC to progress the development of an MoU or other document to formalise expectations between NSW Health and the CWUA (on behalf of its members) for Drinking Water Incidents. 	

7c Health Report

Resolved	Cr J Medcalf/Mr D Sherley
That the Board note the Health report and seek a briefing from Orange City Council on its proposed Special Activation Precinct.	

7d Regional Development

Resolved	Cr B West/Mr K Boyd
That the Board note the Regional Development Report; and	
<ol style="list-style-type: none"> 1. Encourage engagement in the Central West Food and Fibre Strategy; and 2. include in its Orange meeting in February 2019 a visit to the Global Agricultural Technology Ecosystem including a presentation on outcomes from the pitchfest in Sydney in September 2018. 	

7e Planning Report

Resolved	Cr R Kidd/Mr D Sherley
That the Board note the Planning Report and endorse the submission made to the Draft Regional Urban Design Guidelines that is broadly supportive of the document though seeks changes to the Central West and Orana snapshot in line with existing Centroc policy.	

7f Tourism Report

Resolved	Ms R Ryan/Cr B West
That the Board note the Tourism Report; and	
<ol style="list-style-type: none"> 1. note the Building Better Regions Application is being recast to include a leadership component building capacity and collaboration at the Board level in growing the visitor economy including navigating the challenges of drought with the final application approved under the hand of the Chair; 2. commend to members they engage in the campaign under development leveraging public art; and 3. note that a letter of congratulations is being sent to Ms Lucy White on her appointment as General Manager of Destination Network Country and Outback 	

7g Operational Report

Resolved	Mr D Sherley/Mr P Devery
That the Board note the Operational Report; and	
<ol style="list-style-type: none"> 1. Councils receive a proforma report to Council recommending in-principle support be provided to the Southern Lights Project with the following heads of consideration – project benefits including being part of an aggregated approach, advice on individual Council business cases and funding opportunities; 2. Councils give consideration to being included in the PPA component of the next procurement process for electricity; and 3. Councils receive advice in their Mayoral Board Report on current opportunities in energy programming including a group procure power factor correction and variable speed drives, a group procure of solar and/or battery storage, and a grant application for solar carparks including virtual net metering and electric vehicle charging stations, and request Council's support in progressing these. 	

7h Financial report

Resolved	Mr K Boyd/Mr D Sherley
That the Board note the Financial Report.	

8 Late Reports

Verbal advice was provided by Ms J Bennett

1. Agreeing to circulate advice from the Federal Government on drought and that a report would come to the next meeting regarding a report by Western Research Institute making recommendations on potential Local Government activity.
2. Noting feedback from the room of the Board's preference for a meeting with Mr Peter Primrose, and other members of the opposition.

9 Matters raised by members

Feedback was that the waste to energy initiative being progressed through Country Mayors should be considered through individual Councils.

10 Speakers to the next meeting

The follow-up workshop for the strategy

11 Next Meetings

31 January 2019 – GMAC

TBA – Executive

28 February 2019 –Board

28 February 2019 – CNSWJO Board

The General Meeting of the Board closed at 3.14 pm

Page 4 is the last page of the Centroc Board Minutes 22 November 2018

Minutes of the Central NSW Joint Organisation meeting 22 November 2018 Mayfield Gardens, Oberon

Cr G Hanger	Bathurst Regional Council	Cr K Sajowitz	Oberon Council
Mr D Sherley	Bathurst Regional Council	Mr G Wallace	Oberon Council
Cr S Ferguson	Blayney Shire Council	Cr R Kidd	Orange City Council
Ms R Ryan	Blayney Shire Council	Cr K Boyd	Parkes Shire Council
Cr A Durkin	Cabonne Council	Cr P Best	Weddin Shire Council
Mr S Harding	Cabonne Council	Mr L Gibson	Weddin Shire Council
Cr D Somerville	Central Tablelands Water	Ms C Weston	RDACW
Mr G Rhodes	Central Tablelands Water	Mr A Albury	DPC
Cr B West	Cowra Council	Ms K Purser	OLG
Mr P Devery	Cowra Council	Ms J Bennett	Centroc
Mr S Murru	Forbes Shire Council	Ms Meredith Macpherson	Centroc
Cr J Medcalf	Lachlan Shire Council		
Mr G Tory	Lachlan Shire Council		

Attendees, voting members in bold.

Meeting opened 2.08pm, Chaired by Chair Cr John Medcalf

Apologies - Cr M Liebich, Cr K Keith, Cr K Beatty, Cr P Miller, Mr S Loane, Mr G Styles, Mr G Carroll, Ms J Andrews,

Resolved	Cr B West/Cr R Kidd
That the apologies for the Central NSW Joint Organisation Board meeting 22 November 2018 listed above be accepted.	

2 Minutes

2a Confirmation of the Minutes of the Central NSW Joint Organisation meeting 23 August 2018 at Parliament House Canberra

Resolved	Cr S Ferguson/Cr G Hanger
That the Central NSW Joint Organisation Board confirm the Minutes of the meeting 23 August 2018 held in Parliament House Canberra.	

2b Confirmation of the Minutes of the Central NSW Joint Organisation meeting 2 October 2018 at Bathurst Regional Council office via phone conference

Resolved	Cr R Kidd/Cr B West
That the Central NSW Joint Organisation Board confirm the Minutes of the meeting 2 October 2018 at Bathurst Regional Council office via phone conference.	

1. Business Arising from the Minutes – Matters in Progress

Resolved	Cr B West/Cr R Kidd
That the Central NSW Joint Organisation Board note the Matters in Progress, making deletions as suggested, and bring forward reports;	
1. Payment of Expenses and the Provision of Facilities to Board Members Policy; and	
2. Code of meeting practice.	

3. Report from Joint Organisation Chairs

Resolved	Cr B West/Cr R Kidd
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That the Board note the report from the meetings of the Joint Organisation Chairs and
1. With regard to the priorities identified by the Chairs of the Joint Organisations, Central NSW Joint Organisation recommends that:
a. Effort be undertaken to identify those priorities that ought be progressed through Local Government NSW and provide this advice to the peak body (LGNSW) accordingly;
b. Feedback be provided to the Chairs of Joint Organisations regarding Central NSW Joint Organisations once these have been finalised through the strategic process;
c. This region supports the notion of a Forum of Joint Organisation Chairs for the short-term purpose of information sharing noting there may be further value once the various Joint Organisations in the State are fully operational; and
2. Endorse the Terms of Reference for the Forum of Joint Organisation Chairs.

4. Regional Priorities

Resolved	Cr K Sajowitz/Cr G Hanger
That the Joint Organisation Board note the report on regional priorities, adopt the interim Statement of Strategic Regional Priorities and with regard to the specifics of five priorities for advocacy leading into the State election focus on the following:	
1. Support for a safe swift link between Central NSW and Sydney;	
2. Raising the wall at Wyangala;	
3. Fully funding of the Southern Lights Project;	
4. Progressing the Blayney to Demondrille Line; and	
5. Recognition of the role of this region in leading the State in the development of Special Activation Precincts in Parkes, Orange and Bathurst.	

5. Working with Local Government NSW

Resolved	Cr R Kidd/Cr A Durkin
Note the report and to progress opportunities for collaboration once its new Executive Officer is in place.	

6. ALGA priorities support report

Resolved	Cr S Ferguson/Cr G Hanger
That the Centroc Board note the report on the Australian Local Government priorities and advocate in their support, in particular;	
1. restore Federal Assistance Grants to at least 1% of Commonwealth Tax Revenues;	
2. fund the development of the Local Government Higher Productivity Investment Plan starting at \$200m pa for five years;	
3. increase R2R funding to \$800m and make the Bridges Renewal Program permanent;	
4. invest in a Local Government Community Infrastructure Program of \$300m pa for four years, with a separate stream for regional and rural communities;	
5. fund a targeted disaster mitigation program of \$200m pa for four years;	
6. establish a Local Government Climate Change Partnership Fund of \$200m pa for four years;	
7. invest in a Local Government Place-Based Preventative Health and Activity Program of \$100m over four years;	
8. continue to provide at least \$5.5bn over the next 10 years for Indigenous well-being;	
9. fund a Digital Local Government and Rural / Regional Telecommunications Program of \$100m over four years;	
10. develop a national waste and resource recovery strategy underpinned by circular economy principles, the waste hierarchy, product stewardship and extended producer responsibility;	
11. reinstate a nation governance model that addresses homelessness and housing affordability that includes local government; and	

- | |
|--|
| 12. adjust the identified roads component of the Federal Assistance Grants to make the additional funding for South Australia permanent. |
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7. Joint Organisation Funding Framework report

Resolved	Cr K Sajowitz/Cr B West
That the CNSWJO Board note the Joint Organisation Funding Framework Report and seek to codesign an approach to the funding of Joint Organisations with the State using the following considerations:	
<ol style="list-style-type: none"> 1. The principle of subsidiarity; 2. Councils should control the JO; 3. Councils retain control over their assets; 4. Funding should not be "readministered" by the JO or be cost shifting, so for example the single invitation RMS contracts would not be administered by the JO; 5. The greater opportunity is working with the State to leverage Federal funding; 6. Funded activities should add value to member Councils; 7. JOs should not be a fourth tier of government; 8. JOs should not add more red tape; 9. This region seeks to work collaboratively with the State Government to codesign better processes in the interests of our communities; 10. State agencies be resourced and have delegation in the region to deliver collaborative programming with Joint Organisations; 11. Ongoing administrative funding for codesigned programming that has state and local shared value is welcome; and 12. Benefit Cost Ratio and other Treasury guidance ultimately leads to difficulties with accessing funding for regional Councils where the more remote the Council the greater the challenges. 	

8. Administration Update

Resolved	Cr A Durkin/Cr G Hanger
That the Board note the timeline for the implementation of the JO,	

9. Financial Report

Resolved	Cr B West/ Cr S Ferguson
That the Board note the Financial Report.	

- Cr West requested the next meeting give consideration to membership of other entities.
- RDA Central West requested progression of the MOU.

Next meeting of the Joint Organisation is 28 February 2019

Meeting closed 2.36pm

Page 3 is the last page of the Central NSW Joint Organisation meeting 22 November 2018

09) CLOSING OF OFFICE OVER CHRISTMAS – NEW YEAR PERIOD (CM.ME.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 2 – An efficient, sustainable and customer focussed organisation.

RECOMMENDATION:

That Council note the report.

REPORT

Council has resolved in past years to close the office during the Christmas-New Year period. This closure normally involves up to three working days and the administration staff have been granted leave for this period in lieu of overtime worked during the previous 12 months.

Under this arrangement, the office will close this year at 12pm on 24 December 2018 and re-open on 2 January 2019. The General Manager has approved this request as it was resolved at the December 2013 Council Meeting that *'Reoccurring events be left to the discretion of the General Manager.'*

As has been the practice in previous years, operational staff work as normal and are rostered on-call over the public holidays to attend to any emergency. Emergency numbers for all locations will be advertised in the local press, on Council's website and on the front door of Council's office during the month of December and until the office re-opens on 2 January 2019.

Closing the office has not caused any problems in previous years and there does not appear to be any reason not to continue this practice.

BUDGET IMPLICATIONS

Operational Plan 2018/2019

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

10) APPLICATION FOR ANNUAL LEAVE – GENERAL MANAGER (PE.LE.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 2 – An efficient, sustainable and customer focussed organisation. Strategic Priority 3 – Regional leadership and collaboration.

RECOMMENDATION:

That Council approve annual leave for the period requested by the General Manager and that the Director Finance & Corporate Services, Mr Peter McFarlane, be appointed as Acting General Manager with associated delegations during this time.

REPORT

Application is made for annual leave to be granted to the General Manager for the following period in 2019:

8 January 2019 until 28 January 2019 inclusive (14 days)

CTW's Director Finance & Corporate Services, Mr Peter McFarlane has consented to act as General Manager during the above period.

BUDGET IMPLICATIONS

Operational Plan 2018/2019

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

11) COUNCIL RESOLUTIONS UPDATE REPORT (GO.CO.1)

Author: General Manager

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.5.5 Good governance in place with timely management of council meetings.

RECOMMENDATION:

That Council note the Council Resolutions Update Report to October 2018.

REPORT

The General Manager is responsible for ensuring that Council's resolutions, policies and decisions are implemented in a timely and efficient manner, progress monitored and variances reported.

The General Manager provides the management oversight in relation to all information progressing from appropriate staff to Council for consideration via the Business Paper.

After a Council meeting, each resolution is allocated to the General Manager or responsible officer to action in accordance with the Council resolution. The Senior Management Team (SMT) then discuss the progress of these resolutions at fortnightly SMT meetings.

Council have requested a Resolutions Update Report at each Council meeting.

The Council Resolutions Update Report includes Council Resolutions to October 2018.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Council Resolutions Update table 5 Pages

COUNCIL RESOLUTIONS UPDATE

Council Resolutions Update – Meeting held 12 December 2018					
Resolution Ref.	Date of Meeting	Subject	Responsible Officer	Decision	Action Taken/Status
17/003	8/2/17	Chairman's Minute – Chairman to convene a CTW strategic planning workshop with councillors and representatives of constituent councils.	GM	That the Chairman's Minute, as read, be accepted and the contents therein be noted and endorsed.	<p>A "Futures Strategic Planning" workshop to be undertaken early in FY18/19.</p> <p>30/5/18 – Workshop planning meeting scheduled 14/6/18 with facilitator.</p> <p>19/7/18 - Risk Edge have been appointed to facilitate the workshop. Workshop is scheduled for 6/9/18 in Blayney. All CTW Councillors, Directors and constituent Council Mayors and GMs have been invited to attend.</p> <p>6/9/18 – Workshop held. Workshop Summary Paper to be finalised by Risk Edge and issued Oct/Nov.</p> <p>6/11/18 – Workshop Summary Paper finalised and issued by Risk Edge.</p> <p>5/12/18 – Workshop Summary Paper issued to CTW Council Delegates. The Senior Management Team (SMT) will continue to work through and prioritise these strategies via the fortnightly SMT meetings, providing regular updates to Council and seeking input (where necessary) prior to implementing the identified strategies.</p> <p>Action completed.</p>

17/046	14/6/17	Innovation Fund	GM	<p>That Council:</p> <ol style="list-style-type: none"> 1. Endorse the Blayney Alliance Regional Renewable Energy Action Plan Project application developed by Blayney Shire Council in partnership with Central Tablelands Water and submitted under Round 2 of the NSW Government's Innovation Fund, and; 2. Approve the financial co-contribution of \$20,000 towards the Blayney Alliance Regional Renewable Energy Action Plan Project if the funding application is successful. 	<p>Letter sent to Blayney Shire Council on 14/6/17 advising BSC of Councils' resolution to partner and contribute towards the Energy Renewable application for the Innovation Fund.</p> <p>The funding application was successful in receiving partial funding. CTW's contribution was revised to \$13k in total with \$23k being allocated towards energy efficient projects. CTW have undertaken an Energy Audit of all CTW's sites with the report expected by the end of April 2018. Ref 18/007.</p> <p>1/6/18 - Skillset Environment to present Energy Audit presentation at CTW Council meeting 13/6/18.</p> <p>3/8/18 – Energy Audit Report received from Skillset Environment. The report will be presented to Council at the October meeting.</p> <p>10/10/18 – Renewable Energy Action Plan to be tabled at Oct Council meeting. SMT to meet with Skillset Environment on 18 Oct to further discuss potential energy saving options for CTW.</p> <p>27/11/18 – SMT are considering a proposal from Skillset Environment to assist with the potential installation of on-site energy generation at the CTW sites of Lake Rowlands, Carcoar Water Filtration Plant and Blayney Water Filtration Plant.</p>
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17/052	14/6/17	Late Item – NBN Co Ltd – Amended Lease Agreement – Carcoar Reservoir	GM/DOTS	That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the amended lease agreement between Council and the NBN Co Ltd for the telecommunications facility on the roof of Carcoar Reservoir, in a form satisfactory to Senior Council staff.	13/2/18 – Awaiting final lease agreement from solicitors containing "third party infrastructure" conditions as per the NSW Water Directorate recommendation. 31/5/18 & 17/7/18 – Follow up emails sent to solicitor regarding progress of lease. 19/7/18 – GM spoke with solicitor's secretary to follow up. 8/8/18 – Solicitor emailed seeking final review of third party infrastructure checklist points to be included in lease. GM and DOTS are reviewing. 5/12/18 – GM met with solicitor to discuss outstanding legal matters. The lease and pipeline project property easements are expected to be completed by the end of the year.
17/088	18/10/17	Proposed Boundary Readjustment	DOTS/GM	<ol style="list-style-type: none"> 1. That Council approve the proposed boundary readjustment in principle; 2. That a plan of the proposed boundary readjustment be reported to Council once completed, for endorsement, and Council to contribute \$3,000 towards the cost of the boundary adjustment and Mr Whitehead to contribute \$3,000 for the cost of the land. 3. 	13/11/17 – DOTS advised Mr Whitehead of Council's resolution. 14/12/17 – Mr Whitehead replied to DOTS accepting Council's in principle support to the boundary adjustment. 15/12/17 – DOTS resigned from CTW. New DOTS appointed in February 2018, commenced March 2018. 27/4/18 – GM & DOTS liaising with Mr Whitehead regarding proposed boundary adjustment. 10/8/18 – DOTS is continuing to liaise with Mr Whitehead regarding boundary adjustment. 7/12/18 – DOTS is following up on this matter as a priority now that a major

					capital works project is nearing final completion..
18/057	8/8/2018	Central Tablelands Water Rebranding Project	GM	That Council approve funding of \$7,000 for Stage 1 (Market Research) to include an estimate of cost for the overall branding project.	25/9/18 – The Chairman & SMT attended Rebranding Briefing meeting at CTW office facilitated by Adloyalty. A Branding Workshop is scheduled for 17 Oct with constituent councils invited to attend. 7/12/18 – Awaiting branding costing estimate.
18/058	8/8/2018	Safe & Secure Water Program Update	GM	That Council proceeds with the Lithgow to Kings Plains water transfer pipeline scoping study, subject to receiving support from Centroc and Regis Resources Ltd.	17/9/18 – SMT engaged Geolyse to undertake the scoping study. The study is to be funded on a 50/50 basis between CTW and Centroc with in-kind support from Regis. Action completed.
18/064	8/8/2018	Canowindra Reservoir Roof Replacement – Insurance Tendering Requirements	SMT	That Council delegate to the General Manager the authority to enter into a contract to replace the Canowindra reservoir roof with the supplier selected in consultation with Council's insurers.	7/9/18 – Building Contract with Johns Lyng Group signed by GM. DOTS is liaising with Johns Lyng Group regarding applicable safety requirements (i.e. SWMS, safety standards, etc) to undertake the replacement. Action completed.
18/079	10/10/2018	Safe & Secure Water Program Update	GM SMT	3. General Manager be given delegated authority to establish a steering committee for the Lithgow to Kings Plains Water Transfer Pipeline scoping study, and 4. That Council support CTW Senior Management in preparing and submitting an expression of interest and detailed application for a water supply feasibility study at Caragabal,	7/12/18 – GM is finalising Terms of Reference for the steering committee. 7/12/18 – SMT are currently developing the EOI and detailed submission.

				under the Safe & Secure Water Program in consultation with Weddin Shire Council, Caragabal Water Scheme Incorporated and the Caragabal community.	
18/080	10/10/2018	Futures Strategic Workshop	GM	That Council write to all constituent councils acknowledging their participation and contribution to the CTW Futures Strategic Workshop.	5/12/18 – GM wrote to all constituent councils extending CTW's appreciation and gratitude for attending and participating in the workshop. Action completed.

12) FINANCIAL MATTERS (FM.BA.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3.1 monitoring of organisational and operational performance is regular, accessible and understandable

RECOMMENDATION:

That the information be noted.

REPORT

Cash and Investments

The investment summary on the following page represents Council's total investments as at 31 October 2018 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	\$ 6,000,000.00					83.83%
ME Bank - Curve Securities	500,000	BBB+	189	2.72%	19/11/18	6.99%
BOQ - Curve Securities	500,000	BBB+	182	2.55%	22/11/18	6.99%
BOQ - Curve Securities	700,000	BBB+	182	2.70%	4/12/18	9.78%
Commonwealth Bank	500,000	AA-	218	2.72%	29/01/19	6.99%
Reliance Bank	500,000	Unrated	182	2.75%	8/02/19	6.99%
AMP - Curve Securities	500,000	A	182	2.60%	27/02/19	6.99%
Reliance Bank	500,000	Unrated	213	2.70%	4/03/19	6.99%
Reliance Bank	500,000	Unrated	183	2.70%	13/03/19	6.99%
NAB - Rim Securities	500,000	AA-	273	2.60%	25/03/19	6.99%
AMP - Curve Securities	500,000	A	182	2.60%	4/04/19	6.99%
BOQ - Curve Securities	800,000	BBB+	182	2.70%	23/04/19	11.18%

At Call Deposits	\$ 1,157,420.83					16.17%
Commonwealth Bank General Account	\$ 170,866.02	AA-	At Call	1.30%	N/A	
Commonwealth Bank - BOS Account	\$ 986,497.99	AA-	At Call	1.40%	N/A	
Reliance Credit Union - Cheque Account	\$ 56.82	Unrated	At Call	0.00%	N/A	

Total Value of Investment Funds **\$ 7,157,420.83** **100%**

90 Day BBSW for August 2018	1.96%
Average Rate on Term Deposits	2.67%
Margin over 90 day BBSW	0.71%

Average Term - Short Term Deposits (days) 200

Portfolio by Credit Rating	Amount \$	%
AA-	\$ 2,157,364.01	30.14%
A	\$ 1,000,000.00	13.97%
BBB+	\$ 2,500,000.00	34.93%
Unrated	\$ 1,500,056.82	20.96%
Total	\$ 7,157,420.83	100.00%

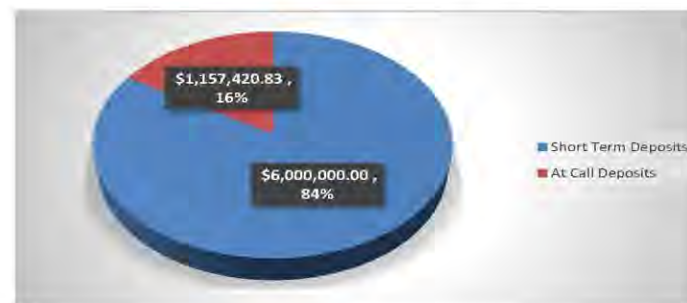
BANK RECONCILIATION

Balance as per Bank Statement	\$	176,281.02
Less: Outstanding Cheque	\$	5,500.00
Add: Outstanding Deposit	\$	85.00
Balance as per Cash Book	\$	<u>170,866.02</u>

GENERAL FUND

(a) Cash Book Balance	\$	1,157,420.83
(b) Bank Balance	\$	1,157,420.83

Short Term Deposits	\$	6,000,000.00
At Call Deposits	\$	1,157,420.83



The above investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulation 2005 and Council's Investment Policy.



Peter McFarlane
Director Finance & Corporate Services

Investment Commentary

The official cash interest rate set by the Reserve Bank has remained unchanged at 1.5% due primarily to the continuation of low inflation, poor retail sales, and increasing levels of household debt.

Whilst some commentators are now predicting that the next change in interest rates may be down due to slowing economic growth, rising debt levels and falling property prices particularly in the major capital cities, it is still considered unlikely by most as any cut would provide little or very limited economic stimulus.

Term deposit rates have been fairly stable over the past 2 months with investment maturities generally able to be rolled at similar rates to the maturing investment. Some institutions have offered attractive rates from time to time to attract funds to suit their liquidity cycle, however, the offer is generally for a very limited time.

Council maintains a high level of liquidity with expected cash outflows over the next few months exceeding cash inflows due to Trunk Main K construction works, acquisitions under the plant replacement program, costs associated with employee leave and the council closure over the Xmas period and a quarterly loan instalment payable to the National Australia Bank.

Returns on Council's investments have tracked ahead of budget and this has resulted in an upward revision of Council's expected level of investment income in the September Quarterly Budget Review.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

13) ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT YEAR ENDING 30 JUNE 2018 (FM.FR.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 – Improving performance and managing risk - 2.3.1 - Monitoring of organisational and operational performance is regular, accessible and understandable.

RECOMMENDATION:

That the 2017/18 Financial Statements and Auditor's Reports be received.

REPORT

Council's Financial Statements for the year ending 30 June, 2018 have been completed and in accordance with *Section 418 (1) of the Local Government Act 1993* (the Act) are now presented to the public.

In accordance with Section 420 of the Act, any person may make a submission in writing with respect to Council's Annual Financial Statements or the Auditor's Reports. The closing date for submissions is Wednesday 19 December, 2018.

A copy of Council's Audited Financial Statements may be viewed on Council's website at www.ctw.nsw.gov.au or alternately are available at Council's Administrative Office located at 30 Church Street, Blayney.

Mr John O'Malley, on behalf of the Audit Office of NSW will be presenting an outline of the conduct of the Audit and the Auditor's Reports at this meeting.

The draft accounts were sent to Council's Audit Risk and Improvement Committee on 3 October, 2018. The Financial Statements were lodged with the Office of Local Government (OLG) on the 31 October, 2018 after the audit reports had been received around 12 noon that day. This lodgement met the deadline set by the OLG. The 2017/18 Financial Data /ABS return was also due for lodgement by midnight on 31 October, 2018. It was lodged at around 11.45pm that evening. Both deadlines were met after 4 months of sustained work.

Following a final site visit to Council on 23 October, 2018 by the Auditors to finalise work on the Infrastructure, Property, Plant and Equipment (IPPE) balance, an issue arose regarding the recognition of impairment (carrying amount exceeding the recoverable amount), in respect to those assets that will become redundant upon the commissioning of the new Orange to Carcoar Pipeline. These assets consisted of a number of trunk mains and pumping stations. The carrying amount (written down value) of these assets was approximately \$1.3M.

Council staff were aware that the assets would become impaired at the time of commissioning the new pipeline which was expected in the 2019/20 financial year (30 November was the practical completion date). However, the applicable accounting standard (AASB 136.12) requires that where there is knowledge that impairment events will occur "*or are expected to take place in the near future*" then

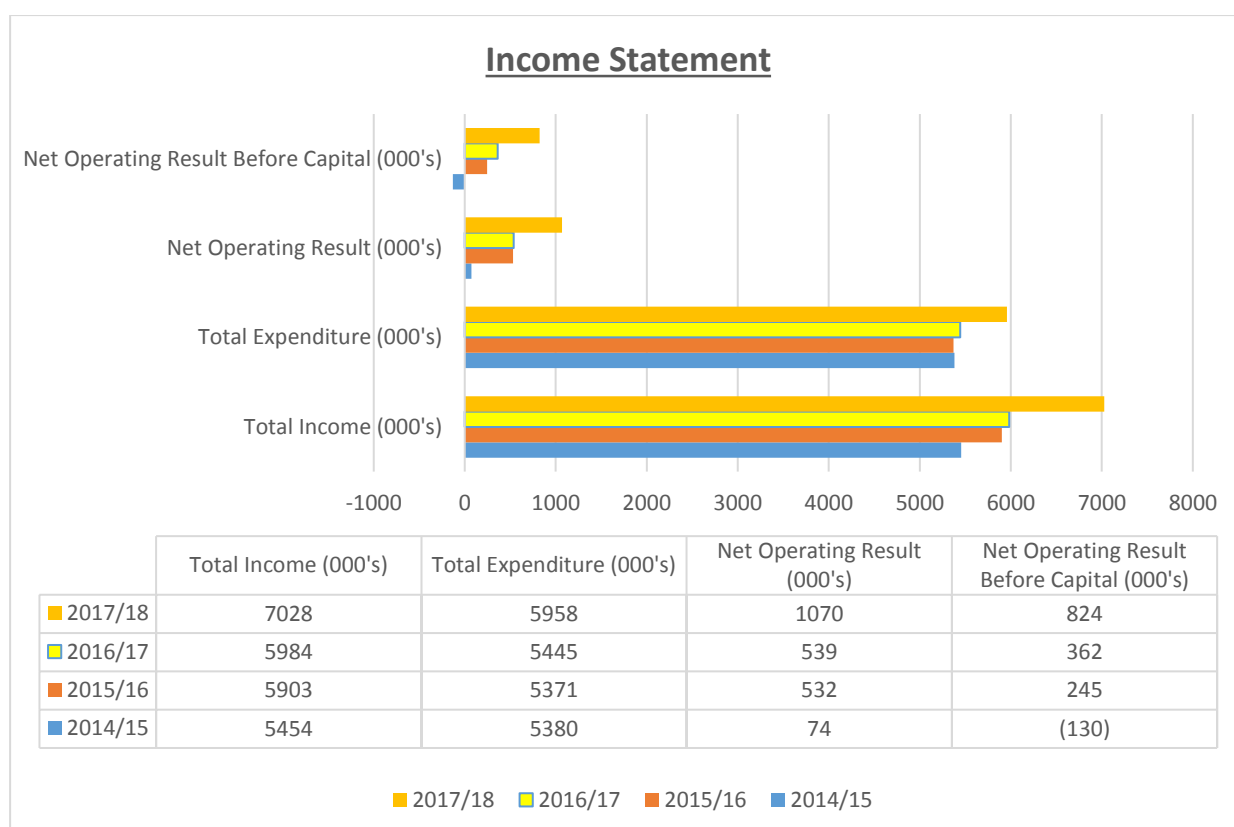
the impairment provision should be booked at the time that event is planned or becomes known.

After discussing with the Audit Office, it was accepted that the impairment provision could be written off against the asset revaluation reserve rather than being expensed through the Income Statement. As this matter related to a timing difference in respect of the recognition of the impairment, the Auditor's request to recognise the impairment was agreed. This resulted in a \$1.3M write-down of the IPPE balance (around 1.9% of the balance) and a corresponding reduction in the asset revaluation reserve.

Everyone is encouraged to read the full set of Financial Statements and Audit Reports available on Councils website at: www.ctw.nsw.gov.au.

Below are some key comparisons of the 2017/18 result compared to the previous 3 years.

Income Statement



The Net Operating Result before Capital of \$824K was the best result for many years. This was attributable to:

- Total Income increased by 17% from 5,984K to 7,028K.
- Water user charges increased by 22% from 3,985K to 4,861K due mainly to high dry conditions that existed over much of the year.
- Total Expenses increased by 9% from 5,445K to 5,958K.
- Depreciation increased by 17% from 1,807K to 2,111K reflecting the increased asset values arising from the 30 June, 2017 revaluation of water infrastructure.

Depreciation is now 35% of total operating costs which presents a challenge for future financial planning.

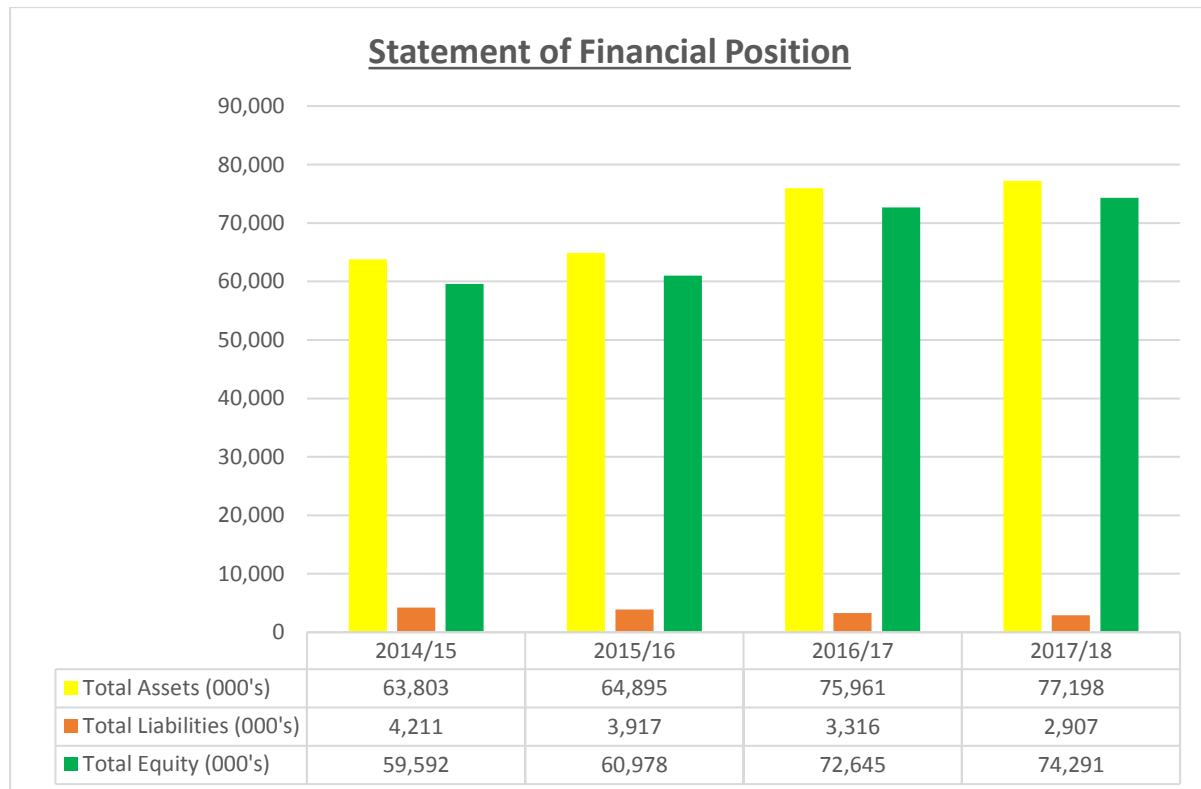
- Employee costs increased by 9% from 1,768K to 1,933K however this was driven largely by a 101K increase in leave liabilities.

Statement of Financial Position

As can be seen on the graphs below the net assets grew from 72,645K in 16/17 to 74,291K in 17/18. This is mainly attributable to the strong operating result including capital amounts of \$1,070K and a \$576K net increase in the asset revaluation reserve attributable to the revaluation of water infrastructure (indexation), operational land and buildings (totalling 1,949K) less the \$1,373K impairment loss.

It is significant to note that prior to the revaluation, Council's written down value of the water infrastructure was estimated to be 54% through its life (Accumulated Depreciation divided by Gross Replacement Cost as per Note 9) being 59,830K/129,578K. This information change can be used to inform Council's asset management planning in respect of the possible timing of future asset renewal programs. It is notable that this will change significantly when the Orange to Carcoar Pipeline project is brought to account.

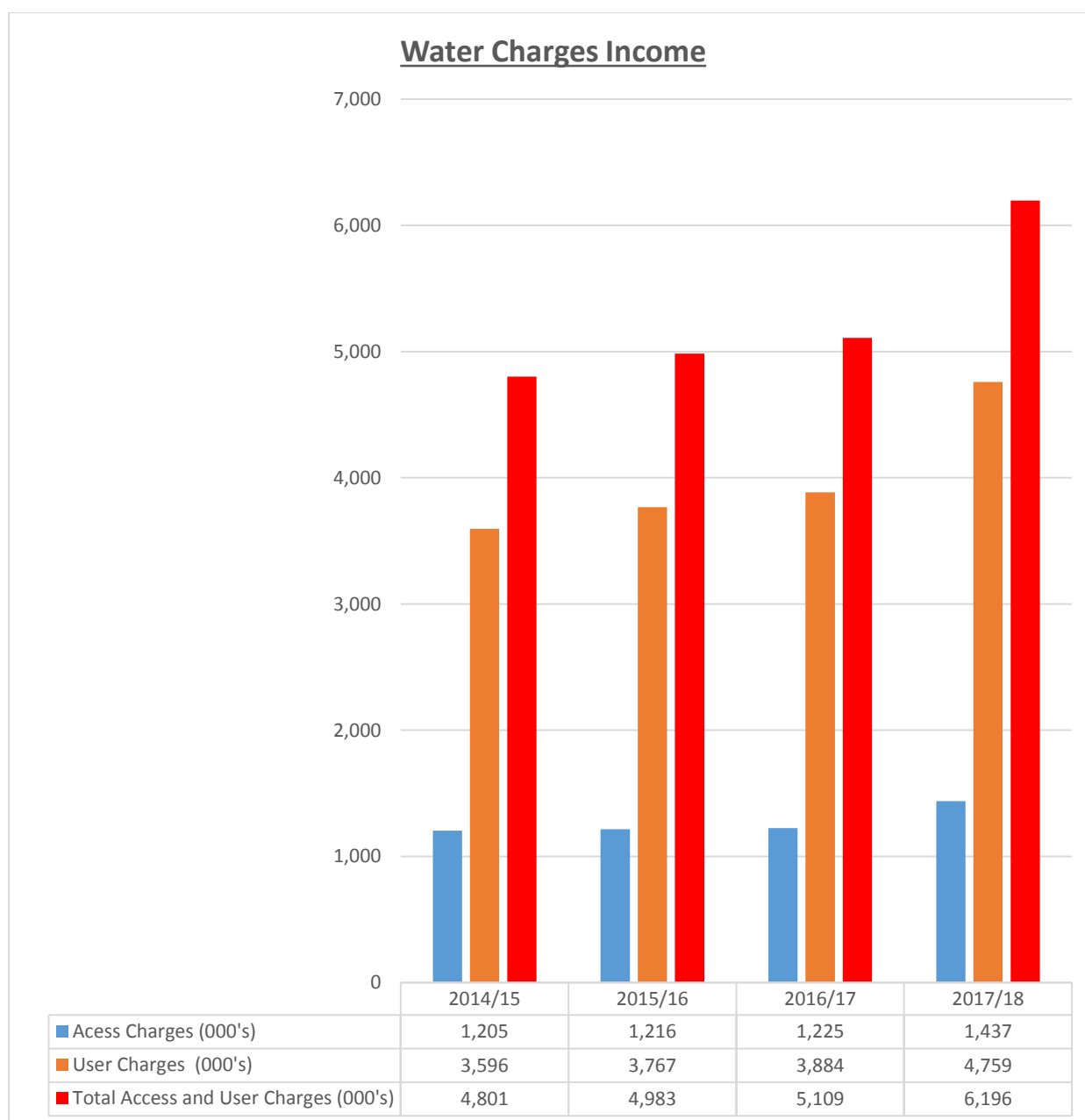
Total liabilities continue to fall in line with the repayment of Council's infrastructure loan borrowings (a \$10M fixed rate 20 year term loan will be fully repaid in 2020/21)



Water Charges Income

This consists of both access charges and water usage charge income. Council adopted a 15% increase in access charges and a 6% increase in usage charges in 2017/18. It should be noted that access charges had not been changed for many years prior to that increase. These fee changes combined with a continuation of very dry conditions lead to a significant rise in user charges (22% overall) with the combined user and access charges rising 21% overall.

This additional income has been set aside in the infrastructure restriction to provide for future renewals of the water supply network which is critical to the maintenance of high water quality and high standards of service.



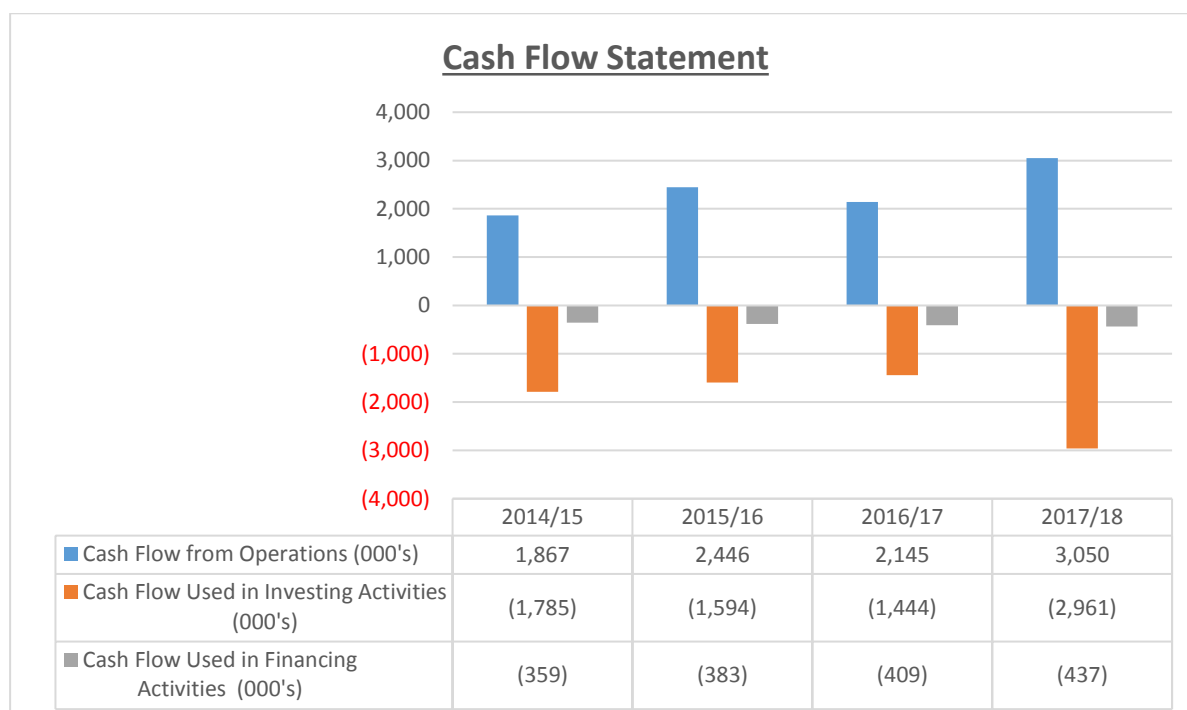
Cash Flow Statement

Council generated 3,050K from operations in 17/18. This was significantly up from 2,145K in 16/17, due principally to increased water charges as previously highlighted.

Cash used for investing activities included 3,391K for capital expenditure. This included approximately 2,702K for the major projects such as the Orange to Carcoar Pipeline and Trunk Main K relocation. These outflows were offset by sales of plant and equipment of 243K and the net redemption of investments of 200K.

Financing activities consisted of loan principal repayments of 437K.

Overall cash and investments reduced by 548K from 7,365K in 17/18 to 6,817K in 16/17.



Cash and Investments

Council's cash and investments totalled 6,817K at 30 June, 2018. (Note 6) This consisted of 501K of unrestricted funds and 6,316K of internal restrictions.

It is significant to note that Council's Employment Leave Entitlement (ELE) restriction was increased by 124K from 235K at the beginning of the year to 359K at the end of the financial year. This is an increase of 34%. This is considered prudent given the increase in the ELE liabilities as outlined below.

The ELE restriction represented 51% of the total ELE liabilities of 707K (Note 12) at the 30/6/2018. This level is considered adequate at this time but will require monitoring against the liability on an ongoing basis to ensure that coverage level is adequate in the event that long term employees resign or retire from Council.

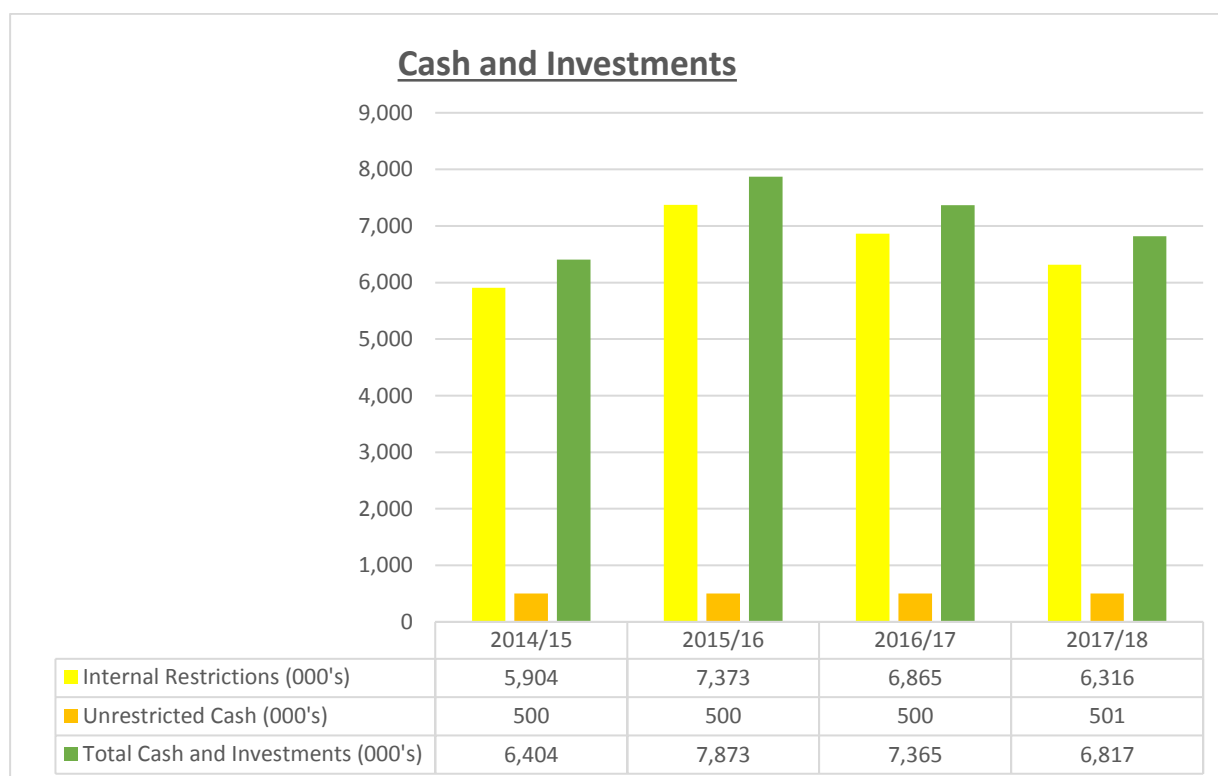
The Infrastructure Restriction has a balance of 5,297K at 30 June, 2018 this is a decline of 688K over the balance of 5,985K at 30 June, 2017. This reflects the fact

that funds spent on Council's capital program in 2017/18 exceeded the transfers to the restriction. This was due substantially to the funding of the Carcoar to Orange Pipeline project and the renewal of Trunk Main K.

Council's plant restriction declined from 219K at 30 June, 2017 to 184K at 30 June, 2018. This reflects the increasing average cost of replacing Council's vehicle fleet together with an increasingly tough second hand vehicle market putting pressure on changeover figures.

A consultancy restriction of 50K was in place at the 30 June, 2018. This recognises the need for Council to seek independent external support to undertake specialised tasks that cannot be resourced by in house resources.

Unrestricted cash at a level of 501K provides a degree of flexibility to respond to short term cash demands without needing to resort to transferring funds from restrictions. The level of current payables shown at Note 11 of 202K were able to be covered by the 501K unrestricted funds balance.



Performance Measures

Attention is also drawn to Note 22(b) of the Financial Statements that indicate that Council's performance measurement indicators remain sound and above the local government industry benchmarks. It is noted that Council's outstanding water charges increased from 4.28% to 6.96%. This was primarily attributable to a major consumer being in arrears due to a change in staff and internal accounting practices. This outstanding account was settled subsequent to balance date and the account is now in accordance with Council's agreed payment terms.

BUDGET IMPLICATIONS

The better than expected operating result allows Council to replenish its restrictions (cash reserves) to allow further renewal of its water supply network and maintain high service levels.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

14) QUARTERLY BUDGET REVIEW STATEMENT – 30 SEPTEMBER 2018
(FM.FR.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.2 Financial management – 2.2.2 – Complete and report on quarterly budget reviews.

RECOMMENDATION:

That the budget review statement for the quarter ended 30 September 2018 be accepted, and the variations therein be voted.

REPORT

The Quarterly Budget Review Statement (QBRS) for the period ended 30 September 2018 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the original forecast operating budget surplus after capital amounts for 2018/2019 of \$739,922 is now estimated to increase to \$890,522. This improved result is attributable to estimated insurance claim proceeds of \$150,000 for the replacement of the Canowindra reservoir roof. If this one off factor is removed, the operating result after capital amounts is in alignment with the original budget.

Water user charges are tracking slightly above budget at this time however future consumption will depend upon future weather conditions and the potential need for a change in demand management measures.

The major variations to the operational budget are detailed in the September, 2018 QBR report, and are summarised as attached.

There are some small variations to the capital budget which have been fully funded through the use of internal restrictions and additional income. These variations are outlined in detail in the attached QBRS report.

The adopted overall cash surplus of \$594,242 as originally estimated for 2018/2019 has now been revised to a surplus of \$614,242. This is after allowing for an additional \$151,225 transferred from internal restrictions to fund the revised engagement of consultants of \$49,400 and additional capital expenditure of \$101,825.

The QBRS now includes additional disclosure in relation to the granting of leakage allowances as was requested by Council. Details of contracts over \$50,000 are now also listed for the information of Council. Both these items will now be included in each QBRS that is presented to Council.

BUDGET IMPLICATIONS

As outlined in the report.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Quarterly Budget Review Statement – 30th September, 2018 9 Pages

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

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Central Tablelands Water

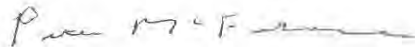
Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

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 30/09/18 indicates that Council's projected financial position at 30/6/19 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:



Date: 30/11/2018

Peter McFarlane
Responsible Accounting Officer

Budget Review Statement as at 30 September 2018

Council's Revised Income and Expenditure for the year 2018/2019

Original Budget	<u>Operating Revenue</u>	Revised Budget	
1,473,921	Availability Charges	1,473,921	
4,696,852	Water Charges	4,696,852	
105,000	Interest	125,000	
63,349	Other Revenues	243,349	
650,510	Grants & Subsidies	52,071	
52,071	Developer and Capital Contributions	650,510	
57,000	Gains on Disposal of Assets	57,000	
<u>7,098,703</u>			7,298,703
	<u>Operating Expenses</u>		
2,136,692	Employee Costs	2,101,692	
114,437	Borrowing Costs	114,437	
983,780	Materials & Contracts	1,018,780	
8,000	Legal Costs	8,000	
110,000	Consultants	159,400	
1,000,300	Other Expenses	1,000,300	
0	Loss on Sale of Assets	0	
2,005,572	Depreciation and Impairment	2,005,572	
<u>6,358,781</u>			<u>6,408,181</u>
739,922	<u>Operating Result for Period After Capital</u>	<u>Surplus/(Deficit)</u>	890,522
	<u>Less Non-Operating Expenditure</u>		
4,364,301	Aquisitions of Assets	4,646,126	
466,219	Repayment of Loans	466,219	
0	Transfer to Reserves - S64 Developer Charges	0	
667,941	Transfer to Reserves - Renewal Reserves	667,941	
0	Transfer to Reserves - ELE	0	
193,428	Water Pricing Increase @ 5%	193,428	
594,242	Transfer Estimated Budget Surplus/(Deficit)	614,242	
178,134	Transfer to Reserves - Plant	178,134	
61,680	Transfer to Reserves - DA	61,680	
<u>6,525,945</u>		<u>1,715,425</u>	<u>6,827,770</u>
(5,786,023)			(5,937,248)
	<u>Add Non-Operating Revenue</u>		
246,614	Book Value of Assets Sold	246,614	
-	Loan Funds Raised	-	
172,946	Transfer from Reserves - Plant	202,946	
	Transfer from Consultancy Reserve	49,400	
28,150	Transfer from Reserves - ELE	28,150	
3,332,741	Transfer from Reserves - Capital	3,404,566	
<u>3,780,451</u>			<u>3,931,676</u>
(2,005,572)			(2,005,572)
	<u>Add Expenses not Involving Flow of Funds</u>		
2,005,572	Depreciation		<u>2,005,572</u>
<u>\$ -</u>	<u>Budget (Cash) Result Surplus/(Deficit)</u>		<u>\$ -</u>

Central Tablelands Water

Quarterly Budget Review Statement
 for the period 01/07/18 to 30/09/18
Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2018

Income & Expenses - Water Fund

	Original Budget 2018/19	Revised Budget 2018/19	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Income						
Rates and Annual Charges	1,473,921	1,473,921	-		1,473,921	363,345
User Charges and Fees	4,696,852	4,696,852	-	1(a)	4,696,852	969,990
Interest and Investment Revenues	105,000	105,000	20,000	1(b)	125,000	36,772
Other Revenues	63,349	63,349	180,000	1(c)	243,349	25,003
Grants & Contributions - Operating	52,071	52,071	-		52,071	13,664
Grants & Contributions - Capital	650,510	650,510	-	1(d)	650,510	36,406
Net gain from disposal of assets	57,000	57,000	-		57,000	-
Total Income from Continuing Operations	7,098,703	7,098,703	200,000		7,298,703	1,445,180
Expenses						
Employee Costs	2,136,692	2,136,692	(35,000)	2(a)	2,101,692	445,706
Borrowing Costs	114,437	114,437	-		114,437	31,692
Materials & Contracts	983,780	983,780	35,000	2(b)	1,018,780	156,317
Depreciation	2,005,572	2,005,572	-		2,005,572	501,393
Impairment	0	-	-		-	-
Legal Costs	8,000	8,000	-		8,000	-
Consultants	110,000	110,000	49,400	2(c)	159,400	42,987
Other Expenses	1,000,300	1,000,300	-	2(d)	1,000,300	222,847
Interest & Investment Losses	0	-	-		-	-
Net Loss from disposal of assets	-	-	-		-	-
Total Expenses from Continuing Operations	6,358,781	6,358,781	49,400		6,408,181	1,400,942
Net Operating Result from Continuing Operations	739,922	739,922	150,600		890,522	44,238
Discontinued Operations	-	-	-		-	-
Net Operating Result from All Operations	739,922	739,922	150,600		890,522	44,238
Net Operating Result before Capital Items	89,412	89,412	150,600		240,012	7,832

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/3/2018 and should be read in conjunction with the total QBRS report

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Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1 (b)	Additional estimated interest due to higher average funds invested. This is associated with the timing of the construction stage 3 of Trunk Main K, together with a deferral of vehicle fleet replacements to the 2019 calendar year. The 2018/19 income estimate was conservatively based on an expected average interest rate of 2.5%, which is less than the rate being earned at the moment.
1 (c)	This consists of \$30,000 of estimated income for associated with project management services for the Orange to Carcoar Pipeline project together with \$150,000 being the estimated non cash insurance proceeds for the Canowindra Reservoir Roof.
2 (a)	Council has a staff member on extended leave without pay on compassionate grounds. This employee has been replaced by a temporary staff member engaged through a labour hire company. Accordingly, \$35,000 of the wage budget has been transferred to materials and contracts to fund the labour hire arrangement.
2 (b)	Refer to comment at point 2 (a)
2 (c)	Additional consultancies have been required as follows: <ul style="list-style-type: none"> - Customer/Consumer Survey \$16,000 - Performance Management Consultant \$2,900 - Branding Environmental Scan \$7,000 (CM 8/8/2018) - Futures Strategy Workshop \$12,000 (CM 10/10/2018) - Best Practice Plans \$20,000 (additional vote, total budget \$60,000) - Project Management Template \$4,000 - Lithgow to Kings Plains Pipeline Study (\$12,500 savings, was \$20,000 now \$7,500) (CM 8/8/2018) - Total Additional Vote - \$49,400

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2018

Capital Budget - Water Fund

	Original Budget 2018/19	Approved Changes Other than by a QBRS	Revised Budget 2018/19	Variations for this Sep Qtr		Projected Year End Result	Actual YTD figures
Capital Expenditure							
New Assets							
- Plant & Equipment	10,000		10,000	30,000	(a) (b)	40,000	-
- Land & Buildings	-		-	-		-	-
- Asset Management System	-	12,175	12,175	12,825	(a) (b)	25,000	22,875
- Office Equipment	10,000		10,000	23,000	(a) (b)	33,000	16,177
- Smart Metering	40,000		40,000	-		40,000	-
- Telemetry	20,000		20,000	-		20,000	11,430
- Energy Audit Initiatives	40,000		40,000	-		40,000	-
Renewal Assets (Replacement)							
- Vehicle Replacement	465,560		465,560	-		465,560	-
- Blayney Office - Indoor Refurbishment	40,000		40,000	-		40,000	8,692
- Blayney Office - Outdoor Refurbishment	10,000		10,000	-		10,000	-
- Blayney Depot - Refurbishment	40,000		40,000	-		40,000	-
- Land & Buildings	-		-	-		-	-
- Water Supply Network							
Trunk Main 'P' - 'C' to Somers	120,000		120,000	-		120,000	-
Trunk Main 'K' Renewal	2,900,000	500,000	3,400,000	-		3,400,000	66,500
Carcoar to Orange Pipeline	-	100,000	100,000	30,000	(a) (b)	130,000	21402
Trunk Main A - 300mtrs (Grant)	556,000		556,000	-		556,000	-
Pump replacements	47,741		47,741	(30,000)	(a) (b)	17,741	-
Bore Renewals	-		-	30,000	(a) (b)	30,000	17,250
Canowindra Reservoir Roof	-		-	150,000	(a) (b)	150,000	-
CWFP - Renew Submersible Pump	-		-	36,000	(a) (b)	36,000	-
BWFP- Access Road and Carpark	25,000		25,000	-		25,000	-
BWFP - Equipment Renewals	40,000		40,000	-		40,000	-
Loan Repayments (Principal)	436,725		436,725	-		436,725	113,472
Total Capital Expenditure	4,801,026	612,175	5,413,201	281,825	-	5,695,026	277,798
Capital Funding							
User Fees & Charges Funding	436,725		436,725	-		436,725	113,472
Other Revenue	-		-	180,000	(a) (b)	180,000	21,402
Capital Grants & Contributions	-		-	-		-	-
Reserves:							
- External Restrictions/Reserves	-		-	-		-	-
- Internal Restrictions/Reserves	6,842,864	612,175	7,455,039	101,825	(a) (b)	7,556,864	3,123,615
New Loans	-		-	-		-	-
Receipts from Sale of Assets							
- Plant & Equipment	346,000		346,000	-		346,000	28,495
- Land & Buildings	-		-	-		-	-
Total Capital Funding	7,625,589	612,175	8,237,764	281,825		8,519,589	3,286,984
Net Capital Funding	2,824,563	-	2,824,563	-		2,824,563	3,009,186

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/3/2018 and should be read in conjunction with the total QBRS report

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Central Tablelands Water

Quarterly Budget Review Statement
 for the period 01/07/18 to 30/09/18

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

- | | |
|-------|---|
| 4 (a) | After 30 years service the Forklift at the Blayney Workshop and Store requires replacement. Funding will be sourced from the plant restriction for a replacement at an estimated cost of \$30,000. |
| 4 (b) | The scope of the Asset Management System (AMS) has been changed to include greater use of mobile devices to capture and record asset data. This required a variation to the initial \$80,000 budget. This additional \$12825 will be funded from the capital restriction. |
| 4 (c) | Additional hardware has been purchased for the Blayney Water Filtration Plant (BWFP) \$11,000 and \$12,000 was spent on a new phone system that allows Council to maximise the switch to the NBN which occurred on 30 October , 2018. This additional funding was to be taken from the capital restriction. |
| 4 (d) | The continuing delay in practical completion of the Orange to Carcoar pipeline has meant that additional project management fees were incurred by CTW staff. This additional cost of around \$30,000 has been recovered from Orange City Council from project funding. |
| 4 (e) | Funding set aside for pump station renewal of \$30,000 has been transferred to bore renewals to cover the costs of works on Gooloogong Bore no 2. |
| 4 (f) | Due to problems with the operations of Gooloogong Bore No 2, funds of \$30,000 has been transferred from the pump station renewal vote. (refer to note 4 (e)) |
| 4 (g) | This is the estimated cost of renewing the roof on the Canowindra reservoir that was damaged in a storm event in December 2017. This will be funded from insurance claim proceeds (refer note 1 c) |
| 4 (h) | A major submersible pump located at the Carcoar Water Filtration Plant failed and required urgent renewal at an estimated cost of \$36,000. Given that the pump renewal vote was substantially used to address problems with the Gooloogong Bore No2 , this additional funding will be taken from the capital restriction. |
| 4 (i) | This consists of \$30,000 of funding from reimbursements to Council from Orange City Council for the Orange to Carcoar Pipeline project and \$150,000 of estimated insurance proceeds in respect of the claim for the Canowindra reservoir roof. |
| 4 (j) | This consists of transfers from internal restrictions for:
- Forklift replacement (refer note 4 (a)) - \$30,000
- Computer Hardware (refer note 4 (c)) - \$23,000
- Asset Management System e (refer note 4 (b)) - \$12,825
- Carcoar Water Filtration Plant - Submersible Pump urgent renewable (refer note 4 (h)) - \$36,000
- Total transfers from restrictions for capital - \$101,825 |

Central Tablelands Water**Quarterly Budget Review Statement**

for the period 01/07/18 to 30/09/18

Leakage Allowances Granted - Financial Year to Date

<u>Sept Qtr</u>	<u>No of</u> <u>Applications</u> <u>Granted</u>	<u>Total</u> <u>Allowance</u> <u>KLs</u>	<u>Total</u> <u>Allowance</u> <u>Granted \$</u>
Residential	4	581.89	1699.12
Non Residential	2	404.50	1181.13
Total	6	986.39	2880.25

Note: Council's undetected water leaks policy provides for an allowance to be granted if certain conditions are met as per leakage policy
 The granting of a leakage allowance is at the absolute discretion of Council based upon individual circumstances
 Property owners are responsible for the maintenance of water infrastructure on their properties

Central Tablelands Water

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2018

Contracts Listing - contracts entered into during the quarter

Quarterly Budget Review Statement

for the period 01/07/18 to 30/09/18

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Johns Lyng Group	Canowindra Reservoir Roof (Insurance Claim)	138,000	07/09/18	5 months	Y	Funded from Insurance Claim
Cadia Plumbing	Trunk Main K Renewal - Stages 2A and 3 (CM 10/10/2018)	180,000	30/09/18	3 months	Y	Funded from Trunk Main K Budget

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 30/09/18 and should be read in conjunction with the total QBRS report.

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15) INTERNAL AUDIT, RISK AND IMPROVEMENT COMMITTEE MINUTES AND NEW COMMITTEE MEMBERS (CM.AU.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 Improving Performance and Managing Risk – 2.3.2 Manage the risk management framework including a risk register.

RECOMMENDATION:

1. That Council note the Committee meeting minutes dated 12 July, 2018.
2. That the Council endorse the appointment of 2 independent members to the Audit Risk and Improvement Committee.
3. That Council thank the outgoing members of the Audit, Risk and Improvement Committee for their past service.

REPORT

The adopted Internal Audit, Risk and Improvement Committee (ARIC) minutes for the meeting held on 12 July, 2018 are attached for noting by Council.

Please note that a recent meeting occurred on the 31 October, 2018 and those minutes are yet to be adopted by the Committee. They will be presented to Council after adoption.

Central Tablelands Water (CTW), Cabonne Council and Blayney Shire Council have each established an Audit, Risk and Improvement Committee. The Committee for each Council meets on the same day at a common location (usually Blayney) and share the same 2 independent members.

Following the recent adoption of a revised Committee Charter for each Council, an expressions of interest (EOI) process for each Council was undertaken to appoint new independent members. These applications closed on 26 October, 2018.

A selection panel of representatives of each Council met on the 13 November, 2018 to assess applications against the selection criteria. CTW's representatives on that panel were the Chairman and General Manager.

A total of 7 applications were received through the EOI process and the appointment of independent members was subject to concurrence and endorsement by all three Councils.

Following the deliberations of the selection panel it was recommended that the following 2 applicants be appointed:

1. Donna Rygate

Ms Rygate had an extensive career in the State public sector before most recently being the Chief Executive of Local Government NSW until July 2018. She is currently a member of the City of Parramatta ARIC.

2. Phillip Burgett

Mr Burgett is a retired Chartered Accountant, who was previously Chief Executive of Morse Group (previously Alan Morse and Co). Mr Burgett has extensive experience in Local Government Audits and is a current member of a number of ARICS including Orange City Council, Bathurst Regional Council, Blayney Shire Council and Cabonne Council. He has also served on the ARIC of CTW since 2014.

The outgoing independent members of the existing ARIC are Steve Kent, appointed 2011 and Phillip Burgett appointed in 2014 (Mr Burgett has been recommended for reappointment).

Council acknowledges the efforts of both outgoing members for their past service. Mr Kent did not seek reappointment.

Council would like to thank our constituent Council, Blayney Shire Council, in particular their Director of Corporate Services for his efforts in oversight of the expression of interest and selection process.

BUDGET IMPLICATIONS

Council has a 2018/19 adopted budget of \$20,000 that covers the cost of the committee meeting costs and the conduct of at least one internal audit project each year.

POLICY IMPLICATIONS

As outlined in the report.

ATTACHMENTS

Minutes of Committee Meeting 12 July, 2018

Internal Audit Committee Meeting – 12th July 2018

Page 1

Minutes of the Audit Committee Meeting of Central Tablelands Water held at Blayney Community Centre on Thursday 12th July, 2018 commencing at 11.07am

PRESENT: Mr Steve Kent (Chair - Independent Member - voting)
Mr Phillip Burgett (Independent Member - voting)
Cr Kevin Walker (Alternate for Cllr Somerville - voting)

Gayin Rhodes (General Manager - Observer)
Peter McFarlane (Director Finance & Corporate Services - Secretariat)

1. Welcome

The Chair of the Committee Mr Steve Kent welcomed all attendees to the meeting which commenced at 11.07am.

2. Apologies for Non-attendance

Apologies were submitted by Cllr Somerville, Karen Taylor – Audit Office and John O'Malley – Intentus. John O'Malley was available by conference call if required and Karen Taylor was happy to take any question on notice.

3. Declarations of any Conflicts of Interest

Members declared that they had no conflicts of interest.

4. Confirmation of Minutes – Audit Committee Meeting 27th April 2018

The Minutes of the Audit Committee Meeting of Central Tablelands Water (CTW), held on 27th April, 2018 were confirmed by the Committee.

5. Major Developments since last previous meeting

A list of major developments which had occurred and impacted upon Central Tablelands Water since the last meeting was presented.

Extensive discussions regarding these issues followed.

The most significant issues were:

- The commissioning of the Carcoar to Orange Pipeline has been deferred to 30 November, 2018. This will mean that the project will be reported as Work in Progress at 30 June, 2018.
- Council has lodged an application under the Safe and Secure Water Program (SSWP) seeking \$40,000 for 50% of the cost of a scoping study into the Lithgow to Kings Plains water transfer pipeline project.

This is Page No. 1 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 12 July, 2018.

- Council is also preparing applications under SSWP for funding for stage 3 of the Trunk Main K and a new 12 ML Reservoir at Carcoar Water Filtration Plant.
- Following the proclamation of the new Central NSW Joint Organisation, CTW will be invited to join as an associate member. Under the JO legislation County Councils cannot be full members of the JO. It is anticipated that the Centroc Water Utilities Alliance will be incorporated into the Central NSW JO. CTW will continue to advocate to be a full member of the Water Utilities Alliance.
- Council has engaged a consultant to undertake a major review of the organisational structure and salary system. Work on these both these projects is ongoing with extensive consultation with staff being undertaken.
- Quotations are being sought for replacement of the roof on the Canowindra reservoir which was damaged in a storm in December 2017. This matter is being managed by Council's insurers.

The report on recent developments were noted by the Committee.

6. Business Continuity Plan (BCP) Update

A draft BCP was presented at the meeting. This follows work by Council staff and Donna Galvin on progressing the draft document. Extensive examination and comment on the document followed.

Committee members recommended that consideration be given to reviewing some areas including:

- Specifying the location of the alternate office facilities. The General Manager advised that that an alternate administrative site would be the recently constructed administration/training facility located at the Blayney Water Treatment Plant.
- Arrangement for alternate information technology response times should be more formalised.
- The form of manual recovery processes for key IT processes should be specified.

This is Page No. 2 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 12 July, 2018.

- There should be a formal agreement with hire companies to specify the provision of generation equipment within the 24 hour time line. Assurances should be sought from those hire companies regarding the timeline and specification of the hire equipment required.
- There needs to more documentation around specific succession plan procedures in the event of the loss of key personnel.
- There was a query as to whether the maximum allowable outage of customer service provision of 72 hours is too long. It was thought that a much shorter time frame for the restoration of customer services was required.
- It was suggested that scenario testing period of 3 years was possibly too long and should be shortened.

The report on the BCP was noted by the Committee. Responses to the recommendations to be considered at the next Committee meeting.

7. Internal Audit Program

It was noted that no internal audits had been undertaken in the 2017/18 financial year. It was noted that this was attributable to a number of critical staff changes at CTW. Extensive discussion followed regarding the choice of the relevant areas, the relationship to the risk register, limited budget (total annual CTW budget is \$20K which includes direct Committee costs) choice of providers and whether a regional approach between Councils is the best approach.

It was noted that the Central West JO is considering regional options for member Councils who don't have access to in house internal audit resources.

It was recommended that ideally a 3 year program should be developed targeting high risk areas identified in the risk register. It was noted that audits should add value to the Council and identify improvements that are of benefit to Council. Ideally subject to budget and resources two audit areas can be selected each year.

Council staff will consider the preferred target areas and present a list of recommendations to the next Committee meeting.

The report regarding the Internal Audit Program was noted by the Committee.

This is Page No. 3 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 12 July, 2018.

8. Revised Committee Charter

A revised draft Committee Charter was presented to the meeting. Extensive discussion of the document followed.

The Committee recommended that the following changes be made to the draft document.

- That resignations from the Committee be changed to encompass departures from the Committee other than by resignation. The term "resignations" in clause 3 was replaced by the term "vacancy". This allows casual vacancies however caused to be dealt with by Council seeking another independent member no later than one month before the next meeting.
- That the selection criteria in clause 3 for new members state that "experience and knowledge of the Local Government sector is desirable" in lieu of "whilst not essential would be highly regarded"
- Clause 4 in relation to roles and responsibilities needed to be expanded with more detail similar to that in the Blayney Shire Council draft charter. There is also need to mention of the Audit Committees role in respect of its responsibilities to suggest improvements in Council's operations.

The committee recommended that these changes be made to the draft charter prior to adoption by Council.

9. Next Meeting

The next meeting date will be set in consultation with Blayney and Cabonne Councils. It was suggested that the meeting be held at the end of October, 2018 subject to the logistics of a suitable date being agreed by all three Councils.

There being no further business, the Chair of the Audit Committee declared the meeting closed at 1.07pm.

This is Page No. 4 of the Minutes of the Central Tablelands Water Audit Committee Meeting held 12 July, 2018.

16) USE OF CORPORATE CREDIT CARDS BY COUNCIL STAFF (FM.FR.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 Improving Performance and Managing Risk – 2.3.1 Monitoring of organisational and operational performance is regular, accessible and understandable.

RECOMMENDATION:

That the information in relation to the use of Corporate Credit cards be noted.

REPORT

There have been recent media reports regarding the use of credit cards by the former General Manager of Hay Shire Council in 2016.

There were a number of issues reported relating to the internal controls and usage of the cards that raised concerns. These included:

1. Cash advances being permitted on the Council credit card.
2. Purchases of private goods and services on the Council credit card.
3. Lack of formal review and approval of credit card expenditure
4. Failure to keep receipts or documentation to support the use of the credit card
5. Lack of analytical review of the quantum of credit card expenditure

Council staff currently issued with a Corporate Credit Card at Central Tablelands Water are:

- General Manager
- Director of Operations and Technical Services
- Director Finance and Corporate Services
- Water Quality Manager
- Water Network Manager
- Network Operator – Meter Reading

Council has a current credit card policy and a copy is attached. Each Council credit card holder is required to sign an acknowledgement and agreed conditions of use as shown at Attachment 1 of the policy. Any breach of the conditions of use would result in action under Council's Code of Conduct.

Council's credit card policy contains some basic internal controls that minimise any opportunity for issues such as those that have been publicised in the recent media reports regarding Hay Shire. These include:

- Purchases of goods and services for private or personal use is prohibited.
- Supporting documentation is required to support all corporate card purchases.
- Cash advances are not permitted by the bank that issues the Corporate Cards (this is done as a standard requirement when any new cards are issued)

- Each cardholder's monthly credit card expenditure is reviewed and approved by an independent Council officer.
- Council does not permit the salary packaging of any private or personal expenditure including through the use of corporate credit cards.
- In the rare event that a corporate credit card is mistakenly used for a private purchase, the amount becomes a debt due to Council with immediate repayment requested.
- In the event that a docket or invoice supporting a credit card payment is lost, the card holder is requested to seek a copy to authenticate the nature of the purchase or as a last resort fill out a statutory declaration confirming that the purchase was for the business of Council.
- As a final control, the accounts payable officer compiles all the credit card documentation each month for review by the Director Finance and Corporate Services prior to updating in the general ledger.
- Council has an Audit Risk and Improvement Committee that can request information regarding the use of Council credit cards at any time.

The Minister for Local Government in response to the issues raised regarding credit card use at Hay Shire Council, has requested that the NSW Audit Office conduct a review of credit card use as part of the 2018/19 External Audits.

Council considers its credit card controls and practices to be sound. Council will, however, look at reviewing its credit card policy prior to 30 June 2019 to see if it can be improved. The last review of the policy was in May 2016.

Council will also take on board any suggestions to improve existing controls over credit card use.

It is important for community confidence and probity in local government that Council has sound governance and internal controls in respect of credit card use by its staff.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

CTW Corporate Credit Card Policy

Central Tablelands *Water*



Corporate Credit Card Policy

Policy Title:	Corporate Credit Card	
Responsible Officer:	Director Finance and Corporate Services	
Adopted:	Date: 12.10.2016	Minute Number: 16/079
Last Reviewed:	Date: May 2016	
Version Number:	v1	

Objective

The objective of this policy is to set out Council requirements for the responsible organisational use of Corporate Cards with the aim to minimise administration expenses and time inefficiencies with purchases and to ensure effective control and accountability of certain Council purchases and payments.

The purpose of the Corporate Card Policy & Procedures is to identify employees who are entitled to a corporate card, outline the responsibilities of Corporate Card users and identify the permitted users of the cards.

Council's principles regarding public access to Information and to facilitate the processing of requests for such access. This policy is to be read in conjunction with the Access to Information Guidelines.

Policy

The use of a Council Corporate Card must be in accordance with the Corporate Card Policy & Procedures.

Scope

These Corporate Card Policy & Procedures apply to all users of Council's Corporate Cards.

Responsibilities & Procedures

Corporate Cardholders are responsible for:

- Signing the Corporate Card Acknowledgement and Conditions of Use form (Attachment 1) on receiving the Corporate Card.
- Ensuring the safe keeping of the Corporate Card and immediately reporting to the Commonwealth Bank and Director Finance & Corporate Services if the Corporate Card is lost, stolen, damaged or has suspected fraudulent transactions.
- Taking the appropriate measures to ensure the Corporate Card is not used by another person other than the approved cardholder.
- Exercising professional judgement with regards to Internet purchases in regards to the security of the site.
- Not using the Corporate Card without having read and understood the Corporate Card Policy & Procedures.
- Ensuring that the Corporate Card is used in accordance with Council's other policies, as appropriate.
- Ensuring that expenditure is contained within available budget limits.
- Reimbursing Council for the cost of purchases deemed not to be for the use of Council, or Council related business within a reasonable period of time.
- Ensuring that a tax invoice, receipt, docket or similar source document is obtained for each transaction and given to the Director Finance & Corporate Services with the completed Commonwealth Bank Cardholder Statement form.
- Completing and submitting the Corporate Card Transaction Declaration form when the original source document for a transaction is lost, stolen, mislaid, damaged or not received.

- Completing the Corporate Card Termination of Use Advice form when forfeiting the Corporate Card due to transferring to another position that does not require a Corporate Card, terminating employment with Council, or any other reason that may warrant the forfeiture of the Corporate Card.

Restrictions of Use

The Corporate Card can only be used to obtain cash for work related purposes only when petty cash is not available at that time.

Purchases must only be for the use of Council, or Council related business, and not for private or personal use.

The Corporate Card is not to be used for obtaining items which are available from Council's stores inventory. A lack of planning or organisation by the cardholder is not considered a reasonable explanation for not obtaining goods from stores inventory.

Card Application and Use

Entitlement to a Corporate Card shall be determined by the General Manager.

The provision of a Council Corporate Card is subject to the approval of the General Manager.

Controls on purchases

The use of the Corporate Cards is subject to Council and the Commonwealth Bank controls, policies and procedures.

The Director Finance & Corporate Services will perform random audits on individual Corporate Cardholder's Statements to ensure that the Corporate Card Policy and Procedures is being adhered to.

Failure to comply with the conditions as detailed within this Policy may result in the cardholder's entitlement to a Corporate Card being revoked and disciplinary action being taken.

Termination of Use

In the event that a cardholder's entitlement to a Corporate Card has been terminated for reasons such as:

- (i) termination of employment;
 - (ii) re-assignment to another position within Council;
 - (iii) failure to comply with the conditions of this Policy; or
 - (iv) any other reasons as determined by the General Manager,
- the Corporate Card, together with all supporting documentation and other relevant documentation, with a completed Termination of Use Advice form, must be forwarded to the Manager Finance & Corporate Services.

Review

The Corporate Card Policy and Procedures will be reviewed on an annual basis.

The General Manager reserves the right to vary this Policy.

ATTACHMENT 1**Corporate Card Acknowledgment & Conditions of Use**

To the General Manager

I acknowledge receipt of a Central Tablelands Water Corporate Card and acknowledge that I:

- (i) am aware of my responsibilities and duties as a Corporate Cardholder under the Purchase of Goods & Services Policy and Corporate Card Policy and Procedures,
- (ii) will only use the Corporate Card within the approved financial limits and for approved purposes.
- (iii) am aware that transactions made with the card are subject to authorisation and audit procedures.
- (iv) will reimburse Council for the cost of purchases that are deemed not for the use of Council, or Council related business;
- (v) will keep the card safe from unauthorised use at all times.
- (vi) will return the card to the Director Finance & Corporate Services:
 - (a) on request of the General Manager;
 - (b) prior to my assuming duties in another position within Council; or
 - (c) on termination of employment with Council;
 - (d) within a reasonable period of time once it has been deemed by the General Manager that I no longer require a Corporate Card.
- (vii) will advise the Director Finance & Corporate Services and the Commonwealth Bank customer service department immediately I am aware that the Credit Card has been lost, mislaid, stolen or misused.
- (viii) will not use the Corporate Card for any personal or private use.
- (ix) will only use the Corporate Card to obtain cash for work related purposes only when petty cash is not available at that time.
- (x) will use other means available for purchases when efficient and appropriate to do so rather than use the Corporate Card.
- (xi) am aware that if the goods are held as an inventory item that I must order through the Council store rather than use the Credit Card.

Corporate Cardholder's signature: Date.....

General Manager's signature: Date.....

17) REGIONAL WATER SECURITY PIPELINE PROJECT UPDATE (WS.AM.1)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.1 Deliver capital works program based on asset management data.

RECOMMENDATION:

That the information be noted.

REPORT

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

The commissioning phase of the pipeline commenced mid October and ran through to the end November. The Principal has engaged Hunter H2O, as a third party independent, to determine whether to grant Practical Completion.

The contractor has given permission to both CTW and OCC to operate the pipeline and its infrastructure whilst determination of Practical Completion is undertaken.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

18) TRUNK MAIN K RENEWAL (WS.AM.1)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.1 Deliver capital works program based on asset management data.

RECOMMENDATION:

That the information be noted.

REPORT

Trunk Main K supplies Grenfell with water from the Central Tablelands Water (CTW) system. Built in 1946, Trunk Main K stretches across 34 kilometres from Gooloogong to Grenfell. The pipeline is cast iron, and while the main has reliably delivered water to the town of Grenfell for the last 70 years, there are some areas of the pipeline that are beginning to fail. The Capital Works budget for replacement of Trunk Main K is \$6,182,364 extending across the 2015/16 – 2018/19 financial years.

Stage 1 construction of 12.6km pipeline between McDonald's Lane pump station and Grenfell North reservoir, was completed in June 2017.

Stage 2 construction 7.2km of the Trunk Main K Project was completed in May 2018, leaving a remaining 400 metres of pipeline to be completed when tying into McDonald's Lane Pump Station.

The tie into McDonald's Lane Pump Station and the remaining 400 metres of Stage 2 pipeline was completed end November 2018.

Stage 2a construction of 2.8km of the Trunk Main K Project pipeline has now commenced. This will see the last of the Trunk Main K poly pipe being laid. Completion due mid December 2018.

Full service of Stage 1, Stage 2 and Stage 2a pipeline into Grenfell North reservoir is anticipated mid February 2019.

BUDGET IMPLICATIONS

Capital Budget 2018/19

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

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

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.2 Develop and deliver maintenance program. 1.1.4 Undertake regular water meter replacement program.

RECOMMENDATION:

That the information be noted.

REPORT

a) *Meter Reading*

The second meter read for the 2018/19 financial year was completed as per the meter reading schedule. Two additional handhelds have been purchased to assist with subsequent meter reading scheduling.

b) *Meter Change Program*

There have been 45 meter changes undertaken since the previous reporting period from October 2018.

c) *Water Filtration Plants*

Blayney WTP has been trialling a different coagulant over the past few months. The trials were conducted with the aim of improving the reduced efficiencies relating to the ageing of the Water Treatment Plant. The results have been positive and the plant will now convert to the new coagulant. No modifications to existing infrastructure has been required for this change.

d) *Pump Stations*

Cleaning of Pump Stations listed under general maintenance has continued throughout our network over the past 3 months.

e) *Gooloogong Bore Pumps*

No.2 Bore pump and riser was replaced end of October 2018 and has been performing to expectations.

f) *Drinking Water Quality*

No reportable incidences of exceeding our Critical Control Points for delivery of drinking water from our Water Treatment Plants.

g) *Trunk Mains*

Ongoing inspections continue to be carried out on Trunk Mains and Rural supplies over the past 3 months.

h) *Hydrants*

Ongoing inspections continue to be carried out on hydrants throughout all towns (including Quandialla) of the CTW supply network over the past 3 months.

i) *Rural Scheme renewals*

Nil undertaken since previous report.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

20) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)**Author:** Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.1.4 Establish service levels and monitor and report on performance.

RECOMMENDATION:

That the information be noted.

REPORT*a) Main Breaks*

	Location	Date	Size	Comment
Blayney	Millthorpe Rd	23/10/2018	150mm	DNR
Cargo	Church St	22/10/2018	100mm	DNR
Cudal	Scenic Dr	26/10/2018	50mm	DNR
Canowindra	Tilga St	05/10/2018	75mm	R&RP
Canowindra	Rodd St	27/10/2018	100mm	DNR
Canowindra	Cranky Rock Rd	06/11/2018	150mm	WELD
Canowindra	Belubula Way	06/11/2018	225mm	WELD
Canowindra	Tilga St	22/11/2018	50mm	DNR
Canowindra	Cargo Rd	29/11/2018	150mm	DNR
Grenfell	Gooloogong Rd	30/10/2018	200mm	R&RP
Grenfell	Cassidys Rd	19/11/2018	250mm	R&RP
Mandurama	Olive St	28/10/2018	100mm	DNR
Manildra	Orange St	24/11/2018	100mm	DNR
Millthorpe	Montgomery St	04/10/2018	100mm	DNR
Millthorpe	Park St	10/11/2018	100mm	R&RP
Trajere	Meadowbank Rd	8/10/2018	75mm	DNR

b) Service Complaints and Requests

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

Row Labels	Count of Town/Village
BLAYNEY	28
CHECK METER READING	3
DIRTY WATER COMPLAINT	1
LEAKING METER	9
LEAKING SERVICE	5
LOW PRESSURE COMPLAINT	4
MAIN BREAK	1
METER NOT SHUTTING OFF	2
NO WATER COMPLAINT	1
PATHCOCK FAILURE	1
RESERVOIR MAINTENANCE	1
CANOWINDRA	25
BURST METER	1
LEAKING METER	8
LEAKING SERVICE	6
LOW PRESSURE COMPLAINT	1
MAIN BREAK	6
MAINTENANCE - GENERAL	1
PRV ISSUE/MAINTENANCE	1
QUALITY COMPLAINT	1
CARCOAR	2
CHECK METER READING	1
LEAKING METER	1
CARGO	3
LOW PRESSURE COMPLAINT	2
MAIN BREAK	1
CUDAL	9
HYDRANT LEAKING	1
LEAKING METER	4
LEAKING SERVICE	2
LOW PRESSURE COMPLAINT	1
MAIN BREAK	1
EUGOWRA	4
CUSTOMER DAMAGED METER	1
LEAKING METER	1
LEAKING SERVICE	1
MAIN BREAK	1

GRENFELL	11
DIRTY WATER	1
LEAKING METER	3
LEAKING SERVICE	1
LOW PRESSURE COMPLAINT	1
MAIN BREAK	2
MAINTENANCE - GENERAL	1
METER NOT SHUTTING OFF	1
QUALITY COMPLAINT	1
MANDURAMA	4
HYDRANT LEAKING	1
LEAKING METER	2
MAIN BREAK	1
MANILDRA	2
LOW PRESSURE COMPLAINT	1
MAIN BREAK	1
MILLTHORPE	2
MAIN BREAK	2
QUANDIALLA	1
LEAKING METER	1
Grand Total	91

c) *Lake Rowlands*

The level of Lake Rowlands has decreased from 73% (04.10.18) to its present level of 68% (05.12.18).

d) *New Water Services*

Since 4th October 2018 there have been seven (7) new domestic water services connected to Council's mains.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

21) QUESTIONS ON NOTICE

(General Manager)

No questions on notice were received.

ATTACHMENTS

Nil