



**Central  
Tablelands  
Water**

**Business Paper**

**Ordinary Meeting of  
Central Tablelands Water**

**12 February 2020**

**Blayney**

8 February 2020

## **Notice to Members**

Your attendance is requested at an Ordinary Meeting of Council to be held at the Blayney Water Filtration Plant Administration Building on Wednesday, 12 February 2020 at 10.30am. Morning tea will be served from 10.00am.

### **Agenda**

1. Opening meeting
2. Acknowledgment of country
3. Recording of Meeting Statement
4. Apologies and applications for a leave of absence by members
5. Confirmation of minutes from previous meeting(s)
6. Disclosures of interests
7. Public Forum
8. Chairperson's minute
9. Councillor representation
10. Notices of motion
11. Reports of Staff
12. Questions with notice
13. Confidential matters
14. Conclusion of the meeting

Yours faithfully



G. Rhodes  
**General Manager**

### **ACKNOWLEDGMENT OF COUNTRY**

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land. I would also like to pay respect to their people both past and present and extend that respect to other Aboriginal Australians who are present.

### **RECORDING OF MEETING STATEMENT**

In accordance with the Central Tablelands Water Code of Meeting Practice, this meeting will be audio recorded and will be uploaded to Council's website within 2 weeks after the meeting. The audio recording will allow members of the public to listen to the proceedings of the Council meetings. The objective of this service is to eliminate geographic and other access barriers for the community wishing to learn more about Council's decision making processes. By speaking at the Council Meeting you agree to be audio recorded. Please ensure that if and when you speak at this Council Meeting that you ensure you are respectful to others and use appropriate language at all times. Whilst Council will make every effort to ensure that audio recordings are available, it takes no responsibility for, and cannot be held liable for technical issues beyond its control. Technical issues may include, recording device failure or malfunction, or power outages. Audio recordings are a free public service and are not an official record of Council meetings. Recordings will be made of all Council meetings (excluding confidential items) and published within 2 weeks after the meeting. For a copy of the official public record, please refer to Council's Business Papers and Minutes page on Council's website. Council does not accept any responsibility for any verbal comments made during Council meetings which may be inaccurate, incorrect, defamatory, or contrary to law and does not warrant nor represent that the material or statements made during the meeting are complete, reliable, accurate or free from error. The audio recording is primarily set up to capture the proceedings of the Council meeting and members of the public attending a Council meeting need to be aware they may be recorded as part of the proceedings.

**INDEX OF REPORTS**  
**OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER**  
**HELD ON WEDNESDAY 12 FEBRUARY 2020**

**GENERAL MANAGER REPORTS**

01	CENTROC BOARD MEETING AND CENTRAL NSW JOINT ORGANISATION MEETING HELD 27 NOVEMBER 2019 (CM.CF.3)	3
02	CARAGABAL WATER SUPPLY FEASIBILITY STUDY PROJECT (WS.SP.4)	24
03	LAKE ROWLANDS AUGMENTATION PROJECT UPDATE (WS.SP.4)	26
04	DEMAND MANAGEMENT REPORT (WS.AG.1)	28
05	DRAFT CONCEALED LEAKS POLICY (CR.EQ.1)	30
06	COUNCIL RESOLUTIONS UPDATE REPORT (GO.CO.1)	37

**FINANCIAL & CORPORATE SERVICES REPORTS**

07	FINANCIAL MATTERS (FM.BA.1)	43
08	QUARTERLY BUDGET REVIEW STATEMENT – 31 DECEMBER 2019 (FM.FR.1)	46
09	LOAN FUNDING UPDATE (GR.LR.1)	57
10	INVESTMENT POLICY REVIEW REPORT (FM.IN.1)	59
11	CORPORATE CREDIT CARD POLICY REVIEW REPORT (FM.FR.1)	68
12	EDUCATION AND PROMOTIONAL VIDEO PROJECT UPDATE (CM.PL.1)	76

**OPERATIONS & TECHNICAL SERVICES REPORTS**

13	WATER SECURITY – DROUGHT IMPACT UPDATE (WS.AM.1)	78
14	WATER SECURITY – REGIONAL APPROACH TO SUPPORTING NEIGHBOURING COUNCILS (WS.AM.1)	80
15	TRUNK MAIN K RENEWAL (WS.AM.1)	82
16	LAKE ROWLANDS DAM SAFETY UPGRADE (WS.SP.4)	83
17	MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	84
18	PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	86
19	REPORTING THE PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	91

**COMMITTEE REPORTS**

20	QUESTIONS ON NOTICE	92
21	WATER LEAKAGE – ACCOUNT 3920000001 (CR.EQ.1)	93

**01) CENTROC BOARD MEETING AND CENTRAL NSW JOINT ORGANISATION MEETING HELD 27 & 28 NOVEMBER 2019 (CM.CF.3)**

**Author:** General Manager

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

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**RECOMMENDATION:**

That Council note the Centroc and Central NSW Joint Organisation Mayoral Report and associated minutes for meetings held on 27<sup>th</sup> and 28<sup>th</sup> November 2019.

**REPORT**

A Centroc Board meeting and Central NSW Joint Organisation meeting were held at ACT Legislative Assembly in Canberra on 27 November 2019. The Chairman and General Manager represented CTW at both meetings.

The following day, Thursday 28 November, the Board participated in a series of round table discussions with the following politicians:

- The Hon Michael McCormack, Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development, Member for Riverina
- The Hon Mark Coulton, Minister for Regional Services, Decentralisation and Local Government
- The Hon Josh Frydenberg, Treasurer
- The Hon David Littleproud, Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- The Hon Angus Taylor, Minister for Energy and Emissions Reduction
- The Hon Sussan Ley, Minister for the Environment
- Hon Dan Tehan, Minister for Education
- Hon Andrew Gee, Assistant Minister to the Deputy Prime Minister, Member for Calare
- Senator the Hon Bridget McKenzie, Minister for Agriculture

From a local government water supply authority perspective, it was pleasing to hear the Member for Calare, Mr Andrew Gee MP continue to support and encourage current and future regional water infrastructure projects.

A copy of the Mayoral Report and the Minutes are attached to this report for your information.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Central NSW JO Mayoral Report Canberra 27-28 November 2019

20 pages

**Report from the Mayor/Deputy Mayor/General Manager attending the  
Centroc Board Meeting and  
Central NSW Joint Organisation  
27 November 2019  
ACT Legislative Assembly  
and  
28 November 2019  
Parliament House**

I attended the Board meeting of Centroc and Central NSW Joint Organisation (JO) on Wednesday 27 November 2019 at the ACT Legislative Assembly in Canberra. Please see the draft Minutes attached.

The Board was welcomed to the ACT by Andrew Barr MLA, ACT Chief Minister, Treasurer, Minister for Economic Development, Minister for Urban Renewal, Minister for Tourism and Events.



Cr Rowena Abbey, The Mayor of Yass Valley Council & Chair of Canberra Region JO welcomed the CNSWJO to their region.

The Board heard presentations from Ms Bettina Konti, Chief Digital Officer ACT Government and Mr Noel McCann, Director of Government Relations & Planning and Brendan Smyth, the ACT Commissioner for International Engagement both from Canberra Airport. Copies of their presentations are available on request.

Cr James Hayes OAM, Mayor of Snowy Valleys Council and Ms Gabbi Cusack, Executive Officer of the Canberra JO were both in attendance.

The following day Thursday 28 November I attended Parliament House to participate in round table discussions with the following politicians.

- The Hon Michael McCormack, Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development, Member for Riverina
- The Hon Mark Coulton, Minister for Regional Services, Decentralisation and Local Government
- The Hon Josh Frydenberg, Treasurer
- The Hon David Littleproud, Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- The Hon Angus Taylor, Minister for Energy and Emissions Reduction
- The Hon Sussan Ley, Minister for the Environment
- Hon Dan Tehan, Minister for Education
- Hon Andrew Gee, Assistant Minister to the Deputy Prime Minister, Member for Calare
- Senator the Hon Bridget McKenzie, Minister for Agriculture

The Board was hosted by the Hon Michael McCormack as the Member for Riverina. We expressed our appreciation to both his staff and Michael himself for his support and the opportunity for the region.

Despite the interruption of the division bells, the Ministers addressed the Board, noting the impact drought is having on our communities and encouragement to continue to advocate the good stories. A summary follows.

### **Reports from Centroc**

The Board were presented with the Statement of Finances. The information did not vary from the accounts provided to the Board in August 2019 and the Board resolved to adopt the Statement of Finances for Centroc.

### **Reports to Joint Organisation**

#### **Advocacy**

Advocacy Plans were adopted and the Board resolved to share the policy position of each with LGNSW. These include:

- Regional Prosperity Advocacy Plan
- Regional Transport Advocacy Policy
- Regional Water, Advocacy Plan
- Draft Drought Advocacy Plan



The Central West Food and Fibre Plan and its implementation plan was provided for member consideration. Please request.

### Energy Program

The Board resolved to investigate the opportunities of the recently announced renewable energy zone.

An update was provided on the cost savings anticipated for the next three years from the recently agreed electricity procurement. Councils will have a share in cost savings of \$2.37m over 3 years achieved through the procurement process for the supply of electricity for large market sites. More advice on savings for small sites will be provided in due course.

The estimated cost savings are shown in the table following. A per council breakdown can be provided on request.

The cost savings for small market sites are still being calculated and will be reported to the next Board meeting

Council	Period	Large Market - Energy Australia				Totals		Savings	
		Forecast Load (MW)	Total Cost (being contracted rates)	Total cost (being forecasted rates)	Savings	Total saved (new contract rates)	Total saved (forecasted rates)	Total savings (3 year contract)	Percentage saving
Bathurst	2020	12,083	\$ 2,397,218	\$ 2,538,748	\$ 141,530	\$ 7,312,906	\$ 7,739,888	\$ 426,982	5.66%
	2021	12,083	\$ 2,354,646	\$ 2,578,574	\$ 223,928				
	2022	12,083	\$ 2,361,043	\$ 2,600,764	\$ 239,721				
Blayney	2020	774	\$ 159,974	\$ 150,710	\$ 10,264	\$ 396,022	\$ 435,325	\$ 39,303	8.83%
	2021	789	\$ 159,720	\$ 154,804	\$ 5,084				
	2022	851	\$ 118,328	\$ 129,802	\$ 11,474				
Cuboonie	2020	740	\$ 160,530	\$ 172,361	\$ 11,831	\$ 416,320	\$ 454,458	\$ 38,138	9.21%
	2021	562	\$ 129,235	\$ 132,508	\$ 3,273				
	2022	651	\$ 155,457	\$ 149,789	\$ 5,668				
Central Tablelands Water	2020	1,435	\$ 278,011	\$ 298,869	\$ 20,857	\$ 824,594	\$ 903,184	\$ 78,590	9.52%
	2021	1,435	\$ 272,860	\$ 301,048	\$ 28,188				
	2022	1,435	\$ 273,523	\$ 303,468	\$ 29,945				
Cowra	2020	5,837	\$ 743,719	\$ 796,210	\$ 52,491	\$ 2,077,931	\$ 2,267,751	\$ 189,820	9.17%
	2021	5,521	\$ 671,091	\$ 738,084	\$ 66,993				
	2022	5,483	\$ 663,123	\$ 733,456	\$ 70,333				
Forbes	2020	3,221	\$ 648,062	\$ 690,850	\$ 42,787	\$ 1,840,029	\$ 2,004,668	\$ 164,639	9.21%
	2021	3,153	\$ 612,370	\$ 671,695	\$ 59,325				
	2022	2,931	\$ 581,597	\$ 641,814	\$ 60,217				
Lachlan	2020	2,033	\$ 401,254	\$ 430,381	\$ 29,126	\$ 1,170,800	\$ 1,280,286	\$ 109,485	9.35%
	2021	2,033	\$ 393,876	\$ 433,774	\$ 39,898				
	2022	1,948	\$ 375,670	\$ 416,131	\$ 40,461				
Oberon	2020	370	\$ 75,254	\$ 82,825	\$ 7,571	\$ 188,447	\$ 208,174	\$ 19,727	10.47%
	2021	317	\$ 63,845	\$ 70,430	\$ 6,584				
	2022	241	\$ 49,347	\$ 54,611	\$ 5,264				
Orange	2020	15,079	\$ 2,574,215	\$ 2,749,639	\$ 175,424	\$ 7,836,204	\$ 8,315,788	\$ 479,584	6.12%
	2021	15,079	\$ 2,527,756	\$ 2,775,794	\$ 248,038				
	2022	15,079	\$ 2,534,295	\$ 2,794,547	\$ 260,252				
Parkes	2020	8,214	\$ 1,510,670	\$ 1,620,205	\$ 109,535	\$ 4,416,425	\$ 4,835,221	\$ 418,796	9.48%
	2021	8,214	\$ 1,479,914	\$ 1,632,545	\$ 152,631				
	2022	7,890	\$ 1,425,639	\$ 1,582,470	\$ 156,831				
Weddin	2020	252	\$ 49,428	\$ 56,795	\$ 7,367	\$ 100,278	\$ 109,760	\$ 9,482	9.45%
	2021	195	\$ 34,570	\$ 38,272	\$ 3,702				
	2022	114	\$ 20,379	\$ 22,694	\$ 2,314				
CNSWD Total	2020	40,065	\$ 8,872,338	\$ 9,587,201	\$ 714,863	\$ 26,179,714	\$ 28,351,683	\$ 2,171,969	8.35%
	2021	40,352	\$ 8,870,690	\$ 9,574,938	\$ 704,248				
	2022	44,467	\$ 8,336,498	\$ 9,429,949	\$ 1,093,451				

### Internal Audit and Risk Management Report

Council will be aware that the Office of Local Government (OLG) has produced draft guidelines for internal audit and risk management seeking feedback. A response will be provided to the OLG by the JO and



members are encouraged also to write their own responses. Please request the draft which has been circulated to General Managers to facilitate Council feedback on their concerns.

#### The response

- a. Is supportive of a strategic approach to internal audit and risk management;
- b. Suggests a less prescriptive approach, than that suggested in the guidelines;
- c. Is not supportive of leveraging Section 377 of the Local Government Act where Councils delegate internal audit and risk management functions to the JO;
- d. Notes the diversion of resource required for a Joint Organisation to fulfill these guidelines will be counterproductive and is at risk of contributing to JO network failure;
- e. Request that JOs be exempt from the new Internal Audit and Risk Management Framework for NSW; and
- f. Includes Member Councils concerns.

#### **Tourism Data Tool by Western Research Institute and support for a collaborative project with Arts Out West delivering arts and culture journeys**

Five JO members get no tourism data at all from Tourism Research Australia or Destination NSW. Advice collected is for accommodation over 14 rooms and therefore misses the majority of our visitor economies – Visiting Friends and Relatives. Further, advice from the Regional Economic Development Strategies has tourism data collected in Functional Economic Regions only, not by Local Government Area.

To help build our understanding of the value of tourism, the JO is collaborating and co-investing with Council, Destination Network Outback & Country and WRI on a tourism data project. Members are encouraged to support providing data into the program including promoting the visiting friends and relatives (VFR) survey through the community and through Council staff and family.

<https://www.wri.org.au/surveys>

The Board also resolved to support the printing of collateral for arts and culture journeys through the region.

#### **Regional Transport**

The Board resolved to write to the Minister for Regional Roads, the Hon Paul Toole seeking advice on the update of the Bells Line of Road Corridor.

A reviewed Advocacy Plan will be provided that identifies one or two priorities for the Board to focus its advocacy efforts, this is expected as a report to the next Board meeting.

#### **Regional Water**

This is a fastmoving portfolio, the Water Utilities Alliance Manager was thanked for her efforts in keeping all well informed.

Advice was provided in the Confidential Briefing Note No. 3 regarding water security for urban water utilities in the current unprecedented drought.

A strategic subcommittee including the sponsoring GMs, other interested GMs, the Portfolio Mayor and Chair to provide a higher level of strategic support for a regional response to emergency town water needs and long-term planning in the short term.

The Board agreed arrangements be developed with the strategic subcommittee and in consultation with member Councils for emergency water management between towns across the region that (based on previous Board policy) address the following heads of consideration:

- a. Arrangements for the sharing of water for emergency water needs between towns across the region so that the burden of providing infrastructure for critical urban water transfers is borne equitably by the region (for example through the development of instruments and agreements not structures);
- b. Ownership and management by LG of any such infrastructure built to transfer emergency water between towns across the region for critical human needs;
- c. On-going operational costs for emergency water infrastructure;
- d. A multi-source approach to the supply of emergency water that enables options to be switched on or off as needed with these to be linked to State and local based triggers; and;
- e. Receive a report to the February 2020 Board meeting.

The JO will also undertake advocacy seeking early engagement in the Wyangala Dam wall raising and Lake Rowlands to Carcoar Dam projects with a view to being able to influence outcomes.

There has been a significant amount of consultation including submissions in region for the past quarter. These include:

- a response to the Lachlan Regional Water Strategy
- a report was provided to the JO Executive Officer network on a potential cross JO project for the development of Regional Town Water Strategies
- a response to the State Water Strategy
- input to the Lachlan Regional Water Strategy was provided to the Independent Panel assessing the social and economic conditions in the Murray Darling Basin
- A response provided to LGNSW for the NSW Legislative Assembly Committee on Investment, Industry and Regional Development inquiry into support for drought affected communities in NSW

Given the drought and its impacts including potential change of the Murray Darling Basin Plan, this Board commends Council become a member of the Murray Darling Association.

The Board continues to Advocate strongly that Councils are responsible and experienced water utilities managers that seek to work collaboratively with all levels of Government on water security solutions.

A meeting was held with the Minister for Water, Property and Housing on Tuesday 26<sup>th</sup> of November. Actions from that meeting include;

1. Thank Minister Pavey for visiting the region Tuesday 26 November 2019;
2. Seek to work through the Minister's office on developing a collaborative approach to water security in Central New South Wales within existing policy;
3. Noting that existing policy is for the sharing of water to be through instruments rather than structures seek funding from and engagement with the state on progressing such an approach; and
4. Reaffirm the region's policy position of councils including county councils retaining control of their water utilities assets.

The Board will also seek advice on the correlation between surface and bore water.

### Reporting on progress of the Strategic Plan

The Chair of the CNSWJO has requested a more structured approach to the value to members. The suggested format for this advice is below. It is intended to transition the savings and grant funding across while drawing a line in the sand and starting afresh for the JO where this report would provide the starting point for the new advice.

Value for members	Activity FYTD	Activity this Quarter
Submissions	6	050919 - Inquiry into Jobs for the Future in Regional Areas 100919 – Joint Submission with RDACW/CNSWJO to Regional Connectivity Program 120919 - Inquiry into sustainability of energy supply & resources in NSW 081119- Inquiry into Regional Australia
Plans, strategies and collateral	6	NAMAF – reports provided to all tranche 1 and 2 Councils including Blayney, Cowra, Forbes and in this quarter, Parkes, Cabonne, Bathurst and Oberon. Independent Audits of DPIE Water Performance Monitoring Data completed for Orange and Bathurst and reports provided. Dam surveillance inspections completed for Bathurst (Chifley Dam) and CTW (Lake Rowlands) and draft reports issued. Bridge Assessments – all councils have now received their reports for Tranche 1a and Tranche 2. A draft regional report is being developed. The Regional Food and Fibre Strategy completed. Transport Issues Paper developed with TfNSW and circulated for members feedback. Advice will inform TfNSW Integrated Transport Plan.
Grants	\$14,594	\$14,594 for training delivered under funding by TAFE NSW to Cowra Council & Lachlan Shire Council for the July to September 2019 quarter. Application requested by OEH for funding for the Southern Lights Project was unsuccessful. \$150K being negotiated for the JO with OLG.
Compliance	5	Compliance training courses delivered across the region: <ul style="list-style-type: none"> <li>• Enter &amp; Work in Confined Spaces – Full course + Refresher – 19 participants</li> <li>• Traffic Control Training (TC + ITCP) - 11 participants</li> </ul> Mandatory Independent Audits of DPIE Water Performance Monitoring Data completed for Orange and Bathurst and reports provided.
Data	3	Tourism data project through WRI Transit data through the Inland Rail project has been negotiated for the whole region. DPIE Water Performance Monitoring Data currently being collated for benchmarking the region's LWUs.
Media including social media	3 plus please request the Excel Spreadsheet on tourism publications	1. 17919 Media Release calling for sensible work on water security. 2. 151019 Media Release – Funding Announcement for Wyangala Dam 3. 151119 Media Release – Host Survey Tourism PR update The advertising value for the PR media generated in January-June 2019 is \$449,350. Highlights include a Media Trip titled "Travelling with a Friend" by Country Style with accommodation for the trip scheduled for Forbes and attending "Grazing Down the Lachlan". The Sydney Morning Herald "Traveller" ran a double page feature on the opening weekend of the new Byng St Boutique Hotel (see photos below).



Gabrielle Brewer has provided advice that the generated exposure for Central NSW Tourism regions & experiences in major media outlets to the advertising value of approx. \$1m+ for 2019.



This includes 16 media touring the region; 8 media releases that were distributed to 400+ media & industry contacts; over 150 articles appeared in digital news & travel media, newspapers, magazines, radio, tv & blogs. Couples & the family market in Sydney & NSW were targeted and articles were all driving people to the [www.visitcentralsw.com.au](http://www.visitcentralsw.com.au) website. Please find examples following.

This article featured in the Sydney Morning Herald "Traveller" magazine in early October 2019:



This article was published in the NRMA "Open Road" Magazine - September/October 2019 issue:



		  <p>The Aug/September issue of Blue Mountains Life Magazine featured the Bathurst Spring Spectacular:</p> <p><b>Social Media</b></p> <ul style="list-style-type: none"> <li>• Central NSW Joint Organisation Facebook Page – 301 likes 396 Followers</li> <li>• Central NSW Tourism Facebook Page – 12,551 likes 12,955 Followers</li> <li>• Screen Central Facebook Page – 300 likes 345 Followers</li> <li>• Central NSW Tourism Instagram Page – 4,478 Followers</li> <li>• Central NSW JO Twitter – 937 Followers</li> </ul>
Cost Savings	\$345k since 1 July 2019	<p>See cost savings table below for details.</p> <p>New contracts for the July to September quarter include:</p> <ol style="list-style-type: none"> <li>1. Auditing of Performance Monitoring Data for Water and Sewer</li> <li>2. Stage 1 of BPAP – Legal Advice</li> <li>3. Internal Audit of Cyber Security</li> <li>4. Electric Vehicle Toolkit</li> <li>5. Supply and Delivery of Bulk Fuel</li> <li>6. Employee Assistance Program</li> <li>7. Dam Surveillance</li> <li>8. Restocking of First Aid Kits</li> </ol>
Representation	56	<p>120819 - Strategic Transport Group meeting</p> <p>140819 - Workshop Regional transport enabling future economic growth</p> <p>220819 - CNSWJO Board meeting – Parkes. In attendance was Federal Minister for Regional Services, Decentralisation and Local Government, the Hon Mark Coulton.</p> <p>270819- CNSWJO HR Group meeting</p> <p>270819 - Health Precinct 10 year strategy workshop - Dubbo</p> <p>280819 – Orana WUA &amp; CNSWJO –meeting re water and wastewater training</p> <p>280819 –Destination and Outback Country –Fossil Experience Workshop</p> <p>020919-040919 –LGNSW Water Conference - Albury</p> <p>090919 – Southern Lights/Essential Energy meeting</p> <p>090919 – BPAP Meeting 1 with LTL for Legal Advice</p>

		100919 – EV Toolkit Project Inception Meeting 110919- CNSWJO-meeting with DPIE Water, Regional Water Strategies team on engagement with Central NSW Councils 160919- DPIE Water Critical Water Advisory Panel- Northern Rivers teleconference 160919 - Transport Technical Meeting 170919- Orange 360 Bicycle Tourism Project – meeting 180919 - Sustaining the Regions – Working group meeting lead by LGNSW 240919- RLE Orana, Central Tablelands Drought Task Group meeting – Dubbo 250919- CNSWJO – Lachlan Valley Water meeting re Regional Water Strategy 260919-WRI Big Ideas event – Bathurst 270919 – Presentation to Mens Probus Forbes 300919-011019- LGNSW JO forum conference – Sydney 021019 - Southern Lights/Essential Energy meeting 081019 - Regional Integrated Transport Group (RITG) 101019 – Inland Rail Information Session 111019 – Regional Prosperity Sub-committee 161019-BPAP Meeting 2 with LTL 171019- WaterNSW/DPIE Water- Lachlan Local Water Utilities Drought meeting 171019 –CWUA meeting 211019 – Regional Strategic Transport meeting 231019 – Regional Planners Meeting 241019 – GMAC 241019- Lachlan Regional Water Strategy 301019 – Joint Organisation – Executive Officers Meeting 301019 – Joint Organisation Chair Meeting 061119- Tourism Managers Group Meeting 071119 - WaterNSW- Lake Rowlands to Carcoar Dam Briefing 081119-Critical Water Advisory Panel Southern - Lachlan 121119-Southern Lights/Essential Energy meeting 221109-Central NSW JO Matrix Review
Opportunities councils have been afforded	14	<ul style="list-style-type: none"> <li>• Essential Energy issues raised regional on service levels</li> <li>• Round 2, Restart NSW Bridge assessments</li> <li>• WRI big ideas event – Region focused</li> <li>• LGNSW – Commitment to Joint Organisations Event</li> <li>• Consultations with individual Councils and region for Regional Water Strategy</li> <li>• Round table discussions with Federal Ministers</li> </ul>

#### Compliance, Policy review and dates for 2020

That the Board resolved to adopt the 2019 Annual Performance Statement and place it on the website.

Members Pecuniary Interest Returns under s450a of the Local Government Act 1993 were provided.

Amendments to the Joint Organisation Policy and Procedure Manual were provided and adopted.

The dates for the 2020 GMAC and Board meetings be:

Board	27 February	28 May	27 August	26 November
GMAC	30 January	7 May	23 July	22 October



**Adoption of Audited General Purpose Statements for period 11 May 2018 to 30 June 2019**

The Board adopted the CNSWJO Joint Organisation General Purpose Financial Statements for the period 11 May 2018 to 30 June 2019. This is a requirement to comply with the Local Government Act.

**Prioritisation of \$150K Joint Organisation Capacity Building Fund**

The Board approved three funding applications under the Joint Organisation Capacity Building Fund:

- Best Practice in Aggregated Procurement budgeted at \$35K;
- Understanding and supporting the new role of our CBDs – a project of the Regional Prosperity Subcommittee budgeted at \$50K; and
- Regional Capacity Building in Energy Innovation budgeted at \$65K.

These have now been lodged with the OLG and we await their decision.

**Regional Bridges Assessment Report**

The Confidential report by Pitt and Sherry has provided a cost estimate of repairs, for all bridges and culverts and a cost estimate of replacement for the 8 bridges and 15 culverts where replacement is recommended.

CNSWJO staff have had preliminary discussions with Public Works Advisory and Transport for NSW regarding options for a collaborative approach by members to conduct the next steps of the project, consisting of the repair and replacement of identified bridges. It is recommended that the Board receive a report in due course regarding potential options for a collaborative approach to the next steps.

The Regional Bridge Assessment Report was endorsed to be used to access further funding.

**Regional Smart Approved Water Mark Subscription**

Members of the Centroc Water Utilities Alliance (CWUA) received a presentation from Smart Approved Water Mark in early August. Most councils already have existing agreements with Smart Approved Water Mark which are due for re-negotiation prior to December 2019 and have been provided a regional offer at a reduced rate for a regional subscription, which will save the region per annum.

### Round table Discussion Summary with Ministers.

Hosted by The Hon Michael McCormack, Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development, Member for Riverina, the Board held discussion with:

- The Hon Mark Coulton, Minister for Regional Services, Decentralisation and Local Government
- The Hon Josh Frydenberg, Treasurer
- The Hon David Littleproud, Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
- The Hon Angus Taylor, Minister for Energy and Emissions Reduction
- The Hon Sussan Ley, Minister for the Environment
- Hon Dan Tehan, Minister for Education
- Hon Andrew Gee, Assistant Minister to the Deputy Prime Minister, Member for Calare
- Senator the Hon Bridget McKenzie, Minister for Agriculture

A significant amount of discussion was around drought and ongoing drought support. Other issues raised included

- Federal Assistance Grants and funding to Local Government more broadly
- Rural and remote health
- Telecommunications
- Electricity and energy market challenges
- Water Sharing Agreements
- Better vocational and tertiary education in region including direct funding to local government

The Treasurer provided advice on the strength of the economy and the opportunity for communities in Central NSW to leverage the new foreign trade agreements.



This theme was picked up by other Federal members and follow-up work with Minister Bridget McKenzie will be undertaken seeking alignment between the Federal approach and the Central West Food and Fibre Strategy.

Follow-up will also be undertaken regarding water projects where Andrew Gee, Member for Calare and the Assistant Minister to the Deputy Prime Minister has offered to shepherd projects through.

RDA Central West Chair, Christine Weston and Chief Executive Officer Sam Harma provided an update on the RDA Forum in Canberra, tips and tricks for the Building Better Regions Fund and where the Central West RDA is heading.



I commend this report to Council, and thank you all for your support.

Recommendation/s
<p>That the Mayoral Report from the Board meetings for Centroc and Central NSW Joint Organisation Meeting held 27 November 2019 and the Round table discussion with Ministers at Parliament House 28 November held in Canberra be noted and;</p> <ol style="list-style-type: none"> <li>1. Councillors and staff be asked to take the tourism data survey for the region; and</li> <li>2. Council receive a report on joining the Murray Darling Association.</li> </ol>



**Minutes of the Centroc Board Meeting 27 November 2019 held at Canberra ACT Legislative Assembly**

**Board Delegates in bold**

<b>Mr D Sherley</b>	Bathurst Regional Council	<b>Cr M Kellam</b>	Oberon Council
<b>Cr S Ferguson</b>	Blayney Shire Council	<b>Mr G Wallace</b>	Oberon Council
<b>Ms R Ryan</b>	Blayney Shire Council	<b>Cr R Kidd</b>	Orange City Council
<b>Cr K Beatty</b>	Cabonne Council	<b>Mr D Waddell</b>	Orange City Council
<b>Mr B Byrnes</b>	Cabonne Council	<b>Cr K Keith</b>	Parkes Shire Council
<b>Cr D Somerville</b>	Central Tablelands Water	<b>Mr K Boyd</b>	Parkes Shire Council
<b>Mr G Rhodes</b>	Central Tablelands Water	<b>Cr M Liebich</b>	Weddin Shire Council
<b>Cr B West</b>	Cowra Council	<b>Mr G Carroll</b>	Weddin Shire Council
<b>Mr D Wymer</b>	Cowra Council	Mr P Evans	OLG
<b>Cr J Webb</b>	Forbes Shire Council	Ms J Bennett	Centroc
<b>Mr S Loane</b>	Forbes Shire Council	Ms M Macpherson	Centroc
<b>Cr J Medcalf</b>	Lachlan Shire Council	Ms A Thomas	Centroc
<b>Mr G Tory</b>	Lachlan Shire Council	Ms K Barker	Centroc
		Ms V Page	Centroc

**Chaired by Cr John Medcalf the meeting opened at 1.52pm.**

**1. Apologies**

Cr B Bourke, Cr K Sajowitz, Cr P Miller, Mr P Devery, Ms C Weston, Mr S Harma, Mr A Albury

<b>Resolved</b>	<b>Cr B West/Cr K Keith</b>
That the apologies for the Centroc Board meeting 27 November 2019 listed above be accepted.	

**2. Minutes**

**2a Confirmation of the Minutes of the Board Meeting 22 August 2019 at Parkes**

<b>Resolved</b>	<b>Ms S Loane/Cr K Beatty</b>
That the Minutes of the Centroc Board Meeting 22 August held at Parkes be confirmed.	

**3 Transitioning to the Joint Organisation**

<b>Resolved</b>	<b>Mr D Sherley/Mr S Loane</b>
That the Central NSW Councils (Centroc) Board note the report regarding transition to the Joint Organisation and the windup of Centroc as a Section 355 Committee of Forbes Shire Council.	

**4 Financial report**

<b>Resolved</b>	<b>Mr D Waddell/Cr D Somerville</b>
<b>That the Board note the Financial report and transfer the reserves as follows to the Joint Organisation:</b>	
Bells Line Expressway Group	17,537
Best Practice in Aggregated Procurement	40,768
Centroc Regional Tourism Group	129,759
CWUA Best Practice Program	31,569
CWUA - Asset Management Maturity Audit (NAMAf)	80,775
CWUA - Developer Services Plans	47,930
Energy Project	65,306
Energy Workshops - Office of Environment & Energy Grant	1,770
Energy Workshops - Centroc matching contribution	1,536

Growing Local Economies Grant Funding	73,400
Health Study - Beyond the Range	37
IT - Unified Communications	13,453
Regional Marketing	8,607
Roads Transport Technical Committee	14,977
	<b>\$527,424</b>

**6 Presentation of the Statement of Finances**

<b>Resolved</b>	<b>Mr D Sherley/Mr D Waddell</b>
<b>That the Board adopt the Statement of Finances for Centroc.</b>	

The General Meeting of the Centroc Board closed at 1.55pm

Page 2 is the last page of the Centroc Board Minutes 27 November 2019

**Minutes of the Central NSW Joint Organisation meeting 27 November 2019 held at ACT House in Canberra.**

**Attendees, voting members in bold.**

<b>Cr S Ferguson</b>	Blayney Shire Council	<b>Cr M Kellam</b>	Oberon Council
<b>Cr K Beatty</b>	Cabonne Council	<b>Cr R Kidd</b>	Orange City Council
<b>Cr B West</b>	Cowra Shire Council	<b>Cr K Keith</b>	Parkes Shire Council
<b>Cr J Webb</b>	Forbes Shire Council	<b>Cr M Liebich</b>	Weddin Shire Council
<b>Cr J Medcalf</b>	Lachlan Shire Council		

Mr D Sherley	Bathurst Regional Council	Cr D Somervaille	Central Tablelands Water
Ms R Ryan	Blayney Shire Council	Mr G Rhodes	Central Tablelands Water
Mr B Byrnes	Cabonne Council	Mr D Waddell	Orange
Mr D Wymer	Cowra Shire Council	Mr P Evans	OLG
Mr G Tory	Lachlan Shire Council	Ms J Bennett	Central NSW JO
Mr S Loane	Forbes Shire Council	Ms Meredith Macpherson	Central NSW JO
Mr G Wallace	Oberon Council	Ms A Thomas	Central NSW JO
Mr K Boyd	Parkes Shire Council	Ms K Barker	Central NSW JO
Mr G Carroll	Weddin Shire Council	Ms V Page	Central NSW JO

1. **Opening meeting 1.55pm**
2. **Acknowledgement to Country by Chair**
3. **Apologies applications for a leave of absence by Joint Voting representatives**

Cr B Bourke, Cr K Sajowitz, Cr P Miller, Mr P Devery, Ms C Weston, Mr S Harna, Mr A Albury

<b>Resolved</b>	<b>Cr K Keith/Cr J Webb</b>
That the apologies for the Central NSW Joint Organisation Board meeting 22 August 2019 listed above be accepted.	

**4. Minutes**

**4a Noting of the Minutes of the GMAC meeting 24 October 2019 held in Orange**

<b>Resolved</b>	<b>Cr R Kidd/Cr M Kellam</b>
That the Central NSW Joint Organisation Board confirm the Minutes of the GMAC meeting 24 October 2019 held in Orange.	

**4b Confirmation of the Minutes of the Central NSW Joint Organisation meeting 22 August 2019 in Parkes**

<b>Resolved</b>	<b>Cr S Ferguson /Cr R Kidd</b>
That the Central NSW Joint Organisation Board confirm the Minutes of the meeting 22 August 2019 held in Parkes	

**5. Business Arising from the Minutes – Matters in Progress**

<b>Resolved</b>	<b>Cr B West/Cr K Keith</b>
That the Central NSW Joint Organisation Board note the Matters in Progress, making deletions as suggested.	



**6. Reports to Statement of Regional Strategic Priority**

**Priority One: Inter-council Co-operation**

**a. Procurement Report**

<b>Resolved</b>	<b>Cr K Beatty/Cr B West</b>
That the Board note the Procurement Report and	
<ol style="list-style-type: none"> <li>1. approve the 12-month extension of the road signs contract (S1 2018) with Artcraft, Barrier Signs and DeNeefe until 31 December 2020;</li> <li>2. approve the 12-month extension of the bitumen emulsion contract (S2_2018) with Boral Asphalt until 31 March 2021;</li> <li>3. approve the 12-month extension of the linemarking services contract (R2_2018) with Avante, Central West Linemarking, Complete Linemarking, Oz Linemarking and Red Squirrel;</li> <li>4. approve a 6-month extension of the contract with Common Thread Consulting for the Procurement Support for Water Main Condition Assessment;</li> <li>5. approve the Water Main Condition Assessment Pilot contract to include a management fee of 1.5% of the total value of the contract, which will be payable by the successful Contractor/s;</li> <li>6. note that the structure of contract management fees to CNSWJO will remain as is until the Best Practice in Aggregated Procurement Program is completed, at which time a report will be provided to GMAC and the Board on the recommendations for aggregated procurement by the JO, including a report on options on fees and funding of aggregated procurement;</li> <li>7. note the contract management fees being charged for current contracts; and</li> <li>8. receive reports regarding management fees for any upcoming procurement processes for approval of the percentage contract management fee to be charged.</li> </ol>	

**b. Energy Programming Report**

<b>Resolved</b>	<b>Cr R Kidd/Cr B West</b>
That the Board note the Energy Programming Report and	
<ol style="list-style-type: none"> <li>1. Vary the existing contract with Sourced Energy to raise the management fee from the large market retailer by 0.25% which will be payable to CNSWJO;</li> <li>2. Note the cost savings of \$2.37m over 3 years achieved through the procurement process for the supply of electricity for large market sites;</li> <li>3. Draft a media release to voice frustration with the delays of the LED roll outs; and</li> <li>4. Investigate the opportunities of the recently announced renewable energy zone.</li> </ol>	

**c. Internal Audit and Risk Management Report**

<b>Resolved</b>	<b>Cr B West/Cr S Ferguson</b>
That the Board note the new Internal Audit and Risk Management Guidelines advice from the Office of Local Government and	
<ol style="list-style-type: none"> <li>1. provide a response that: <ol style="list-style-type: none"> <li>a. Is supportive of a strategic approach to internal audit and risk management;</li> <li>b. Suggests a less prescriptive approach, than that suggested in the guidelines;</li> <li>c. Is not supportive of leveraging Section 377 of the Local Government Act where Councils delegate internal audit and risk management functions to the JO;</li> <li>d. Notes the diversion of resource required for a Joint Organisation to fulfill these guidelines will be counterproductive and is at risk of contributing to JO network failure;</li> <li>e. Request that JOs be exempt from the new Internal Audit and Risk Management Framework for NSW; and</li> <li>f. Includes Member Councils concerns; and</li> </ol> </li> <li>2. Members are encouraged to write their own responses.</li> </ol>	

**d. Administration Update**

<b>Resolved</b>	<b>Cr B West/ Cr K Keith</b>
That the Board note the timeline for the implementation of the JO.	

**Priority Two: Regional Prosperity****a. Central West and Orana Food and Fibre Strategy report**

<b>Resolved</b>	<b>Cr B West/Cr J Webb</b>
That the Board note the report on the Central West Food and Fibre Strategy and	
<ol style="list-style-type: none"> <li>1. endorse the Strategy; and</li> <li>2. note that advice on implementation is being progressed through the Regional Prosperity Subcommittee.</li> </ol>	

**b. Regional Prosperity and Advocacy Plan**

<b>Resolved</b>	<b>Cr B West/Cr K Keith</b>
That the Board note the report on the Regional Prosperity Advocacy Plan;	
<ol style="list-style-type: none"> <li>1. Adopt the Plan; and</li> <li>2. Share the policy position with LGNSW.</li> </ol>	

**c. Tourism Data Tool by WRI and support for a collaborative project with Arts Out West delivering arts and culture journeys**

<b>Resolved</b>	<b>Cr B West/Cr J Webb</b>
That the Board note the report on the Tourism Data Tool and support for a collaborative project with Arts Out West delivering arts and culture journeys and;	
<ol style="list-style-type: none"> <li>1. encourage members to support providing data into the program including promoting the visiting friends and relatives (VFR) survey through the community and through Council staff; and</li> <li>2. amend the Tourism Budget transferring the \$5000 for the second round of the Regional Passport Project to a collaborative project with Arts Out West for arts and culture journeys.</li> </ol>	

**Priority Three: Regional Transport and Infrastructure****a. Regional Transport Advocacy Policy, Prioritisation and Freight Links Mapping.**

<b>Resolved</b>	<b>Cr K Keith/Cr B West</b>
That the Board	
<ol style="list-style-type: none"> <li>1. Endorse the changes to the Department of Planning, Industry and Environment regional network map;</li> <li>2. Note the "Central West and Orana Transport Issues &amp; Insights" report and that while it is complete, the transport planning process in region welcomes feedback through the JO;</li> <li>3. Provide a submission to the consultation on the Lithgow to Katoomba Corridor for the upgrade of the Great Western Highway within existing policy;</li> <li>4. Adopt the CNSWJO Transport Advocacy Plan noting the need to update the Matrix in line with advice below;</li> <li>5. Endorse the 58 projects listed on the Matrix to the with the exception of priority 1;</li> <li>6. Note priority 1 of the Matrix is under review to align it with the Transport Advocacy policy;</li> <li>7. Note that a review of the Matrix is underway;</li> <li>8. Write to the Minister seeking advice on the update of the Bells Line of Road Corridor;</li> <li>9. Provide updated mapping to the Board; and</li> <li>10. Provide a reviewed the Advocacy Plan that identifies one or two priorities for the Board to focus its advocacy efforts.</li> </ol>	



**Priority Four: Regional Water****a. Regional Water, Advocacy Plan**

<b>Resolved</b>	<b>Cr D Somerville/Cr K Beatty</b>
That the Board note the report on the Regional Water Advocacy Plan (the Plan) and	
<ol style="list-style-type: none"> <li>1. Adopt the Plan; and</li> <li>2. Share the policy position with LGNSW.</li> </ol>	

**b. Regional Water Report**

<b>Resolved</b>	<b>Cr B West/Cr M Liebich</b>
That the Board:	
<ol style="list-style-type: none"> <li>1. Note advice provided in the Confidential Briefing Note No. 3 regarding water security for urban water utilities in the current unprecedented drought;</li> <li>2. Note that GMAC have agreed to form a strategic subcommittee including the sponsoring GMs, other interested GMs, the Portfolio Mayor and Chair to provide a higher level of strategic support for a regional response to emergency town water needs and long-term planning in the short term;</li> <li>3. Agree arrangements be developed with the strategic subcommittee and in consultation with member Councils for emergency water management between towns across the region that (based on previous Board policy) address the following heads of consideration:               <ol style="list-style-type: none"> <li>a) Arrangements for the sharing of water for emergency water needs between towns across the region so that the burden of providing infrastructure for critical urban water transfers is borne equitably by the region (for example through the development of instruments and agreements not structures);</li> <li>b) Ownership and management by LG of any such infrastructure built to transfer emergency water between towns across the region for critical human needs;</li> <li>c) On-going operational costs for emergency water infrastructure;</li> <li>d) A multi-source approach to the supply of emergency water that enables options to be switched on or off as needed with these to be linked to State and local based triggers; and;</li> <li>e) Receive a report to the February 2020 Board meeting.</li> </ol> </li> <li>4. Undertake advocacy seeking early engagement in the Wyangala Dam wall raising and Lake Rowlands to Carcoar Dam projects with a view to being able to influence outcomes;</li> <li>5. Adopt the response to the Lachlan Regional Water Strategy provided under the hand of the Chair;</li> <li>6. Note the report to the JO Executive Officer network on a potential cross JO project for the development of Regional Town Water Strategies;</li> <li>7. Adopt the response to the State Water Strategy provided under the hand of the Chair;</li> <li>8. Note that a copy of the CNSWJO's input to the Lachlan Regional Water Strategy has been provided to the Independent Panel assessing the social and economic conditions in the Murray Darling Basin;</li> <li>9. Commend to members that they become members of the Murray Darling Association;</li> <li>10. Endorse the response provided to LGNSW for the NSW Legislative Assembly Committee on Investment, Industry and Regional Development inquiry into support for drought affected communities in NSW noting that the CNSWJO response will be provided based on this;</li> <li>11. Advocate strongly that Councils are responsible and experienced water utilities managers that seek to work collaboratively with all levels of Government on water security solutions; and</li> <li>12. Commend to members that they include this messaging in their media releases and advocacy.</li> <li>13. Thank Minister Pavey for visiting the region Tuesday 26 November 2019;</li> <li>14. Seek to work through the Minister's office on developing a collaborative approach to water security in Central New South Wales within existing policy;</li> <li>15. Noting that existing policy is for the sharing of water to be through instruments rather than structures seek funding from and engagement with the state on progressing such an approach; and</li> <li>16. Reaffirm the region's policy position of councils including county councils retaining control of their water utilities assets.</li> </ol>	

**7. Supplementary motion on water policy**

<b>Resolved</b>	<b>Cr K Keith/Cr R Kidd</b>
That the Board seek advice on the correlation between surface and bore water and meet with the Minister as required.	

**8. Suspension of standing orders to receive a presentation from Canberra Airport at 3:30pm**

<b>Resolved</b>	<b>Cr K Beatty/Cr S Ferguson</b>
That the Board suspend standing orders.	

**9. Resumption of the meeting at 4:20pm**

<b>Resolved</b>	<b>Cr B West/Cr S Ferguson</b>
That the Board resume the meeting.	

**10. Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020**

<b>Resolved</b>	<b>Cr K Beatty/Cr S Ferguson</b>
That the Board note the report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority.	

**11. Compliance, policy review and dates for 2020**

11. Compliance policy review and dates for 2020				Cr K Keith/Cr K Beatty
Resolved				
That the Board note the Compliance report and;				
1. Adopt the 2019 Annual Performance Statement and place it the website;				
2. Note the Pecuniary Interest Returns under s450a of the Local Government Act 1993;				
3. Adopt the Joint Organisation Policy and Procedure Manual; and				
4. Determine the dates for GMAC and Board meetings for 2020 be:				
Board	27 February	28 May	27 August	26 November
GMAC	30 January	7 May	23 July	22 October

**12. Adoption of Audited General Purpose Statements for period 11 May 2018 to 30 June 2019**

<b>Resolved</b>	<b>Cr B West/Cr R Kidd</b>
That the Board adopt the CNSWJO Joint Organisation General Purpose Financial Statements for the period 11 May 2018 to 30 June 2019.	

**13. Financial Report**

<b>Resolved</b>	<b>Cr K Keith/Cr J Webb</b>
That the Board note the Financial and compliance report and accept the transfer of the reserves from Centroc in the following form:	
CNSW Regional Tourism Group + Regional Marketing	138,366
CWUA Best Practice Program	31,569
CWUA - Asset Management Maturity Audit (NAMAF)	80,775
CWUA - Developer Services Plans	47,930
Energy Project + Energy Workshops matching contribution	66,842
Energy Workshops - Office of Environment & Energy Grant	1,770
Growing Local Economies Grant Funding	73,400
Inter-Council Co-operation Reserve (IT Unified communications + Best Practice in Aggregated Procurement)	54,221
Roads Transport Technical Committee + BLEG	32,514
	<b>\$527,387</b>



**14. Other Reports****a. Prioritisation of \$150K Joint Organisation Capacity Building Fund**

<b>Resolved</b>	<b>Cr K Beatty/Cr S Ferguson</b>
That the Board note the report regarding the prioritisation of the 150K Joint Organisation Capacity Building Fund and	
1. approve the funding application for the following under the Joint Organisation Capacity Building Fund:	
a. Best Practice in Aggregated Procurement budgeted at \$35K; and	
b. Understanding and supporting the new role of our CBDs – a project of the Regional Prosperity Subcommittee budgeted at \$50K;	
c. Regional Capacity Building in Energy Innovation budgeted at \$65K; and	
2. Commend to members they give consideration to co-investment in the CBD project.	

**b. Logo Report**

<b>Resolved</b>	<b>Cr R Kidd/Cr B West</b>
That the Board note the logo report and adopt Option 2 and 3 combined.	

Note: the amended logo to be circulated for review.

**c. Executive Officer Performance Review**

<b>Resolved</b>	<b>Cr K Beatty/ Cr S Ferguson</b>
That the Board note the report regarding the performance management of the Executive Officer and	
1. Delegate the entirety of the performance review function to a Performance Review Panel that is:	
a. Developing a Performance Agreement in consultation with the Executive Officer	
b. Undertaking a performance assessment of the Executive Officer in	
c. December/January each year	
d. Determining the following in relation to the Performance Agreement:	
i. A final list of projects to be included in the Performance Agreement; and	
ii. Any managerial or behavioural actions that they would like the Executive Officer to address during the review year.	
e. Reviewing and determining salary and any bonus arrangements	
f. Providing a report to the Board facilitated by the Chair of GMAC	
2. Determine that the Performance Review Panel be the Chair, Deputy Chair a Mayor nominated by the Executive Officer to be facilitated by the Chair of GMAC.	

**15. Confidential Reports****a. Regional Bridge Assessment Report**

<b>Resolved</b>	<b>Cr K Beatty/Cr M Liebich</b>
That the Board note the confidential report on bridge assessments and	
1. endorse the Regional Bridge Assessment Report to be used to access further funding;	
2. receive a report on options for a collaborative approach within three months to the repair and replacement of identified bridges; and	
3. members give consideration to their participation in a collaborative approach and advise CNSWJO accordingly.	

**b. Regional Smart Approved Water Mark Subscription**

<b>Resolved</b>	<b>Cr K Beatty/Cr S Ferguson</b>
That the Board note the confidential report on the Regional Smart Approved Water Mark Subscription and approve the regional subscription for Smart Approved Water Mark and the JO sign the agreement and invoice member councils accordingly.	

**16. Next Meeting 27 February 2020 in Weddin.****17. Conclusion of the meeting - Meeting closed at 4.31pm**

Page 7 is the last page of the Central NSW Joint Organisation meeting 27 November 2019

**02) CARAGABAL WATER SUPPLY FEASIBILITY STUDY PROJECT (WS.SP.4)**

**Author:** General Manager

**IP&R Link:** Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 3 – Regional leadership and collaboration – 3.1 – Regional collaboration and partnerships.

**RECOMMENDATION:**

That Council:

1. Note the report, and
2. Write a letter of thanks to Minister Pavey and the Member for Cootamundra for the recent NSW Government funding confirmation to proceed with a feasibility study for a reliable water supply for the Caragabal community and district.

**REPORT**

As Councillors are aware, Council received funding confirmation on 7 January 2020 from the NSW Minister for Water, Property and Housing, the Hon Melinda Pavey MP of \$100,000 to undertake a feasibility study to secure a reliable and secure water supply for the Caragabal community and district.

Due to the prolonged drought and the current dire water supply issues at Caragabal, CTW as the water supply authority for the Weddin LGA, have been advocating for government funding for quite some time to undertake a feasibility study to potentially provide a reliable potable water supply to the village of Caragabal.

This advocacy has been undertaken in collaboration with Ms Steph Cooke (Member for Cootamundra), Weddin Shire Council, and Caragabal community members.

The feasibility study will focus on defining the technical, economic, social and environmental feasibility of providing a potable water supply to the village of Caragabal.

The main elements of the feasibility study will include:

- Background data and site inspection;
- Stakeholder/Community engagement;
- Assessment of water supply options and preliminary options assessment;
- Survey of the community regarding the willingness to pay for the preferred option;
- Benefit cost analysis; and
- Reporting

Following a request for proposal process, CTW has engaged Premise (formerly Geolyse) to undertake the feasibility study. Premise have an office located in Orange with key team members being experienced with the delivery of relevant water projects such as the CTW to Orange Pipeline (water security modelling, conceptual technical design and costing), Lachlan-Macquarie Drought Study (study to identify potential regional strategic water connection opportunities between CTW, Orange City Council and Cabonne Council water supply networks), and Orange IWCM Evaluation Study



(technical review and assessment of available water supply options including surface water, stormwater, groundwater, rainwater tanks, imported water, mine water and recycled water).

The feasibility study is expected to be completed by June 2020.

**BUDGET IMPLICATIONS**

\$100,000 grant funding FY2019/20

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**03) LAKE ROWLANDS AUGMENTATION PROJECT UPDATE (WS.SP.4)**

**Author:** General Manager

**IP&R Link:** Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 3 – Regional leadership and collaboration – 3.1 – Regional collaboration and partnerships.

**RECOMMENDATION:**

That Council note the update for the Lake Rowlands Augmentation project.

**REPORT**

As reported at the December 2019 Council meeting, the NSW Government made a recent funding announcement of \$1 million for the completion of a feasibility study for the Lake Rowlands dam extension as part of its emergency response to the drought in regional NSW.

The augmentation of Lake Rowlands is a three stage concept. Stage 1 involves raising the height of the existing dam wall. This will help shore up the water security needs of CTW's existing consumers now and well into the future.

The second stage is a pipeline linking Lake Rowlands to Carcoar Dam of which a final business case is currently underway by WaterNSW. The final stage and longer term regional project is a new dam 2.5 kilometres further downstream increasing the capacity of Lake Rowlands to in excess of 26 gigalitres.

CTW has been lobbying continuously for over 20 years for the enlargement of Lake Rowlands, so it is extremely pleasing to be moving forward on this important water security project.

The timetable for this project aligns with the final business case currently being undertaken by WaterNSW linking Lake Rowlands with Carcoar Dam. By combining these vital water security projects during the assessment and final business case stage, it will enable the maximisation of benefits to be realised whilst improving water security for the region.

The following works will be undertaken to ensure shovel readiness of this important drought water security project:

- Engineering design
- Review of Environmental Factors (REF)
- Benefit Cost Analysis (including business case development)
- Secure Yield Study
- Community and stakeholder engagement

The Senior Management Team is currently working through the NSW Critical Drought Initiatives conditions and requirements of the draft funding deed as well as collating data for the project plan/business case development.

**BUDGET IMPLICATIONS**

\$1million grant funding FY2019/20.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**04) 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**

As a result of Lake Rowlands declining rapidly during December, Level 4 water restrictions were implemented on 1 January 2020 for the entire CTW supply network.

Lake Rowlands is currently holding steady at 40%. This is attributed to the increased usage of the Gooloogong Bores to supplement the supply system, as well as recent isolated (patchy) storms in the Lake Rowlands catchment. Although the catchment has not received decent winter rains over the past few years, fortunately in August, the catchment was the recipient of a decent snow event which increased the Lake Rowlands storage by 8% over a 2 week period. This inflow has assisted significantly to date in meeting the challenges this unprecedented drought has imposed on CTW as a water supply authority. However, unfortunately the long term rainfall forecast for the Lake Rowlands catchment area is not looking favourable, so we need to continue to act responsibly in managing our finite resource.”

If Lake Rowlands reaches 35%, Level 5 restrictions will apply whereby watering will be restricted to Sunday evenings only, between 6pm and 8pm for a maximum of 1 hour. 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 March 2020 to May 2020 (as at 8/2/20) have forecasted the following rainfall in the Blayney area:

<b>Rainfall (mm)</b>	<b>Chance (%)</b>
25	100
50	91
100	61
150	29
200	10

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.

A Drought Management workshop is also being arranged for CTW Councillors and staff to be held in March.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**05) DRAFT CONCEALED LEAKS POLICY (CR.EQ.1)**

**Author:** General Manager

**IP&R Link:** Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.1 Customer service – 2.5 – Efficient business operations.

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**RECOMMENDATION:**

That Council endorse the draft Concealed Leaks Policy and place on public exhibition for a period of 28 days.

**REPORT**

CTW's Undetected Water Leakage Allowance Policy has been reviewed by the Senior Management Team.

The purpose of the policy is to outline how CTW will apply water account adjustments in relation to higher than usual water consumption caused by undetected concealed water leakages.

The draft Concealed Leaks Policy is attached for Council's consideration and endorsement to be placed on public exhibition for a period of 28 days.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Draft Concealed Leaks Policy	6 pages
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**Draft**  
**Concealed Leaks Policy**

## DOCUMENT CONTROL

Document Title		Concealed Leaks Policy			
Policy Number		CTW-PR044			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted		May 2020			
Adopted by		Council			
Review Due Date		June 2024			
Revision Number					
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

## Purpose

The purpose of this Policy is to outline how Central Tablelands Water (CTW) will apply water account adjustments in relation to higher than usual water consumption caused by undetected water leakages.

## Policy Statement

Council provides potable water to the boundary of a property; water that has subsequently passed through a meter service connection becomes the responsibility of that property owner. This policy is not intended to provide full compensation to customers for water charges as a consequence of an undetected water leak on their property. As an act of good faith and the interest of good public relations, CTW provides a means by which an adjustment to their water account can be obtained, subject to the provisions of this policy being met.

Customers should not rely on CTW to notify of water leaks, but should monitor their water consumption using their water meter.

## Policy Objectives

The property owner (as listed on the water account) is responsible for the reticulation, use and payment of all water which passes through their water meter. The property owner, whether residential or non-residential, is responsible for the maintenance and repair of their internal plumbing.

If a property is rented, it is the owner's responsibility to make an application under the policy, not the tenant. Any payment arrangements between the tenant and owner in respect of water charges has no bearing upon the assessment of the application. Failure by the tenant to notify the owner of a concealed leak is a matter between the owner and the tenant.

CTW has no obligation to grant an allowance on water accounts affected by leaks in private plumbing. It will only consider, at its absolute discretion, applications for water account adjustments due to undetected water leakage which are made in writing.

The Director of Finance and Corporate Services is responsible for the administration of this policy. The General Manager will ultimately determine and approve all allowances relating to applications for adjustments up to 1,000 kilolitres (kL). Any adjustments over 1,000 kL will be directed to Council for approval. The General Manager will determine and approve all allowances relating to applications from CTW staff and councillors in accordance with the eligibility criteria of this policy.

## Policy Scope

CTW will apply an adjustment to the customer's water account in accordance with the criteria and rules set out in this policy and related documentation.

This policy applies to customers as per Appendix A where a concealed leak has occurred on the property, resulting in excessive water use.

This policy applies to concealed leaks only and does not apply to water loss from:

- Leaking taps, toilet cisterns, hot water systems or other water appliances;
- Faulty plumbing or human error resulting in the filling of a rainwater tank;
- Property sprinkler or other irrigation systems; or
- Swimming pools, spas, ponds and other outdoor water features, or their related fittings.

Unless expressly stated otherwise in the eligibility criteria outlined in this policy, any customer seeking an adjustment to a water account must apply in writing to CTW and must be the water account holder for that property.

Should an application for relief under the concealed leaks policy be unsuccessful, Council will consider requests for a payment arrangement including extended time for payment or waiving interest charges.

All approved adjustments will be applied to the water account for the property where the concealed leak occurred; monetary refunds will not be issued.

### Eligibility Criteria

In the case of a water leak on the property, a customer will be eligible for an adjustment to their water account charges if they meet all of the following criteria:

1. The leak was concealed as per definition and applicability criteria above;
2. The customer took action to permanently repair the leak within 30 calendar days of being made aware of the leak.
3. The CTW account holder completes the Concealed Water Leakage Allowance Application form and submits this together with a licenced plumber's invoice to support the application. It should be noted that all pipe work repair, in accordance with the *Plumbing and Drainage Act 2002* and related plumbing standard AS/NZS 3500, should be completed by a licenced plumber. Where the customer completes the repair, they should arrange for a licenced plumber to check the repair to ensure compliance with relevant legislation and plumbing standards.
4. Applications will not be considered in respect of any property that has been vacant for more than 6 months.
5. Any applications where the leak occurred more than 6 months prior to the application will not be considered.

Where the leak has occurred within a community title scheme (CTS) the application for an adjustment must be submitted as follows:

- Where the CTS is individually sub-metered and the sub-meters have been approved to be read and billed by CTW, and the leak occurred on private property, i.e. the leak consumption registered on the individual sub-meter, the property owner must submit the required documentation.



- Where the CTS is individually sub-metered, and the sub-meters have been approved to be read and billed by CTW, and the leak occurred on common land, the body corporate must submit the required documentation.
- Where the CTS is not individually sub-metered, or the sub-meters have not been approved to be read and billed by CTW, the body corporate acting on behalf of all property owners must submit the required documentation.

The rebate amount will be provided as per Appendix A, the amount rebated will also be determined by the policy in place at the date of rebate application.

Appendix A details the maximum period/s for when an account can be adjusted and the period/s should include the period in which the leak was repaired and if the leak was not repaired within 30 calendar days, then the period in which the customer was notified of a potential water leak or high water consumption.

### **Not-for-profit Organisations and Associations**

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Where the leak occurred on not-for-profit property, the application must be made by the appropriate administrator for that not-for-profit organisation or association.

Not-for-profit organisations or associations may be requested to provide evidence of a not-for-profit status with a rebate application. Approval for a rebate is at the discretion of the General Manager and will be reviewed on a case-by-case basis.

### **Roles and Responsibilities**

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The General Manager and Director of Finance and Corporate Services are responsible for ensuring the implementation of this Policy.



**Annex A – Concealed Leak Rebate**

Customer Type	CTW water usage rebate % offered above average usage	Maximum period for which a rebate can be applied	Frequency at which rebate can be applied for by property owner/s at the subject property for the water usage component of the rebate
Residential including retirement villages	50%	Two billing quarters	Once
Not-for-profit <sup>^</sup>	50%	Two billing quarters	Once
Pensioners	50%	Two billing quarters	Once
Non-residential including small customers*	50%	Two billing quarters	Once

<sup>^</sup>Exclusions apply, reviewed on a case-by-case basis

\*Non-residential small customers are those customers consuming no more than 100kL per annum

The average daily consumption for approved dialysis and medical customers shall include annual allowances as per CTW policy.

**06) 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.

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**RECOMMENDATION:**

That Council note the Council Resolutions Update Report to December 2019.

**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 December 2019.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- 1 Council Resolutions Update table 5 Pages

**COUNCIL RESOLUTIONS UPDATE**

Council Resolutions Update – Meeting held 12 February 2020					
Resolution Ref.	Date of Meeting	Subject	Responsible Officer	Decision	Action Taken/Status
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.	<p>13/2/18 - Awaiting final lease agreement from solicitors containing "third party infrastructure" conditions as per the NSW Water Directorate recommendation.</p> <p>31/5/18 &amp; 17/7/18 – Follow up emails sent to solicitor regarding progress of lease.</p> <p>19/7/18 - GM spoke with solicitor's secretary to follow up.</p> <p>8/8/18 – Solicitor emailed seeking final review of third party infrastructure checklist points to be included in lease. GM and DOTS are reviewing.</p> <p>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.</p> <p>7/2/19 – Third party infrastructure requirements sent to solicitor to finalise NBN Lease.</p> <p>26/7/19 – CTW's solicitor has requested final amended leases urgently from NBN solicitors to finalise this matter.</p> <p>12/11/19 &amp; 5/12/19– Emails to CTW's solicitors requesting an update on progress with regards to this matter.</p> <p>9/12/19 – CTW's solicitors provided an update advising change of NBN solicitor</p>

					and trying to ascertain when the revised leases will be provided. 5/2/20 – Email to CTW's solicitors requesting an update, emphasizing the importance in finalising this matter. The agreed lease payments are still being received from the NBN Co.
17/088	18/10/17	Proposed Boundary Readjustment	DOTS/GM	<ol style="list-style-type: none"> <li>1. That Council approve the proposed boundary readjustment in principle;</li> <li>2. That a plan of the proposed boundary readjustment be reported to Council once completed, for endorsement, and</li> <li>3. 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.</li> </ol>	<p>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 &amp; 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. 12/4/19 – DOTS has been liaising with the Mr Whitehead to finalise this matter. 10/6/19 – DOTS has engaged surveyor to survey boundary adjustment. 2/12/19 – DOTS to liaise further with Mr Whitehead following recent funding announcement for Lake Rowlands.</p>
18/103	12/12/2018	Renewable Energy Action Plan	GM	That Council note the report and resolve to undertake further research on the potential costs and benefits of	21/3/19 - SMT investigating the potential costs and benefits of on-site energy generation at the CTW sites in

				on-site energy generation at the CTW sites of Lake Rowlands, Carcoar Water Filtration Plant and Blayney Water Filtration Plant.	consultation with renewable energy professionals. Also investigating potential grant funding opportunities for renewable energy projects, including studies. 29/1/20 – GM & DOTS met with Constructive Energy to discuss CTW's REAP, operations, future works, new technology and energy project funding options.
19/025	17/4/2019	Customer Satisfaction Survey	GM	That Senior Management review the results of the customer satisfaction survey and provide Council with an action plan to address identified areas for improvement.	21/5/19 – SMT discussed with Chairman and will develop an action plan during upcoming SMT meetings and present to Council. 23/9/19 – Action plan being developed by SMT and Governance & Executive Officer.
19/056	19/6/19	Safe & Secure Water Program Update	GM	2. That Council write to the Minister for Water requesting that the project to supply potable water to the village of Caragabal be considered outside the Integrated Water Cycle Management (IWCM) requirements for the Safe & Secure Water Program funding guidelines.	10/7/19 – Letter sent to Minister for Water requesting the project be considered outside IWCM requirements. 6/8/19 – Project discussed with Minister for Water with a follow up letter to be sent as a result of those discussions. 3/9/19 – Response received from Minister for Water via the Member for Cootamundra. A meeting is being scheduled with DPIE Water to discuss next steps in progressing the project. 7/11/19 – Meeting held with DPIE Water to progress the project. DPIE Water advised to write directly to the Minister for Water to confirm funding commitment/availability.



					<p>19/11/19 – Correspondence sent to Minister for Water's Office requesting funding confirmation.</p> <p>28/11/19 – Meeting held with Minister for Water's Senior Advisor. Email from 19/11/19 forwarded as requested. CTW is awaiting a response from the Minister's Office.</p> <p>7/1/20 – Funding confirmation received from Minister for Water to undertake the feasibility study to secure a reliable and secure water supply for the Caragabal community and district.</p> <p><b>Action completed.</b></p>
19/072	19/6/19	Boundary Adjustment at Carcoar Water Filtration Plant	DOTS	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Delegate to the General Manager under Section 377 (h) of the Local Government Act 1993 to purchase the land at the Carcoar Water Filtration Plant at Felltimber Road, and</li> <li>2. Upon acquisition of the land classify it as operational.</li> </ol>	<p>24/7/19 – Solicitors have been engaged to make an application to DPIE Crown Lands for the removal of a subdivision restriction on the land.</p> <p>27/11/19 – CTW advised by solicitors to have Blayney Shire Council (BSC) stamp the plan in support of the removal of restriction to complete the process.</p> <p>16/12/19 – Email sent to BSC requesting support for the proposed land acquisition.</p> <p>13/1/20 – BSC advised that subject land is identified as containing vegetation of high biodiversity significance. An inspection is being arranged with BSC with any potential matters to be considered in accordance with the <i>Environmental Planning and Assessment Act 1979</i>.</p>
19/080	14/8/19	Financial Matters	DFCS	<ol style="list-style-type: none"> <li>2. A report on possible amendments to the investment policy be</li> </ol>	<p>4/10/19 – DFCS to provide a report at the December 2019 Council meeting.</p>

				presented at a future Council meeting.	5/12/19 – Investment policy is being reviewed and updated by SMT for presentation of draft at February 2020 Council meeting.
19/114	11/12/2019	Notice of Motion: Water Access Licence	SMT	That CTW's Senior Management Team investigates the process, costs and foreseeable impacts to include the sale of non-potable water under CTW's water access licence, and report the findings to Council.	20/1/20 - Correspondence sent to Minister for Water's Office requesting funding for emergency drought works to refurbish emergency bores. This refurbishment includes a desktop review of emergency bore treatment options. 4/2/20 – Request submitted to WaterNSW seeking clarification to whether non-potable water can be supplied through CTW's existing WALs.
19/116	11/12/2019	Lake Rowlands Augmentation Project	GM	2. That Council write a letter of thanks to Minister Pavey and Minister Toole for the recent NSW Government Drought Initiative funding announcement for the Lake Rowlands Augmentation project.	5/2/2020 – A letter of thanks sent to Minister Pavey and Minister Toole for the Lake Rowlands Augmentation project funding announcement.  <b>Action completed.</b>
19/117	11/12/2019	Demand Management Report	GM	Council move to Level 3a water restrictions on 1 January 2020 under an odds & evens system watering only during evenings, with the discretion of the General Manager to proceed to Level 4 water restrictions if the rate of depletion of Lake Rowlands approaches the demand management policy trigger point.	Dec 19, Jan & Feb 20 - Media release, newspaper public notices, social media messages, website notices, and account newsletters distributed throughout the water supply network.  <b>Action completed.</b>

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

**Author:** Director Finance and Corporate Services

**IP&R Link:** Strategic Priority 2 – An efficient, sustainable and customer focussed organisation - Key Result Area 2.3 Improving Performance and Managing Risk – 2.3.1 monitoring of organisational and operational performance is regular, accessible and understandable

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**RECOMMENDATION:**

That the information in relation to Council's investments as at 31 December 2019 be noted.

**REPORT****Cash and Investments**

The investment summary below represents Council's total investments as at 31 December, 2019 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

The below 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  
Responsible Accounting Officer

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
<b>Short Term Deposits</b>	<b>\$ 4,700,000.00</b>					<b>77.05%</b>
Macquarie Bank - RIM Securities	600,000	A	224	1.75%	17/04/20	9.84%
Reliance Bank	500,000	Unrated	182	2.20%	7/02/20	8.20%
AMP - Curve Securities	500,000	A	182	2.00%	26/02/20	8.20%
Reliance Bank	500,000	Unrated	214	1.75%	5/05/20	8.20%
Reliance Bank	500,000	Unrated	214	1.85%	13/04/20	8.20%
ME Bank - Curve Securities	500,000	BBB+	185	1.65%	23/03/20	8.20%
AMP - Curve Securities	500,000	A	211	1.75%	3/06/20	8.20%
BankVic - Curve Securities	500,000	BBB+	212	2.10%	29/01/20	8.20%
NAB - Curve Securities	600,000	AA-	159	1.82%	6/01/20	9.84%

<b>At Call Deposits</b>	<b>\$ 1,399,583.82</b>					<b>22.95%</b>
Commonwealth Bank - General Account	\$ 197,554.59	AA-	At Call	0.60%	N/A	
Commonwealth Bank - BOS Account	\$ 1,201,972.41	AA-	At Call	0.75%	N/A	
Reliance Credit Union - Cheque Account	\$ 56.82	Unrated	At Call	0.00%	N/A	

Total Value of Investment Funds	<b>\$ 6,099,583.82</b>	<b>100%</b>
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Average Rate on Term Deposits	
90 Day BBSW for December 2019	0.914%
Average Rate on Term Deposits	1.874%
Margin over 90 day BBSW	0.960%

Average Term - Short Term Deposits (days)	198
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<b>Portfolio by Credit Rating</b>	<b>Amount \$</b>	<b>%</b>
AA-	\$ 1,999,527.00	32.79%
A	\$ 1,600,000.00	26.23%
BBB+	\$ 1,000,000.00	16.39%
Unrated	\$ 1,500,056.82	24.59%
<b>Total</b>	<b>\$ 6,099,583.82</b>	<b>100.00%</b>

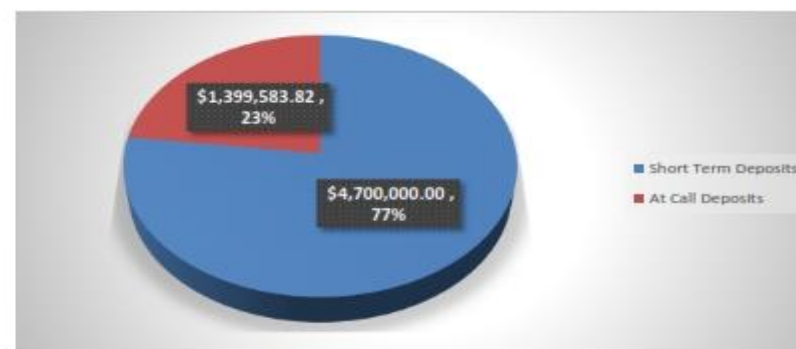
**BANK RECONCILIATION**

Balance as per Bank Statement	\$ 192,673.63
Less: CBA Batch processed January 2020	-\$ 5,667.28
Less: EFT Trans Cheney Suthers reposted January 2020	-\$ 2,649.75
Add: Visa processed January 2020	\$ 11,654.95
Add: Outstanding Deposits	\$ 1,543.04
Balance as per Cash Book	<u>\$ 197,554.59</u>

**GENERAL FUND**

(a) Cash Book Balance	\$ 1,399,583.82
(b) Bank Balance	\$ 1,399,583.82

<b>Short Term Deposits</b>	<b>\$ 4,700,000.00</b>
<b>At Call Deposits</b>	<b>\$ 1,399,583.82</b>



**Investment Commentary**

The Reserve Bank of Australia (RBA) kept the cash rate at an historic low of 0.75% at its meeting held on 4 February, 2020. The RBA have indicated that they will only consider further rate cuts in 2020 if the economy slows further due to the negative impact of the bushfires, the uncertainties in the global economy and continuing low inflation.

There are increasing concerns being expressed regarding the impact of further rate cuts on property prices. Some economic commentators are now arguing that further interest rate cuts will provide limited benefit to the economy and will add to property price pressures and result in additional household debt. Reducing interest rates is also impacting people on fixed incomes with a number now taking on higher risk investments in an effort to maintain their income.

Interest rates on short term deposits (less than 9 month's term), have remained fairly stable over the last couple of months. Council will continue to seek out special offers made by some financial institutions that meet Council's investment criteria.

**BUDGET IMPLICATIONS**

Whilst interest rates remain at lower levels than what was budgeted, this has been offset by higher average funds invested. Based on interest earned year to date, it is anticipated that the actual interest earned for 19/20 may come in slightly under budget. This will be reviewed further at the March 2020 Quarterly Budget Review (QBR).

**POLICY IMPLICATIONS**

Council will continue to utilise rolling investment maturities and management of its on call account facility (Business Overnight Saver) to best match its liquidity requirements. Whilst interest rates are low, Council will seek to maximise opportunities that may arise to achieve the best returns without adversely impacting the risk levels that are acceptable to Council.

**ATTACHMENTS**

Nil



**08) QUARTERLY BUDGET REVIEW STATEMENT – 31 DECEMBER 2019**  
**(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

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**RECOMMENDATION:**

That the budget review statement for the quarter ended 31 December, 2019 be accepted, and the variations therein be voted.

**REPORT**

The Quarterly Budget Review Statement (QBRs) for the period ended 31 December, 2019, is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the September, 2019 operating budget deficit after capital amounts for 2019/2020 of \$579,001 is now estimated to become a \$942,951 surplus. The operating budget deficit before capital amounts is estimated to increase by \$293,300 from \$508,999 to \$802,299.

The most significant contributing factor to this is recognition of an estimated 6% reduction in water sales due principally to the implementation of level 2 water restrictions from July 1, 2019 and level 4 restrictions from 1 January, 2020 in response to the continuing severe drought. As these are the severest level of restrictions implemented by Central Tablelands Water (CTW) in around 14 years, the full impact on water sales for the financial year will need to be reviewed further at the March, 2020 QBRs. The loss of water sales revenue is estimated to be around \$290,000.

Council was also successful in sourcing grant funding of \$1,000,000 for preliminary works in respect to the raising of the wall at Lake Rowlands and \$100,000 for a feasibility study into a potable water supply at Caragabal. \$100,000 will also be contributed by Weddin Shire from proceeds of the Federal Government's Drought Communities program for the installation of two automatic water filling stations, at Grenfell and Quandialla.

The additional grants were offset by an estimated \$600,000 reduction in the estimated residual funding remaining from the Restart grant associated with Carcoar to Orange Pipeline project. A final reconciliation of the project funding associated with the pipeline project is yet to be provided by the applicant, Orange City Council.

The major variations to the operational budget are detailed in the December, 2020 QBR report which is attached to this report.

The adopted overall cash surplus of \$739,734 originally estimated for 2019/2020 has now been revised downwards to a cash surplus of \$418,934. This result is considered to be satisfactory in view of the current operational conditions being experienced by

Council in particular the reduction in water user charges due to demand management measures required in response to the current unprecedented drought.

Major estimated variations to the capital budget generally reflect changes in grant funding allocations. The budget for the completion of Trunk Main K has been increased by \$297,000 to bring it into line with the original project budget of \$6,180,000 that was placed in the 2015/16 operational plan. The Director of Operations and Technical Services has provided a report on the status of the Trunk Main K project in this business paper.

### **BUDGET IMPLICATIONS**

As outlined in the report.

### **POLICY IMPLICATIONS**

In developing the 20/21 to 29/30 long term financial plan, the revenue policy implications of the continuation of demand management measures will need to be considered.

### **ATTACHMENTS**

Quarterly Budget Review Statement – 31 December 2019

9 Pages

**Central Tablelands Water****Quarterly Budget Review Statement**  
for the period 01/10/19 to 31/12/19

Table of Contents	page
1. Responsible Accounting Officer's Statement	2
2. Budget Review Statement Summary	3
3. Income & Expenses Budget Review Statement's	4
- Income Statement variations	5
4. Capital Budget Review Statement	6
- Capital Budget Review variations	7
5. Leakage Allowances Granted	8
6. Contracts Budget Review Statement	9

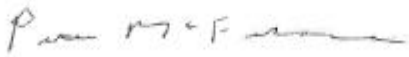
Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/19 to 31/12/19

**Report by Responsible Accounting Officer**

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

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 31/12/19 indicates that Council's projected financial position at 30/6/20 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: 7/02/2020  
Peter McFarlane  
Responsible Accounting Officer

## Budget Review Statement as at 31 December 2019

Council's Revised Income and Expenditure for the year 2019/2020

Original Budget		Revised Budget	
1,495,599	<u>Operating Revenue</u>	1,495,599	
4,918,740	Availability Charges	4,628,740	
129,000	Water Charges	129,000	
64,962	Interest	64,962	
1,013,000	Other Revenues	1,745,250	
62,514	Capital Grants and Contributions	162,514	
57,000	Operational Grants and Contributions	57,000	
7,740,815	Gains on Disposal of Assets		8,283,065
2,283,556	<u>Operating Expenses</u>		
83,170	Employee Costs	2,238,556	
797,581	Borrowing Costs	83,170	
8,000	Materials & Contracts	802,581	
101,750	Legal Costs	8,000	
1,158,257	Consultants	251,750	
0	Other Expenses	1,229,057	
2,227,000	Loss on Sale of Assets	0	
6,659,314	Depreciation and Impairment	2,727,000	7,340,114
1,081,501	<u>Operating Result for Period After Capital</u>	Surplus/(Deficit)	942,951
1,977,173	<u>Less Non-Operating Expenditure</u>		
497,486	Acquisitions of Assets	3,870,043	
210,000	Repayment of Loans	497,486	
708,017	Transfer to Reserves - Plant	210,000	
0	Transfer to Reserves - Renewal Reserves	708,017	
143,264	Transfer to Reserves - ELE	0	
50,000	Water Pricing Increase @ 3% - Tfr to Infrastructure	143,264	
50,000	Transfer to Reserves - ELE	50,000	
739,734	Transfer to Reserves - Consultancy	50,000	
4,375,674	Transfer Estimated Budget Surplus/(Deficit)	418,934	5,947,744
(3,294,173)			(5,004,793)
190,500	<u>Add Non-Operating Revenue</u>		
-	Book Value of Assets Sold	190,500	
202,500	Loan Funds Raised	-	
0	Transfer from Reserves - Plant	202,500	
30,000	Transfer from Consultancy Reserve	50,000	
644,173	Transfer from Reserves - ELE	30,000	
1,067,173	Transfer from Reserves - Capital	1,804,793	2,277,793
(2,227,000)			(2,727,000)
2,227,000	<u>Add Expenses not Involving Flow of Funds</u>		
	Depreciation		2,727,000
\$ -	<u>Budget (Cash) Result Surplus/(Deficit)</u>	\$ -	



Central Tablelands Water

**Quarterly Budget Review Statement**  
for the period 01/10/19 to 31/12/19

**Income & Expenses Budget Review Statement**

Budget review for the quarter ended 31 December 2019

**Income & Expenses - Water Fund**

	Original Budget 2019/20	Approved Changes			Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRs	Sep QBRs	Dec QBRs					
<b>Income</b>									
Rates and Annual Charges	1,495,599		-		1,495,599	-		1,495,599	756,046
User Charges and Fees	4,918,740		-		4,918,740	(290,000)	1(a)	4,628,740	1,966,513
Interest and Investment Revenues	129,000		-	-	129,000	-		129,000	63,448
Other Revenues	64,962		-	-	64,962	-		64,962	40,384
Grants & Contributions - Capital	1,013,000	22,000	75,000	-	1,110,000	635,250	1(b)	1,745,250	254,113
Grants & Contributions - Operating	62,514		-	-	62,514	100,000	1(c)	162,514	26,082
Net gain from disposal of assets	57,000		-	-	57,000	-		57,000	28,747
<b>Total Income from Continuing Operations</b>	<b>7,740,815</b>	<b>22,000</b>	<b>75,000</b>	<b>-</b>	<b>7,837,815</b>	<b>445,250</b>		<b>8,283,065</b>	<b>3,135,333</b>
<b>Expenses</b>									
Employee Costs	2,283,556		(45,000)		2,238,556	-	2(a)	2,238,556	952,434
Borrowing Costs	83,170		-		83,170	-		83,170	51,304
Materials & Contracts	797,581		5,000	-	802,581	-	2(b)	802,581	433,088
Depreciation	2,227,000		500,000		2,727,000	-	2(c)	2,727,000	1,363,500
Impairment	0		-		-	-		-	-
Legal Costs	8,000		-		8,000	-		8,000	-
Consultants	101,750		50,000	-	151,750	100,000	2(d)	251,750	51,929
Other Expenses	1,158,257		67,500	-	1,225,757	3,300	2(e)	1,229,057	522,934
Interest & Investment Losses	0		-		-	-		-	-
Net Loss from disposal of assets					-	-		-	-
<b>Total Expenses from Continuing Operations</b>	<b>6,659,314</b>	<b>-</b>	<b>577,500</b>	<b>-</b>	<b>7,236,814</b>	<b>103,300</b>		<b>7,340,114</b>	<b>3,375,189</b>
<b>Net Operating Result from Continuing Operations</b>	<b>1,081,501</b>	<b>22,000</b>	<b>(502,500)</b>	<b>-</b>	<b>601,001</b>	<b>341,950</b>		<b>942,951</b>	<b>(239,856)</b>
Discontinued Operations					-			-	
<b>Net Operating Result from All Operations</b>	<b>1,081,501</b>	<b>22,000</b>	<b>(502,500)</b>	<b>-</b>	<b>601,001</b>	<b>341,950</b>		<b>942,951</b>	<b>(239,856)</b>
<b>Net Operating Result before Capital Items</b>	<b>68,501</b>	<b>-</b>	<b>(577,500)</b>	<b>-</b>	<b>(508,999)</b>	<b>(293,300)</b>		<b>(802,299)</b>	<b>(493,969)</b>

## Central Tablelands Water

**Quarterly Budget Review Statement**  
 for the period 01/10/19 to 31/12/19

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

Budget Variations being recommended include the following material items:

**Notes Details**

1 (a)	Due to the continuing severe drought and the introduction of demand management measures to manage the remaining water resources the level of water sales has reduced in 19/20. As the Council network has not experienced water restrictions since 2006/07 the full extent of the reduction in water sales will not be known until later in the financial year. Based upon water sales for the first two quarters of the financial year (Sept and Dec), it is estimated that sales are down by around 6%. This has been offset to a small extent by increased water sales at Council's standpipes and filling stations however this only presents a small amount relative to the overall reduction in demand. Consumers within the Council network are to be commended in the way they dealt with the water during this time of severe drought. This estimated reduced water sales will be \$290K.
1 (b)	This consists of the following movements: - Additional 950K for Lake Rowlands Wall Raising Preliminary Works (50K in original budget) - Additional 100K for Automatic Filling Stations in Weddin Shire (Grenfell and Quandialla) - Estimated reduction of 600K in Restart Funding for new reservoir at Carcoar Treatment Plant - Additional 180K for developer contributions and new service connections. - Additional 5K to from Cabonne Council to complete commissioning of Automatic Filling Stations.
1 (c)	100K of grant funding for a feasibility study into a possible future potable water supply at Caragabal
2 (d)	Grant funds of up to 100K used to engage consultants to undertake a feasibility study into future Caragabal supply.
2 (e)	Additional funding of 3K to undertake the production of two videos to improve water literacy and promote Council's water supply assets and operations.

## Central Tablelands Water

Quarterly Budget Review Statement  
for the period 01/10/19 to 31/12/19

## Capital Budget Review Statement

Budget review for the quarter ended 31 December 2019

## Capital Budget - Water Fund

	Original Budget 2019/20	Approved Changes			Revised Budget 2019/20	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
		Other than by a QBRS	Sep QBRS	Dec QBRS					
<b>Capital Expenditure</b>									
New Assets									
- Plant & Equipment	15,000				15,000	10,000	4 (a)	25,000	128,092
- Land Purchase	-	20,000			20,000			20,000	1,374
- Office Equipment	25,000				25,000			25,000	5,511
- Smart Metering	40,000	4,000			44,000			44,000	
- Telemetry	150,000				150,000			150,000	-
- Energy Audit Initiatives	-	28,298			28,298			28,298	
- Automatic Filling Stations - Weddin			-			100,000	4 (b)	100,000	
- Automatic Filling Stations - Cabonne		3,000			3,000	5,250	4 (c)	8,250	10,928
- Carcoar WFP Reservoir	833,000				833,000	(600,000)	4 (d)	233,000	-
- Reticulation Mains - New Connections					-	180,000	4 (e)	180,000	63,194
- Water Operations Reporting Software			45,000		45,000	-		45,000	-
<b>Renewal Assets (Replacement)</b>									
- Pump replacements	49,173	26,178	(13,035)		62,316	-		62,316	11,943
- Vehicle Replacement	450,000	75,338			525,338	(10,000)	4 (e)	515,338	128,092
- Canowindra Depot Refurbishment	40,000				40,000			40,000	-
- Blayney Office - Outdoor Refurbishment	-	24,662			24,662			24,662	10,627
- Blayney Depot - Refurbishment	-	40,000			40,000			40,000	7,273
- Network Signage	60,000				60,000			60,000	
- Reticulation Main Renewals	80,000				80,000			80,000	-
Water Supply Network									
- Trunk Main 'P' - "C" to Somers	-		30,000	-	30,000	-		30,000	-
- Trunk Main 'K' Renewal	100,000	553,097			653,097	297,000	4 (f)	950,097	616,923
- Carcoar to Orange Pipeline		20,000			20,000			20,000	14,564
- Trunk Main A - 300mtrs (Grant)	-	2,000			2,000			2,000	-
- Carcoar WFP - Submersible Pump	0		13,035		13,035	-		13,035	13,035
- Lake Rowlands Wall Augmentation	100,000				100,000	950,000	4 (g)	1,050,000	34,110
BWFP - Renew Wallaby Pipeline	35,000				35,000			35,000	
BWFP - Access Road and Carpark	-	14,047		-	14,047	-		14,047	
BWFP - Flouride Plant (Grant)	-		75,000		75,000	-		75,000	7,280
<b>Subtotal</b>	<b>1,977,173</b>	<b>810,620</b>	<b>150,000</b>	<b>-</b>	<b>2,937,793</b>	<b>932,250</b>	<b>-</b>	<b>3,870,043</b>	<b>1,052,946</b>
Loan Repayments (Principal)	497,486				497,486			497,486	244,443
<b>Total Capital Expenditure</b>	<b>2,474,659</b>	<b>810,620</b>	<b>150,000</b>	<b>-</b>	<b>3,435,279</b>	<b>932,250</b>	<b>-</b>	<b>4,367,529</b>	<b>1,297,389</b>
<b>Capital Funding</b>									
User Fees & Charges Funding	497,486				497,486	-		497,486	244,443
Other Revenue					-			-	
Capital Grants & Contributions	883,000	22,000	75,000		980,000	635,250	4 (h)	1,615,250	124,112
Reserves:									
- External Restrictions/Reserves					-			-	
- Internal Restrictions/Reserves	846,673	788,620	75,000	-	1,710,293	297,000	4 (i)	2,007,293	290,402
Receipts from Sale of Assets									
- Plant & Equipment	247,500				247,500	-		247,500	120,211
<b>Total Capital Funding</b>	<b>2,474,659</b>	<b>810,620</b>	<b>150,000</b>	<b>-</b>	<b>3,435,279</b>	<b>932,250</b>		<b>4,367,529</b>	<b>779,168</b>
<b>Net Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>(518,221)</b>

## Central Tablelands Water

**Quarterly Budget Review Statement**  
 for the period 01/10/19 to 31/12/19

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

Budget Variations being recommended include the following material items:

**Notes Details**

4 (a) Additional 10K to update Council's radio communications network. (total cost 25K)

4 (b) 100K for the construction of two automatic filling stations in Weddin Shire

4 (c) Additional 5K to complete commissioning of Automatic Filling Stations in Cabonne Shire.

4 (d) Reduction in estimated Restart Funding to be used for preliminary works on new reservoir at Carcoar Filtration Plant

4 (e) Additional 180K for mains extensions and new connections.

4 (e) Funding of 4 (a) from plant reserve.

4 (f) 297K additional funding for Trunk Main K completion. Total additional funding for 2019/20 of 522K. Brings total project budget to \$6.18M which is in accord with original budget in 2015/16.

4 (g) 950K additional funding for Lake Rowlands Wall raising preliminary works. 50K of grant funding was in the original budget together with council funding of 50K.

4 (h) Refer to note 1 (b) for breakdown of additional capital grant funding.

4 (i) 297K additional transfer from infrastructure restriction to fund completion of Trunk Main K.

## Central Tablelands Water

Quarterly Budget Review Statement  
for the period 01/10/19 to 31/12/19

## Leakage Allowances Granted - Financial Year to Date

<u>Sept Qtr</u>	<u>No of Applications</u> <u>Granted</u>	<u>Total Allowance KIs</u>	<u>Total Allowance</u> <u>Granted \$</u>
Residential	7	1,014.43	3,144.72
Non Residential	1	100.00	310.00
<b>Total</b>	<b>8</b>	<b>1,114.43</b>	<b>3,454.72</b>

<u>Dec Qtr</u>	<u>No of Applications</u> <u>Granted</u>	<u>Total Allowance KIs</u>	<u>Total Allowance</u> <u>Granted \$</u>
Residential	1	233.28	723.17
Non Residential	0		
<b>Total</b>	<b>1</b>	<b>233.28</b>	<b>723.17</b>

Note: Council's undetected water leaks policy provides for an allowance to be granted if certain conditions are met as per the 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

**Quarterly Budget Review Statement**  
for the period 01/10/19 to 31/12/19

**Contracts Budget Review Statement**

Budget review for the quarter ended 31 December 2019  
**Contracts Listing** - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Cowra Motors	Purchase of Vehicles	90,000	01/12/19	0	Y	Plant Replacement Program Budget

**Notes:**

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported
3. Contracts for employment are not required to be included.

**09) LOAN FUNDING UPDATE (GR.LR.1)****Author:** Director Finance and Corporate Services**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation. 2.2 Financial Management – 2.2.1 Develop a long term financial management plan**RECOMMENDATION:**

The information regarding Council's loan funding be noted.

**REPORT**

The purpose of this report is to provide an update of Council's existing and planned loan borrowing commitments.

Council's only existing loan that was taken out in 2002 to fund the Carcoar Water Filtration Plant and Quandialla Water system, will be paid out on 31 March 2022. At 31 December, 2019 the principal remaining on this loan was \$1,197,592. In 2017, Council investigated if it could pay out this loan early but the costs of breaking the loan made it not viable to do so.

Council's adopted long term financial plan 2019-20 to 2028-29 includes the following loans:

<b>Amount \$</b>	<b>Purpose</b>	<b>Drawdown Date</b>	<b>Term - Years</b>	<b>Interest Rate %</b>	<b>Pay Out Date</b>	<b>Annual Servicing Cost \$</b>
\$6,425,000	Carcoar WFP and Quandialla Water Supply Network	2001/02	20	6.59	31/3/2022	\$580,000
\$4,000,000	Lake Rowlands Dam Safety Works and Carcoar WFP Reservoir Stage 2	2020/21	20	4.50	30/9/2040	\$305,420
\$1,500,000	Blayney Water Filtration Renewal and Upgrade	2022/23	20	5.00	30/9/2042	\$119,509

\$5,000,000	Trunk Main Renewals (B &C)	2024/25	20	5.80	30/6/2044	\$423,926
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It is very likely that the 2020/21 to 2029-30 long term financial plan (LTFP) will result in changes to the proposed loan borrowings based upon updated information and priorities.

It is important that any proposed loan borrowings are modelled carefully to ensure that Council has sufficient cash flow to finance the debt servicing costs (principal and interest repayments). It is important that Council's debt ratios (debt service and debt service cover ratios) indicate that the servicing of any proposed debt is within acceptable levels based upon Council's revenue base and financial risk appetite.

### **BUDGET IMPLICATIONS**

Work on the 2020/21 to 2029/30 LTFP is in its initial stages. Given the adverse impacts of the current severe drought and the implementation of demand management measures upon current and future user charge revenue, this will need to be factored into modelling in relation to the timing of future capital expenditure and the drawdown of future loans.

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**10) INVESTMENT POLICY REVIEW REPORT (FM.IN.1)**

**Author:** Director Finance and Corporate Services

**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.2 Financial Management – 2.2.1 Develop a long term financial plan

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**RECOMMENDATION:**

That the draft Investment Policy be adopted.

**REPORT**

Council's investment policy was last reviewed in 2015.

It has recently been reviewed and a draft is attached for Council's consideration.

As there has been no change to the Investment Policy guidelines issued by the Office of Local Government since 2010 and the Ministerial Investment Order since January 2011, the revised policy contains only minor changes.

These changes include:

- Inclusion of the position of Finance Officer as being an authorised officer to invest on behalf of Council. This position was not in the organisation structure in 2015.
- Noting that Council does no longer hold investments that are subject to the transitional arrangements under the investment order. This relates to investments made prior to 31 July 2008 and referred to funds held in structured investments and managed funds prior to the Global Financial Crisis (GFC). These transitional arrangements grandfathered these types of investments that were prohibited under the 2011 Ministerial Investment Order.
- Small changes to the allowable maturity profile by eliminating the option to invest in terms over 5 years. This has been done to reinforce the rolling short term investment profile of the investments held by Council to ensure that liquidity requirements can be met.
- Counterparty limits that restrict the proportion of funds held based upon the specific credit rating of the institution where the investment will be made.
- Making it clear that the investment returns achieved will be benchmarked against the 90 Day Bank Bill Swap Rate (BBSW).
- Noting that Council does not currently engage an investment adviser but does use finance brokers to source investments.
- Reducing the minimum required amount of cash to be available within 7 days from \$1M to \$500,000 (or 5% of the investment balance whichever is greater)

- Making it clear that the measurement of % limits contained in the policy relate to the sum of cash, cash equivalents and investments held at a point in time. (it does not simply refer to the sum of amounts classified as investments)

It is not expected that the revised policy will result in significant changes to Council's existing procedures or the makeup of the investment portfolio.

### **BUDGET IMPLICATIONS**

The reduction in the amount of cash to be available within 7 days from \$1M to \$500,000 may enable some more funds to be held in short term investments rather than the overnight call account. This may allow marginally more interest to be earned.

However, Council needs to be able to ensure that liquidity needs can be met, as Council does not have an overdraft facility available if extreme cash flow pressure does arise as a result of an unexpected event. This risk is offset to some degree by the rolling nature of Council's term deposit portfolio. There is also an option to break an investment with an interest penalty in an extreme cash flow emergency

### **POLICY IMPLICATIONS**

As per the Report.

### **ATTACHMENTS**

CTW Draft Investment Policy

7 pages





**Central  
Tablelands  
Water**

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## **Investment Policy**

## DOCUMENT CONTROL

Document Title		Investment Policy			
Policy Number		CTW-PR007			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted		December 2016			
Adopted by		Council			
Review Due Date		June 2020			
Revision Number		2			
Previous Versions	Date	Description of Amendments	Author	Review /Sign Off	Minute No: (if relevant)
1	12/10/15				16/079

## Objectives

- (a) To undertake investment of surplus funds, maximising earnings from authorised investments, whilst ensuring the security of Council Funds
- (b) To ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- (c) To ensure that capital invested is preserved and invested in accord with Council's risk appetite.
- (d) To ensure that all restricted funds are backed by cash or investments.

## Policy

### Legislative Requirements

All investments are to be made in accordance with:

- (a) Local Government Act 1993;
- (b) Ministerial Investment Order;
- (c) Trustee Act 1925;
- (d) Local Government (General) Regulation 2005;
- (e) Local Government Code of Accounting Practice and Financial Reporting;
- (f) Australian Accounting Standards; and
- (g) Office of Local Government Circulars.

### Delegation of Authority

Authorised Officer	Roles & Responsibilities
General Manager	Authority to invest surplus funds and authority to delegate this function.
Director Finance and Corporate Services	Authority to invest surplus funds.
Finance Officer	Authority to invest surplus funds

## Authorised Investments

Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government dated 12 January 2011.

Council shall only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;

- (b) any debentures or securities issued by a council (within the meaning of the Local Government Act 1993 (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

All investment instruments (excluding short term discount instruments) referred to above include principal and investment income (interest).

### **Transitional Arrangements**

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the Ministerial Order dated 31 July 2008 which was made in compliance with the previous Ministerial Order dated 15 July 2005, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the Ministerial Order dated 31 July 2008 and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

It is noted that Council no longer holds any investments of the type to which the transitional arrangements apply.

### **Prudent Person Standard**

The investments shall be managed with care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

### **Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

If engaged, independent advisors shall also be required to declare that they have no actual or perceived conflicts of interest.

### **Prohibited Investments**

This Investment Policy prohibits any investment carried out for speculative purposes including:



- (a) Derivative based instruments;
- (b) Principal only investments or securities that provide potentially nil or negative cash flow;
- (c) Stand alone securities issued that have underlying futures, options, forward contracts and swaps of any kind; and
- (d) The use of leveraging (borrowing to invest) of any investment.

### Risk Management Guidelines

Investments are to comply with the following criteria:

- (a) Preservation and return of Capital - all reasonable measures are to be taken to prevent losses in portfolio value;
- (b) Institutional Diversification:
  - a. Not less than three (3) quotations shall be obtained from authorised institutions when an investment is proposed with an investment time period of a minimum of 3 months to a maximum of 2 years.
  - b. Direct investments shall not exceed 40% with any one institution, at any one time.
  - c. All term deposit investments are to be made with authorised deposit taking institutions (ADI's) that are subject to supervision by the Australian Prudential Regulatory Authority. (APRA)
- (c) Maturity Risk - the investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Return to Maturity		
Portfolio % < 1 year	Min 50%	Max 100%
Portfolio % > 1 year	Min 0%	Max 50%
Portfolio % > 3 years	Min 0%	Max 20%
Portfolio % > 5 years	Min 0%	Max 0%

- (d) Market/Credit Risk - consideration shall be given to the risk that the fair value or the future cash flows of an investment will fluctuate due to changes in market prices, or the risk of failure to repay principal or pay interest of in investment;
- (e) Liquidity Risk -
  - (i) Matching investments with cash flow requirements.



- (ii) Ensure access is available within seven (7) days to at least \$500,000 or 5% of value of total investments, whichever is greater.

(f) Counterparty Limits

The following counter party limits will apply under this policy:

Long Term Rating Range	Short Term Rating Range	Maximum Holding %
AAA	A-1+	100
AA	A-2	100
A	A-2	60
BBB	A-3	50
Unrated		40

For the purposes of determining the limits pursuant to this policy, the sum of the cash, cash equivalence (call account) and investments held at a point in time shall be considered.

### Performance Benchmarks

The performance of the investment portfolio shall be assessed against the industry standard of the 90 day Bank Bill Swap Rate (BBSW) rate for all investments.

### Measurement

As Council holds term deposits only, the value of the investment will generally be its face value at the time of investment.

### Reporting and Responsibilities of Council Officers

- (a) The Responsible Accounting Officer shall be responsible for reconciling the investment register on a monthly basis and ensuring sufficient records are maintained, including:
  - (i) the source and amount of money invested;
  - (ii) particulars of the security or form of investment in which the money was invested;
  - (iii) the term of the investment, and
  - (iv) If appropriate, the rate of interest to be paid, and the amount of money earned, in respect of money invested.
- (b) A monthly report shall be provided to Council, detailing the investment portfolio in terms of performance, investment institution and amount of each investment.
- (c) The report should also detail each average return percentage against the performance benchmark rates.

- (d) For audit purposes, certificates must be obtained from financial institution confirming the amounts of investment held on the council's behalf at 30<sup>th</sup> June each year.
- (e) The documentary evidence must provide Council legal title to the investment.

### **Investment Advisor**

Should Council engage an investment advisor, the advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

Council does not currently engage an independent adviser given that the selected investment type is short term deposits of up to 12 months duration. Council does utilise the services of finance brokers who are paid by commissions charged to financial institutions from time to time.

### **Review of Investment Policy**

This policy shall be reviewed annually or if legislative or regulatory changes necessitate earlier amendment.

**11) CORPORATE CREDIT CARD POLICY REVIEW REPORT (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.

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**RECOMMENDATION:**

That the draft Corporate Credit Card Policy be adopted.

**REPORT**

Council received a detailed report in December, 2018 in relation to the use of Corporate Credit Cards by Central Tablelands Water (CTW) staff.

Subsequent to that report, the NSW Audit Office made a recommendation in 2019 that Council change its existing policy to make it an explicit condition of use that cash advances not be available with respect to the use of Corporate Credit Cards.

Since 2013, Council's Corporate Credit cards have not been able to be used for cash advances as a condition of use, in accordance with the credit card facility arranged with the Commonwealth Bank of Australia.

In effect, cash advances were not available to staff issued with a corporate credit card since 2013, however, the policy was not changed to explicitly make it a condition of use that was signed off by the cardholder.

The policy has now been reviewed and this recommended change has been incorporated in the condition of use at clause (x). (Appendix 1 of the policy)

It is important to note that the conditions of Card use, prohibit the incurring of expenditure that is private or personal in nature. It should be noted that there may be extremely rare occasions where staff have an accompanying person with them on business travel whose costs are not a business cost of Council. The policy outlines procedures where these costs are reimbursed as soon as possible back to Council.

The revised policy also now explicitly states:

*"Council will not issue a Corporate Card for private or personal use pursuant to any salary packaging agreement or pursuant to any contractual employment agreement"*

It should be noted that Council procedures did not permit such an arrangement in the past however it has now been explicitly inserted in the policy.

This should ensure that Council does not get involved in salary packaging that may give rise to many credit card disputes involving private or personal expenditure, where the cardholder may claim as part of an agreed salary package. There has been a number of past credit card related matters involving some local government councils. It should also be pointed out that there is no tax benefit for the employee in packaging private and personal expenditure once Fringe Benefits Tax is brought to account.

Such potential arrangements could be eliminated via the standard form senior staff contracts issued by the Office of Local Government. This simple regulatory change could eliminate many disputes arising regarding the legitimate use of corporate cards.

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

After this new policy is adopted, each Cardholder will be requested to sign the new conditions of use if they wish to retain the Corporate Card.

The policy changes are considered minor in nature so it is not considered that this revised policy be placed on public exhibition before adoption.

### **BUDGET IMPLICATIONS**

Nil.

### **POLICY IMPLICATIONS**

As per the Report.

### **ATTACHMENTS**

CTW Draft Corporate Credit Card Policy

6 pages



**Central  
Tablelands  
Water**

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**Corporate Credit Card Policy**



## DOCUMENT CONTROL

Document Title		Corporate Credit Card Policy			
Policy Number		CTW-PR018			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by		General Manager			
Date Adopted		December 2016			
Adopted by		Council			
Review Due Date		June 2020			
Revision Number		2			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)
1	12/10/16				16/079

## 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.

## 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 including the procurement policy.
- 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 Accounts Payable Officer for verification and processing against the Commonwealth Bank Cardholder Statement form.
- Completing and submitting a Statutory Declaration if the original source document for a transaction is lost, stolen, mislaid, damaged or not received. If adequate evidence is not provided the expenditure will become a debt due by the cardholder to Council.

### Restrictions of Use

The Corporate Credit Card cannot be used for the purpose of cash advances and this a condition of issue with the current issuer being the Commonwealth Bank.

Purchases must only be for the use of Council, or Council related business, and not for private or personal use. It is noted that there may be rare exceptional circumstances where a Card Holder makes a payment for a conference or work related activities and is accompanied by a partner or family member. The costs applicable to the accompanying person may not be Council related business and is therefore to be reimbursed to Council.

The share of costs attributable to the non-council related business are subject to approval by the General Manager. If this occurs and the Cardholder concerned is the General Manager then this reimbursement shall be subject to approval by the Director of Finance and Corporate Services.

The Corporate Card is not to be used for obtaining items from suppliers where account facilities are established and items can be obtained through Council's purchase order processes.

Council will not issue a Corporate Card for private or personal use pursuant to any salary packaging agreement or pursuant to any contractual employment agreement.

### Card Application and Use

Entitlement to a Corporate Card shall be determined by the General Manager. This will take into account such factors as the position of the staff member, need to source goods and services quickly with minimum lead time and need to travel in course of employment.

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 review individual Corporate Cardholder's Statements to ensure that the Corporate Card Policy and Procedures is being adhered to.

Each Cardholder is required to have their card expenditure statements approved by their supervisor. In the case of the Directors, the expenditure is approved by the General Manager. The expenditure of the General Manager is reviewed by the Director of Finance and Corporate Services.

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 in accordance with Council's Adopted Code of Conduct.

### 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 (tax invoices and receipts) are to be returned to the Director of Finance and Corporate Services.

### Review

The Corporate Card Policy and Procedures will be reviewed every 4 years or more frequently if required due to changed conditions and circumstances.

The General Manager reserves the right to vary this policy immediately if special circumstances arise



## 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 delegation limits and for approved purposes.
- (iii) am aware that transactions made with the card are subject to authorisation and audit procedures and disclosure by application under the Government Information Public Access (GIPA) Act.
- (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) immediately on termination of employment with Council;
  - (d) within a reasonable period of time once it has been determined 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 use other means available for purchases when efficient and appropriate to do so rather than use the Corporate Card.
- (x) am aware that the Corporate Card cannot be used to obtain cash advances.
- (xi) am aware that if the goods are sourced by suppliers of Council where established account facilities are in place, a purchase order should be used rather than use the Credit Card.

Corporate Cardholder's signature: .....

Date.....

General Manager's signature: .....

Date.....



**12) EDUCATION AND PROMOTIONAL VIDEO PROJECT UPDATE (CM.PL.1)**

**Author:** Director Finance and Corporate Services

**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation Key Result Area 2.1 Customer Service 2.1.5 Public education information about water management and sustainable water practice is developed and published.

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**RECOMMENDATION:**

That the information in relation to the Education and Promotional Video Project be noted.

**REPORT**

In the 2019/20 adopted budget, an allocation of \$10,000 was included for the development of an educational and promotional video.

The purpose of the video was:

- To promote the services offered by Central Tablelands Water (CTW)
- To highlight the large regional water network that is under the stewardship of CTW
- To complement the new brand and website recently launched by CTW.
- To promote education and community understanding of water production processes.
- To improve awareness of the requirements of the Australian Drinking Water Standards and the high quality product produced by CTW.
- To promote water wise and water saving methods particularly in this period of severe drought.
- To use in educational institutions to promote water literacy and awareness of the importance of water as a precious resource
- To promote an understanding of the costs of water production including renewal of the large water network infrastructure.

Council has engaged Ready Marketing at Orange to undertake this project. Following initial discussions with the project team it was decided to break the project up into two videos as follows:

**Video 1**

- Promotion of CTW assets, infrastructure and scale. (filtration plants, pump stations, reservoirs) including drone images of Lake Rowlands and the Water Filtration Plants.
- Incorporating water production methods (from Dam to Tap) including treatment processes, filtering disinfection) including details of pumping distances (scale of trunk and reticulation network)

- Promote the regional aspect of CTW supply by highlighting network links between service areas across local government boundaries in Cabonne, Weddin and Blayney Shires.

## **Video 2**

- Water wise techniques to preserve precious water resources and use the resource wisely (including mention of water restrictions – demand management measures)
- Educate the community regarding the importance of water production in relation to both reliability of supply and water quality (compliance with Australian Drinking Water guidelines)

Each video will include both background music and voice overs.

The planned timetable for the project is:

- Filming to be undertaken in early to mid-March, 2020
- Post Production/Integration March to early May, 2020
- Project completion and launch Mid to late May ,2020

## **BUDGET IMPLICATIONS**

The adopted budget for 2019/20 included an estimated amount of \$10,000. Following more detailed scoping of the project including the production of two videos, the amended cost estimate is \$13,300. The additional \$3,300 will funded as part of the December, 2019 QBRS.

## **POLICY IMPLICATIONS**

Nil

## **ATTACHMENTS**

Nil

### 13) **WATER SECURITY – DROUGHT IMPACT 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.

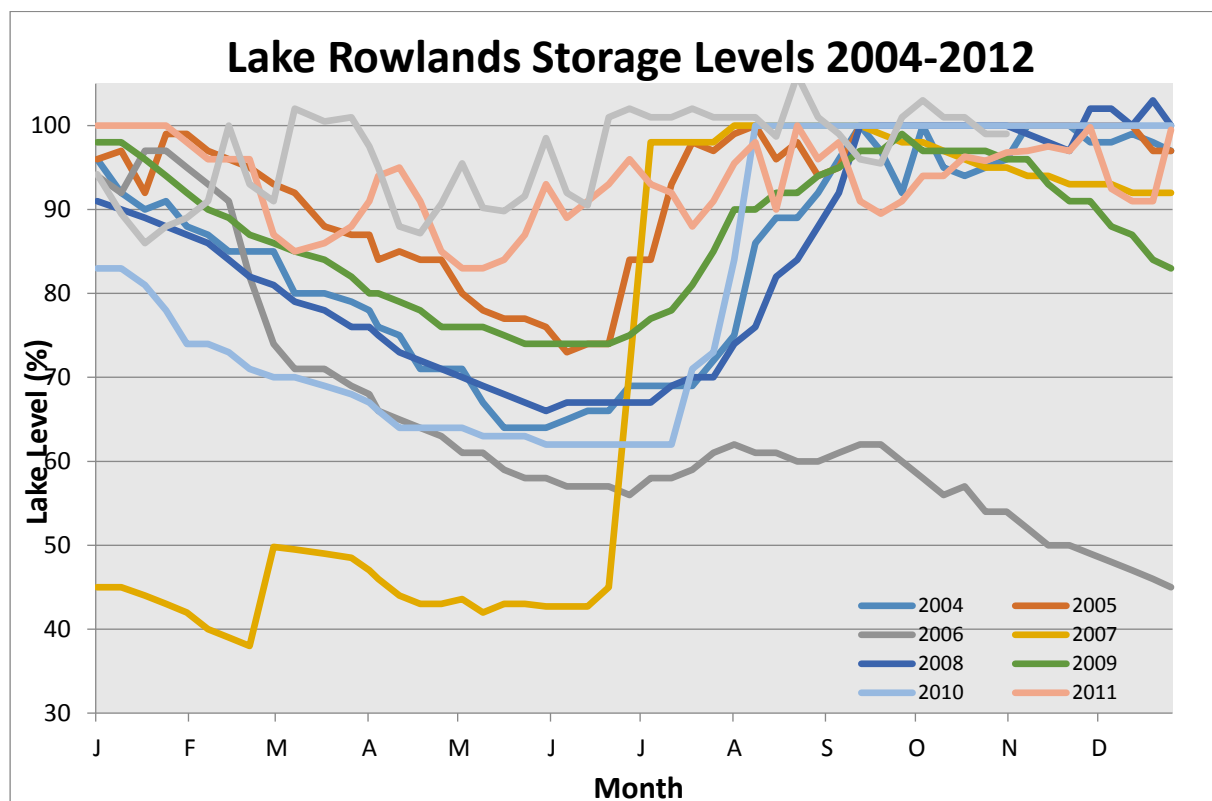
#### **REPORT**

Central Tablelands Water (CTW) continues to operate under its Drought Management Plan (DMP) 2012.

In line with this DMP, CTW implemented Level 4 restrictions on 1<sup>st</sup> January 2020 and continues to closely monitor its effect on Demand of Residence Consumption per Person (DoRCpP). The target DoRCpP for Level 4 restrictions is 178 Litres/person/day.

CTW is also closely monitoring the level of its Lake Rowlands Dam (LRD), and comparing its current level against the 2007 drought levels.

LRD is currently equal to its previous 2007 level.



CTW continues to supplement LRD water by continual use of its Gooloogong bore fields.

In following from CTW's DMP Level 3 & Level 4 restriction guidelines, CTW undertook a controlled release from LRD, via its scour valve in mid-December, in preparation of

gaining best access to the 900ML dead storage of LR Dam. As a consequence of this release, a flow was created into Coombing Creek.

CTW has received positive verbal feedback from NSW DPIE Water regarding CTW's recent drought funding request to assist with water quality studies for Bangaroo Bores, Cudal Bore and Blayney Well. CTW awaits a formal letter from DPIE Water as to the details of that support.

### **BUDGET IMPLICATIONS**

Increased Operational Cost in 2019-2020 Financial Year.

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**14) WATER SECURITY – REGIONAL APPROACH TO SUPPORTING NEIGHBOURING COUNCILS (WS.AM.1)**

**Author:** Director Operations & Technical Services

**IP&R Link:** Strategy Priority 1 – Providing a high quality and reliable drinking water supply – Strategic Priority 3 – Regional leadership and collaboration – 3.1 – Regional collaboration and partnerships.

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**RECOMMENDATION:**

That Council promote a 'One Out - All Out' approach with neighbouring councils that are interlinked to CTW's network, to provide the sharing of water resources when a Level 6 water restriction is introduced.

**REPORT**

Central Tablelands Water (CTW) maintains and augments its vast infrastructure through a combination of self-funded programs (i.e. TMK renewal) and/or NSW Government funded (i.e. Carcoar to Orange pipeline) projects.

In this time of prolonged unprecedented drought, some of our neighbouring councils that have interlinking pipelines with CTW, are currently operating under Level 5 water restrictions with the inevitability of moving to Level 6 water restrictions in the very near future, if the current weather conditions remain.

Level 6 water restrictions introduces huge imposts on businesses and industries which support the life blood of their town, and their neighbouring towns, villages and councils.

CTW is currently connected to Orange City Council, Cowra Shire Council and indirectly connected to the township of Molong, residing in the Cabonne Council local government area, through its interconnecting pipelines that have been largely subsidised through the NSW State Government funding programs.

Council is requested to consider CTW's obligation when receiving NSW State government grant funds relating to its infrastructure, which highlights the use of this infrastructure to benefit our regional neighbours and the Central West region as a whole.

As a regional approach, CTW will continue with its efforts to work with James McTavish, NSW Regional Town Water Supply Co-ordinator and David Swan, NSW DPIE Water Western Region Manager to improve CTW's, and the region's resilience to this drought and future droughts.

**BUDGET IMPLICATIONS**



To be modelled.

**POLICY IMPLICATIONS**

Orange to Carcoar Pipeline Emergency Water Supply agreement.

**ATTACHMENTS**

Nil

**15) 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 all funds from the original 2015/16 Capex budget be made available to complete the TMK pipeline project.

**REPORT**

Trunk Main K supplies Grenfell with water from the Central Tablelands Water (CTW) system.

The Capital Works budget for the replacement of Trunk Main K is \$6,182,364 extending originally across the 2015/16 – 2018/19 financial years.

The previous Stage 1 & Stage 2 augmentation of 250mm PVC Class PN20 pipeline was completed in December 2018, however the flushing and disinfecting of this new pipeline into Grenfell North reservoir remains on-hold due to implementation of Level 3 and current Level 4 Water restrictions applied across the entire CTW networks.

The remaining section of this project, being the Stage 3 construction of 300mm Ductile Iron (DI) Class PN35 pipeline, recommenced on 4<sup>th</sup> November 2019, and is currently deemed to be 95% completed.

CTW has incurred cost overruns on the installation of this last stage of pipeline due to an additional 2km length of pipeline and subsequent fittings, major stoppages relating to weather conditions. i.e. periods of high winds & resulting fire dangers and extremely hard ground conditions resulting in reduced pipe laying daily meterage rates.

**BUDGET IMPLICATIONS**

Nil – Original Capex budget,  
Additional \$297k from Infrastructure reserve

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**16) LAKE ROWLANDS DAM SAFETY UPGRADE (WS.SP.4)**

**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**

All Dam Safety Committee (DSC) planned works have been placed on-hold due to the NSW State Government recent announcement of a \$1M grant to undertake a feasibility study for the augmentation of Lake Rowlands Dam.

CTW will work with its consultants to ensure that all DSC concerns are addressed within the scope of works of the augmentation project.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**17) 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.

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**RECOMMENDATION:**

That the information be noted.

**REPORT**

a) *Meter Reading*

The third meter read for the 2019/20 financial year commenced 6<sup>th</sup> January as per the meter reading schedule. CTW successfully implemented a new software package and smart devices that has improved this process.

b) *Meter Change Program*

There have been 10 meter changes undertaken since the previous reporting period.

c) *Water Filtration Plants*

Both Blayney and Carcoar Water Treatments Plants operations have continued unabated.

d) *Pump Stations*

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

e) *Drinking Water Quality*

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

f) *Trunk Mains*

Ongoing inspections continue to be carried out on Trunk Mains and Rural supplies during the previous three months.

g) *Hydrants*

Ongoing inspections and maintenance requirements have continued to be carried out on hydrants throughout all towns on the CTW supply network during the previous three months.

h) *Rural Scheme renewals*

Trunk Main 'P' - Somers Lane. Approx. 2km of 100mm Blue PVC pipeline. Completion of the laying of this new main and changeover of all rural connections is expected by end April 2020.

i) *Automated Water Filling Stations*

CTW has commissioned 3 Automatic Water Filling Stations in the Cabonne Shire located at Manildra, Eugowra and Canowindra townships. These filling stations continue to be accessed by the public without any appreciable impact on CTW's network operations. The usage of all AWFS will continue to be closely monitored.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



**18) 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*

b) Location		Date	Size / Type	Comment
Blayney	Burton St	5/12/2019	100mm PVC	DNR
Blayney	Osman St	10/12/2019	150mm AC	DNR
Carcoar	Icely St	17/01/2020	100mm AC	R&RP
Carcoar	Icely St	22/01/2020	100mm AC	DNR
Canowindra	Moorbel Dr	02/01/2020	40mm PVC	Clamp
Canowindra	Rivers Rd	09/01/2020	200mm Steel	Weld
Canowindra	Tilga St	08/01/2020	80mm AC	R&RP
Cargo	Barragan Rd	16/01/2020	100mm AC	DNR
Millthorpe	Crowson St	03/02/2020	100mm AC	DNR

Note 1.

CTW Mains (Trunk & Retic) Break score of 9/573km == 1.57 /100km.

Rolling Value across 12mths = 10.12/100km which is above 2017-18 NSW State Median benchmark of 9.0 breaks/100km.

*b) Service Activities and Requests*

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>BLAYNEY</b>	<b>17</b>	<b>25</b>	<b>29</b>	<b>18</b>	<b>1.25%</b>	<b>1443</b>
CUSTOMER DAMAGED METER	1	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	1	0	0.00%	
HYDRANT LEAKING	1	0	2	2	0.14%	
LEAKING METER	10	14	13	4	0.28%	
LEAKING SERVICE	4	4	4	4	0.28%	
LOW PRESSURE COMPLAINT	0	0	2	0	0.00%	
MAIN BREAK	0	4	4	2	0.14%	
MAINTENANCE - GENERAL	0	0	1	0	0.00%	

METER NEW / REPLACEMENT	0	0	0	4	0.28%	
METER NOT SHUTTING OFF	1	3	0	1	0.07%	
NO WATER COMPLAINT	0	0	2	0	0.00%	
QUALITY COMPLAINT	0	0	0	1	0.07%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>CANOWINDRA</b>	<b>12</b>	<b>18</b>	<b>12</b>	<b>12</b>	<b>1.07%</b>	<b>1118</b>
LEAKING METER	3	4	2	4	0.36%	
LEAKING SERVICE	3	8	5	2	0.18%	
LOW PRESSURE COMPLAINT	0	1	0	1	0.09%	
MAIN BREAK	3	1	3	3	0.27%	
MAINTENANCE - GENERAL	2	1	1	1	0.09%	
METER NEW / REPLACEMENT	0	0	0	1	0.09%	
NO WATER COMPLAINT	1	1	1	0	0.00%	
PATHCOCK FAILURE	0	1	0	0	0.00%	
QUALITY COMPLAINT	0	1	0	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>CARCOAR</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>2.24%</b>	<b>134</b>
CHECK METER READING	0	0	0	1	0.75%	
HYDRANT LEAKING	0	1	0	0	0.00%	
MAIN BREAK	0	1	0	2	1.49%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>CARGO</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0.75%</b>	<b>159</b>
LEAKING METER	1	0	1	0	0.00%	
LEAKING SERVICE	1	0	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	3	0	0.00%	
MAIN BREAK	0	0	0	1	0.75%	
PATHCOCK FAILURE	0	0	1	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD	
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	2016	2017	2018	2019	% of Total customers	Total Customers
<b>CUDAL</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>0.88%</b>	<b>227</b>
LEAKING METER	1	1	1	2	0.88%	
LEAKING SERVICE	1	2	2	0	0.00%	
MAIN BREAK	0	0	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>EUGOWRA</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>1.31%</b>	<b>383</b>
HYDRANT LEAKING	1	0	0	0	0.00%	
LEAKING METER	3	2	4	1	0.26%	
LEAKING SERVICE	1	3	0	2	0.52%	
MAINTENANCE - GENERAL	0	0	0	1	0.26%	
METER NOT SHUTTING OFF	0	0	0	1	0.26%	
NO WATER COMPLAINT	1	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>GRENFELL</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>9</b>	<b>0.68%</b>	<b>1317</b>
CHECK METER READING	0	0	1	0	0.00%	
CUSTOMER DAMAGED METER	0	0	1	0	0.00%	
DIRTY WATER COMPLAINT	0	0	3	6	0.46%	
HYDRANT LEAKING	1	0	0	0	0.00%	
LEAKING METER	3	1	2	3	0.23%	
LEAKING SERVICE	0	3	1	4	0.30%	
LOW PRESSURE COMPLAINT	0	0	2	1	0.08%	
METER NOT SHUTTING OFF	2	1	1	2	0.15%	
NO WATER COMPLAINT	0	0	0	1	0.08%	
QUALITY COMPLAINT	0	0	2	0	0.00%	
Total Complaints = 8						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>LYNDHURST</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1.32%</b>	<b>151</b>
LEAKING METER	2	0	0	0	0.00%	
LEAKING SERVICE	0	0	0	2	1.32%	
METER NOT SHUTTING OFF	0	1	0	0	0.00%	
NO WATER COMPLAINT	1	0	0	0	0.00%	

Total Complaints = 0

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>MANDURAMA</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0.75%</b>	<b>133</b>
LEAKING METER	1	0	0	1	0.75%	
LEAKING SERVICE	1	0	1	0	0.00%	
MAIN BREAK	0	3	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>MANILDRA</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0.36%</b>	<b>279</b>
HYDRANT LEAKING	0	1	0	0	0.00%	
LEAKING SERVICE	1	0	0	1	0.36%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>MILLTHORPE</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>1.99%</b>	<b>452</b>
CUSTOMER DAMAGED METER	1	0	0	0	0.00%	
LEAKING METER	0	1	2	3	0.66%	
LEAKING SERVICE	0	0	1	3	0.66%	
MAIN BREAK	0	2	0	1	0.22%	
MAINTENANCE - GENERAL	1	0	1	0	0.00%	
METER NEW / REPLACEMENT	0	0	0	1	0.22%	
METER NOT SHUTTING OFF	1	1	0	1	0.22%	
NO WATER COMPLAINT	0	0	0	1	0.22%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
<b>QUANDIALLA</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3.06%</b>	<b>98</b>
DIRTY WATER COMPLAINT	0	0	1	0	0.00%	
LEAKING METER	0	1	1	2	2.04%	
LOW PRESSURE COMPLAINT	0	0	0	1	1.02%	
Total Complaints = 1						

<b>TOTAL ACROSS CTW TOWNSHIPS</b>	<b>52</b>	<b>64</b>	<b>68</b>	<b>66</b>	<b>1.12%</b>	<b>5894</b>
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## Notes:

1. Total Customers reflect the number of properties where water is connected.
2. Comparison years use data from the same period i.e. December to February.
3. CTW complaint rolling value score across 12mths == 8.31 which is above the 2017/18 NSW State median of 5.0 complaints/1000 connections. This high value is mostly attributed to dirty water complaints resulting from the reduction of CTWs mains flushing programs during this drought period.
4. CTW Total Service Activities and Requests score == 1.12% which is below CTW benchmark of 5% across all townships.

*c) Lake Rowlands*

The current level of Lake Rowlands is 40% (6.2.20)

*d) New Water Services*

Since the previous December 2019 council meeting, there have been six (6) new domestic water services connected to Council's mains.

*e) Water transfer through CTW ⇔ OCC pipeline*

No water has been transferred to, or from, Orange using this pipeline.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



**19) REPORTING THE 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.

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**RECOMMENDATION:**

That the information be noted.

**REPORT**

CTW currently requires manual transfer of operational data from its telemetry system, Water Treatment Plant SCADA systems, CASYS meter reading database and hard copied plant Systems Check Sheets, into spreadsheets to provide compliance data for various government agencies.

CTW has sourced a cloud based Infrastructure Data program that will enable direct interfacing and automatic data transferring from its current telemetry, SCADA and CASYS systems, to create automatic generation of compliance reporting.

The labour saving created by this tool will provide efficiencies in both staff utilisation and online operations performance monitoring.

CTW has awarded the contract to HunterH2O on the 12<sup>th</sup> December 2019 for the implementation of the “Infrastructure Data” package.

CTW is awaiting the roll-out plan for integrating this package into our existing various databases.

**BUDGET IMPLICATIONS**

Additional \$45k – Approved September 2019 QBRS.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**20) QUESTIONS ON NOTICE**

(General Manager)

No questions on notice were received.

**ATTACHMENTS**

Nil

21)

**WATER LEAKAGE – ACCOUNT 3920000001 (CR.EQ.1)**

(General Manager)

**RECOMMENDATION:**

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

**ATTACHMENTS**

Nil