



**Central
Tablelands
Water**

Business Paper

**Ordinary Meeting of
Central Tablelands Water**

15 February 2023

Blayney



Saturday, 11 February 2023

Notice to Members

Your attendance is requested at a Confidential Ordinary Meeting of Council to be held at the Darrell Sligar Centre, Blayney on Wednesday, 15 February 2023 at 10.30am.

Morning tea will be provided from 10am.

Agenda

1. Opening Meeting
2. Acknowledgement 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. Matters Arising from Previous Meetings
7. Disclosures of Interests
8. Public Forum
9. Chairperson's Minute
10. Councillor Representation
11. Notices of Motion
12. Reports of Staff
13. Questions on Notice
14. Confidential Matters
15. Late Reports
16. Conclusion of the Meeting

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Rhodes', is positioned above the printed name.

G. Rhodes
General Manager

ACKNOWLEDGEMENT 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.

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HELD ON WEDNESDAY 15 FEBRUARY 2023

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12. REPORTS OF STAFF

12.1) MEETING TIMES AND DATES (GO.CO.2)

Author: General Manager

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

RECOMMENDATION:

That Council hold its ordinary meetings for the next 12 months including a budget workshop on the following dates:

Council budget workshop	5 April 2023	Canowindra
Council meeting	26 April 2023	Grenfell
Council meeting	21 June 2023	Canowindra
Council meeting	16 August 2023	Blayney
Council meeting	18 October 2023	Grenfell
Council meeting	13 December 2023	Canowindra
Council meeting	21 February 2024	Blayney

REPORT

Special Meetings

Council may hold special or extraordinary meetings as determined by Council, or call of the Chairperson. Notice of less than three (3) days may be given to members of an extraordinary meeting of the council in cases of emergency.

Ordinary Meetings

Council has previously held its ordinary meetings on the 2nd Wednesday of alternate months, however on review, the following dates have been proposed for the next 12 months to allow for adequate time to exhibit draft IP&R Plans, the adoption of IP&R Plans, adoption of financial statement certificates and presentation of end of year financial statements:

26 April 2023	-	Grenfell
21 June 2023	-	Canowindra
16 August 2023	-	Blayney
18 October 2023	-	Grenfell
13 December 2023	-	Canowindra
21 February 2024	-	Blayney

Following a review of the constituent councils' scheduled meeting dates, there appears to be no conflict with the CTW meeting dates proposed in this report.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.2) DELIVERY PROGRAM PROGRESS REPORT (FM.PL.1)

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

RECOMMENDATION:

That Council note the Delivery Program 2022-2026 progress report as at December 2022.

REPORT

This report relates to and provides information regarding Council's progress in achieving the strategic outcomes prescribed in Council's Integrated Planning and Reporting Delivery Program 2022-2026. It provides information on the performance of Council's strategic objectives in a streamlined summary aligned directly with Council's Delivery Program 2022-2026.

In accordance with Section 404(5) of the *Local Government Act 1993*, the General Manager must ensure that regular reports are provided to Council as to progress with respect to the achievement of the principal activities detailed in the Delivery Program.

This report has been compiled in consultation with management and staff.

A copy of the Delivery Program Progress Report as at December 2022 is attached for information.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 [↓](#) Delivery Program 2022-2026 progress report as at December 2022 8 Pages

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

Traffic Lights Progress Key Indicator:

-  Not due to commence
-  Completed
-  Progressing
-  Not Progressing

STRATEGIC PRIORITY 1

PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY

KEY RESULT AREA – 1.1 SERVICE PROVISION THROUGH FIT FOR PURPOSE INFRASTRUCTURE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.1.1	Deliver capital works program based on asset management data.	Capital works milestones delivered	x	x	x	x	The Capital Works program is progressing. Reticulation mains renewals in Canowindra are complete. Reticulation mains renewals in Millthorpe and Carcoar is progressing. 12ML Clear Water Tank at Carcoar Water Treatment Plant is to commence construction in March. Woodstock Pump Station is to be commissioned in March/April.	
1.1.2	Review, update and implement maintenance program.	Maintenance program is delivered	x	x	x	x	CTW develops a maintenance program based on operational needs and asset condition on an annual basis.	
1.1.3	Develop and implement backflow prevention program.	Program is in place	x	x	x	x	Program is being finalised. Backflow devices have been fitted with QR coded tags to enable and give advanced warning of 12 month testing requirement.	
1.1.4	Undertake regular water meter replacement program.	Program is in place	x	x	x	x	Meter replacement program when the meter is above 7,500 kL is ongoing. Smart meters are being rolled out into areas of safety concerns i.e. 100km zones etc.	
1.1.5	Consider potential use of CTW's existing underutilised groundwater sources.	Water quality analysis undertaken.			x		To be delivered in FY24/25.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 1.2 ENSURE COMPLIANCE WITH REGULATION								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.2.1	Review and update CTW's Drinking Water Management System (DWMS).	DWMS updated in accordance with NSW Health DWMS guidelines.	x	x	x	x	Drinking Water Management System is reviewed and updated on an annual basis. An independently facilitated workshop was held in November 2022 with CTW's Water Quality staff and Senior Management to review the current DWMS. A future DWMS workshop for CTW Board is being arranged.	
1.2.2	Inform and involve our customers and regulators about projects, programs and other activities.	Issuing of media releases and notification via social media. Performance monitoring reporting.	x	x	x	x	Notification regarding projects and programs are provided via CTW's website, facebook page, public notices in local newspapers, newsletters, householder pamphlets, local radio and television.	
1.2.3	Undertake strategic reviews of water treatment facilities.	Reviews completed	x				An independently facilitated workshop was held in late November 2022 with CTW's Water Quality staff, Senior Management, NSW Health and DPE Water to review the current water treatment facilities. A future strategic review workshop regarding CTW's water treatment facilities with CTW's Board is being arranged.	
1.2.4	Undertake regular water sampling programs in accordance with NSW Health DWMS guidelines.	Program ongoing with NSW Health DWMS.	x	x	x	x	Council has an extensive water quality sampling program in place which enables Council to meet regulatory water quality compliance requirements.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 1.3 BEST PRACTICE ASSET MANAGEMENT								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.3.1	Assets are managed strategically, using whole of life methodology to improve delivery of services and financial management	Asset management system in place	x	x	x	x	Revised Asset Management Plan adopted in June 2022.	
1.3.2	Review and update Integrated Water Cycle Management Plan (IWCM) in accordance with applicable regulatory best practice guidelines.	IWCM reviewed, updated and implemented in accordance with guidelines		x			To be completed in 23/24. However, CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.	
1.3.3	Review and update strategic business plan (SBP) in accordance with applicable regulatory best practice guidelines.	SBP reviewed and updated in accordance with applicable regulatory guidelines.	x				CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.	
KEY RESULT AREA – 1.4 MITIGATE ENVIRONMENTAL IMPACTS OF SERVICE DELIVERY								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.4.1	Develop and implement a catchment management plan for Lake Rowlands.	Catchment management plan has been developed and implemented.	x	x			CTW will work in conjunction with Water Infrastructure NSW (WINSW) and the Belubula Water Security Project (BWSP) team to develop a catchment management plan for Lake Rowlands. This is to be completed over FYs 22/23 & 23/24.	
1.4.2	Review and update Renewable Energy Action Plan (REAP) including solar and battery optimisation projects.	REAP reviewed and updated. Renewable energy projects delivered.	x		x		SMT are currently working with energy industry experts and the CNSWJO with a focus on solar and storage assessment. Preliminary solar works have commenced at Canomodine Pump Station and Carcoar Water Treatment Plant, with other works being assessed on their Return on Investment criteria.	
1.4.3	Continue to review operational processes with the objective of further mitigating environmental impacts.	Evidence of continuous improvement. Operational process efficiencies realised.	x	x	x	x	CTW's operational processes will continue to be reviewed to mitigate environmental impacts. Recommendations resulting from DPE inspections i.e.Chlorine Plant upgrades to Quandialla and Gooloogong Bore sites are being implemented.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 1.5 EFFICIENT USE OF WATER								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
1.5.1	Provide customers with regular and current information regarding how to use water wisely.	Number of water wise updates issued via social media and newsletters.	x	x	x	x	Water saving and monitoring measures are provided via CTW's website, newsletters, television advertising and Smart Water Mark.	
1.5.2	Develop and promote a source to tap educational program for schools in the water supply area.	Number of schools the educational program is delivered to in the supply area.	x	x	x	x	Source to tap educational program options are to be discussed with Smart Water Mark as part of membership in February 2023.	

STRATEGIC PRIORITY 2

AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED ORGANISATION

KEY RESULT AREA – 2.1 QUALITY CUSTOMER SERVICE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.1.1	Review and update community/stakeholder engagement strategy.	Strategy has been reviewed and updated	x		x		A Community Engagement Strategy was adopted by Council in December 2020. This existing strategy will be reviewed over the next 3 months.	
2.1.2	Undertake customer satisfaction survey.	Survey is completed and feedback being used to improve performance	x				Customer satisfaction survey completed by independent research company in March 2019. The next customer satisfaction survey will be conducted during March/April 2023.	
2.1.3	Review and update levels of service and report on performance.	Levels of services reviewed and updated. Regular reporting of performance.	x	x	x	x	DPE Annual Performance reporting has been completed and submitted in December 2022. DPE feedback and comments resulting from this report will be reviewed and assessed by SMT as well as the newly appointed Assets Officer when this feedback is provided. CTW will continue to provide performance reporting through its staff reports.	
2.1.4	Provide regular updates to stakeholders and customers regarding projects and works	Number of updates issued via social media and newsletters.	x	x	x	x	Updates regarding CTW projects and works will continue to be provided via CTW's website, Facebook page and newsletters.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 2.2 SOUND FINANCIAL MANAGEMENT								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.2.1	Review and update long term financial plan (LTFP).	LTFP reviewed and updated annually	x	x	x	x	LTFP adopted June 2022. Reviews are undertaken during the Quarterly Budget Review process.	
2.2.2	Review schedule of fees and charges as part of the annual operational plan development for endorsement and adoption by council.	Annual Fees & Charges adopted by Council.	x	x	x	x	2022/23 Fees & Charges adopted June 2022. A review of the annual fees and charges for FY23/24 to be undertaken in March/April. A budget workshop scheduled for 5 April 2023.	
2.2.3	Collaborate with constituent councils in the review and update of the Development Servicing Plan (DSP) in accordance with applicable guidelines.	DSP review and update completed in accordance with guidelines. DSP implemented.				x	To be reviewed and updated in 25/26.	
2.2.4	Explore additional revenue stream opportunities.	New income identified	x	x	x	x	Additional revenue stream opportunities explored on a continuous basis.	
2.2.5	Secure grant funding where available to support the delivery and development of services and infrastructure.	Grant funding applications successful	x	x	x	x	Grant funding opportunities continue to be advocated for where available. CTW's Main Artery Pipeline Augmentation project proposal is currently being reviewed by the Safe & Secure Water Program with notification expected in March 2023. Disaster recovery funding is also being sought following the recent devastating floods in the region.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 2.3 CONTINUOUS IMPROVEMENT WHILST MANAGING RISK								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.3.1	Manage the risk management framework including the risk register.	Framework is in place and risk register regularly reviewed and updated.	x	x	x	x	Risk management framework and register are regularly reviewed and updated prior to Audit Risk and Improvement Committee (ARIC) meetings.	
2.3.2	Review and update Business Continuity Plan (BCP).	BCP reviewed and updated in consultation with insurers.		x		x	The BCP is to reviewed and updated in 23/24.	
2.3.3	Review and update internal audit plan in consultation with the Audit Risk and Improvement Committee (ARIC).	Internal Audit Plan adopted by ARIC. Internal Audits undertaken in accordance with the Plan.	x	x	x	x	Internal audit plan to be reviewed and updated in consultation with ARIC during March/April.	
2.3.4	Review and update CTW's Work, Health & Safety (WHS) policy and procedures in accordance with WHS legislation.	WHS policy and procedures updated and implemented.	x	x	x	x	CTW's WHS policy and procedures are continuously reviewed and updated in consultation with CTW staff.	
KEY RESULT AREA – 2.4 A CAPABLE AND MOTIVATED WORKFORCE								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
2.4.1	Review, update and implement CTW's Workforce Management Strategy.	Strategy reviewed, updated and implemented.		x		x	CTW's Workforce Management Strategy 2022-2026 was adopted by Council in June 2022. The strategy is to be reviewed in 23/24 with a key focus on succession planning due to future retirements of senior staff.	
2.4.2	Provide staff with professional development opportunities to meet future needs.	Professional development needs identified in consultation with staff.	x	x	x	x	Professional development opportunities to be discussed and agreed during staff performance appraisals, or as training opportunities or needs arise.	
2.4.3	Develop capability and innovate with technological advances in the field.	Technology used in the field, operational efficiencies realised.	x	x	x	x	Technological advances in the field continue to be explored as they become available. This includes areas such as mapping infrastructure (GIS), meter reading, telemetry, etc.	

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

STRATEGIC PRIORITY 3

REGIONAL LEADERSHIP AND COLLABORATION

KEY RESULT AREA – 3.1 REGIONAL COLLABORATION AND PARTNERSHIPS								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
3.1.1	Work closely with Central NSW Joint Organisation (CNSWJO) including the Water Utilities Alliance (CWUA) for the continued delivery of safe and secure quality drinking water for the region.	Active participant of the CNSWJO and CWUA.	x	x	x	x	The Chairperson and General Manager attend Central NSW JO (CNSWJO) Board Meetings. The GM attends CNSWJO GMAC Meetings. DFCS attends CNSWJO HR Meetings. The GM or DOTS attend CNSWJO WUA Meetings. CTW Staff participate in joint CNSWJO Projects and training when applicable to CTW. Recent joint procurement and training activities includes: electricity contracts, renewable energy projects, IP&R training, and Water Loss Management training.	
3.1.2	Participate in CNSWJO opportunities for relevant joint procurement activities, knowledge and resource sharing, and advocacy for strategic regional priorities.	Opportunities identified, considered and pursued.	x	x	x	x	CTW continues to work with constituent councils to encourage growth in the region. Subdivisions in constituent council areas have increased over the past 2 years with more planned for the future.	
3.1.3	Collaborate with and support constituent councils to attract residential, commercial and industrial growth to the region.	Growth in constituent councils is increased.	x	x	x	x	CTW in collaboration with Cabonne and Orange City Council as well as DPE Water are participating in a Sub-Regional Town Water Supply (SRTWS) study. The purpose of the study is to provide additional water security and resilience to the participating councils and neighbouring local water utilities. CTW is also working in collaboration with Parkes and Forbes Shire Councils in the development of the Centroc Water Grid Project to further strengthen water security for the region.	
3.1.4	Consider further regional water security pipeline linkages to form a Central-West water grid.	Grant funding approved and project(s) commenced.	x	x	x	x	CTW are currently in the process of finalising water supply agreements (WSAs) with our existing interconnecting local water utilities. These WSAs are expected to be finalised in 22/23.	
3.1.5	Reach agreement with all other relevant water utilities on the governance, management and operation of regional water assets across LGA boundaries.	Water Supply Agreements in place.	x	x	x	x	CTW continues to be a key delivery partner and key stakeholder of the BWSP. The raising of the Lake Rowlands wall investigations component of the BWSP has progressed with a technical solution from 2 preferred tenders being sought in Jan/Feb 2023.	
3.1.6	Continue to be a key delivery partner of the Belubula Water Security Project (BWSP) with Water Infrastructure NSW and WaterNSW.	BWSP business case completed. Continued advocacy for BWSP construction.	x	x	x	x		

CTW DELIVERY PROGRAM PROGRESS REPORT AS AT DECEMBER 2022

KEY RESULT AREA – 3.2 REGIONAL LEADERSHIP IN THE WATER SECTOR								
DP REF.	ACTIVITY	PERFORMANCE MEASURE	22/23	23/24	24/25	25/26	COMMENTS	PROGRESS INDICATOR
3.2.1	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies.	Active participation in water industry groups and policy development opportunities.	x	x	x	x	CTW continues to have a strong working relationship with DPE Water and WaterNSW. GM represents CTW on the WaterNSW Lachlan Customer Advisory Group. GM & DOTS regularly attend DPE Water regulatory framework workshops for the Town Water Risk Reduction Program and the development of the Regional Water Strategies and Water Sharing Plans.	
3.2.2	Continue to collaborate and build upon the strong relationship with the other water county councils and advocate collectively on water industry issues.	Regular meetings with other water county councils. Collective advocacy on water industry issues.	x	x	x	x	The GM continues to collaborate and build strong relationships within the water industry by attending regular meetings with the other water county council's general managers, DPE Water and WaterNSW executive staff. This collaboration, strong relationships and collective advocacy has recently enabled low cost loans from TCORP to become available to all county councils, not just general purpose councils. This announcement was made by the NSW Minister for Local Government on 10 February 2023.	

12.3) BELUBULA WATER SECURITY 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 – 3.2: Regional Leadership in the Water Sector – 3.1.6: Continue to be a key delivery partner of the Belubula Water Security Project (BWSP) with Water Infrastructure NSW and WaterNSW.

RECOMMENDATION:

That Council note the Belubula Water Security project update report.

REPORT***Background***

As reported previously, the Steering Committee that had oversight of both the Lake Rowlands to Carcoar Pipeline project (WaterNSW) and the Lake Rowlands Dam Augmentation project (CTW) agreed in principle that combining project delivery and progressing as a single project to investment decision was the best outcome for NSW and the Belubula water users.

Water Infrastructure NSW (WINSW) are responsible for leading the development and delivery of key government water infrastructure projects and programs across the state. Subsequently, a Memorandum of Understanding (MOU) between CTW and WINSW was developed and executed, further solidifying the partnership approach.

To reflect the close alignment between both projects and the partnership between WINSW and CTW, the Lake Rowlands to Carcoar pipeline project and the Lake Rowlands Augmentation project was renamed the Belubula Water Security Project (BWSP).

The BWSP forms part of a broader Lachlan Regional Water Strategy (currently in draft) that will propose a wider portfolio of solutions to improve outcomes in the Lachlan Valley.

Belubula Water Security Project (BWSP) update

Below is an update on the BWSP as provided by the Project Manager from Water Infrastructure NSW (WINSW):

- The project team is continuing to work on the development of the final business case.
- The project is also aware that the draft Regional Water Strategies for the Lachlan and Macquarie-Castlereagh are in development with public consultation to continue.
- Tender documents for the technical services scope of works for the Lake Rowlands Augmentation were released to preferred tenderers in December 2022 with responses expected in February 2023. The scope is requesting a technical solution and cost estimate on meeting dam safety requirements and the augmentation option of raising the wall.
- This latest tender document release follows the expression of interest process for prospective tenderers for BWSP Design Services that was completed in July 2022.

As WINSW is responsible for delivering the BSWP, further information regarding the project is available on DPE Water's website at: <https://www.dpie.nsw.gov.au/water/water-infrastructure-nsw/regional-projects/belubula-water-security-project>.

BUDGET IMPLICATIONS

The BWSP Final Business Case is to be fully funded by the NSW and Federal Governments.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

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

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

RECOMMENDATION:

That Council note the Council Resolutions Update Report to December 2022.

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 2022.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 [↓](#) Council Resolutions Update to December 2022 2 Pages

COUNCIL RESOLUTIONS UPDATE

Council Resolutions Update – Meeting held 15 February 2023					
Resolution Ref.	Date of Meeting	Subject	Responsible Officer	Decision	Action Taken/Status
20/015	12/2/20	Water Security – Regional approach to support neighbouring councils	GM	<ol style="list-style-type: none"> 1. Consider the issue of adopting a collaborative approach to the supply of water between networks connected to the CTW supply system at the upcoming drought management workshop in March 2020, and 2. As a matter of urgency, authorize the general manager to negotiate an agreement between CTW, Orange City Council and Cabonne Council to transfer water to Molong for emergency purposes, and report back to Council on the outcome of the agreement. 	<p>8/2/23 – GM has been in contact with the OCC CEO regarding this outstanding matter. OCC senior staff responsible for the WSA have since advised that it is being progressed to a finalisation stage. The WSA remains a standard agenda item at each monthly meeting of the Cowra to CTW Emergency Connection Project.</p> <p>Status: ongoing.</p>
20/097	14/2/20	Centroc Water Grid Pipeline Project	GM/DOTS	That Council endorse Central Tablelands Water’s involvement in partnering with Parkes and Forbes Shire Councils in strengthening regional water security through the Centroc Water Grid Pipeline Project, subject to approval of the business case and approval of CTW’s financial contribution.	<p>19/8/22 – The draft business case for the Centroc Water Grid Pipeline Project has been submitted to DPE Water for review and comment. Please refer to DOTS Water Security – Drought Update Reports.</p> <p>Status: ongoing</p>

22/048	22/6/22	Levels of Service Report	GM	<p>That Council:</p> <ol style="list-style-type: none"> 1. Note the Level of Service report, and 2. Receive a report at a subsequent meeting on monitoring its achievement against levels of service and industry benchmarks. 	<p>7/2/23 – SMT and newly appointed Asset Officer to action this resolution prior to the next meeting.</p> <p>Status: ongoing</p>
22/098	15/12/22	Eugowra Flooding – Customer Support Package	GM	<ol style="list-style-type: none"> 1. That Council advertise the customer support package for Eugowra residents for 28 days pursuant to section 356 of the Local Government Act. 2. That Council provide support to Eugowra residents, businesses, and community organisations by way of the equivalent of a 35 kilolitre allowance for each water connection, funded in part by CTW staff foregoing the 2022 Christmas Party. 3. That Council place a moratorium upon charging interest on water accounts of Eugowra village residents until 31 May 2023. 4. That the General Manager be delegated to enter into deferred payment arrangements for flood affected consumers if considered necessary. 	<p>7/2/23 – Actions completed.</p> <p>Status: completed</p>

**12.5) FINANCIAL MATTERS - INVESTMENT REPORT AS AT 31 JANUARY , 2023
(FM.BA.1)**

Author: Director Finance & Corporate Services
IP&R Link: – 2.3.1: Manage the risk management framework including the risk register. – 2.2: Sound Financial management – 2.2.1: Review and update long term financial plan (LTFP).

RECOMMENDATION:

That the information in relation to Council's Cash and Investments on 31 January, 2023 be noted.

REPORT**Cash and Investments**

The investment summary below represents Council's total investments as of 31 January, 2023 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

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



Peter McFarlane
Responsible Accounting Officer

INVESTMENT COMMENTARY

The Reserve Bank of Australia (RBA) has increased the cash rate by another 0.25% taking it to 3.35%. The RBA in its statement advised that further rate increases can be expected in future months.

The latest Consumer Price Index (CPI) for the December 2022 quarter indicated that the headline inflation rate had reached 7.8% annually being the highest recorded in 30 years.

The RBA have indicated that they will continue to use increasing interest rates as a means to reduce demand and take pressure off rising prices. The challenge being to ensure that the reduction in demand and therefore the level of economic activity is not reduced to the point where a recession takes place (i.e. a recession is two consecutive quarters of negative economic growth). The pressure is on the RBA to achieve a soft landing (no recession) and inflation is constrained back to the target rate of 2.00% to 3.00%.

With the cash rate continuing to increase, returns on term deposits are expected to increase further until the cash rate peaks. As the Council's older term deposits mature, the average rates on term deposits will continue to rise providing good returns for Council.

BUDGET IMPLICATIONS

With returns on Council's term deposit portfolio continuing to increase, a further adjustment will be made to estimated investment revenue in the December 2022 Quarterly Budget Review Statement.

POLICY IMPLICATIONS

Council's investment policy continues to ensure that good returns are achieved with minimal risk whilst enabling Council to have sufficient liquidity to meet its needs.

ATTACHMENTS

- 1 [↓](#) Bank Reconciliation and Investments at 31 January 2023 1 Page

BANK RECONCILIATION AND INVESTMENTS AS AT 31 JANUARY 2023

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	\$ 8,300,000.00					94.51%
Commonwealth Bank of Australia	600,000	AA-	364	4.28%	16/06/23	6.83%
Commonwealth Bank of Australia	500,000	AA-	365	0.76%	7/02/23	5.69%
AMP - Curve Securities	500,000	BBB	365	1.00%	28/02/23	5.69%
Unity Bank/Reliance Credit Union	500,000	Unrated	365	3.95%	4/08/23	5.69%
Commonwealth Bank of Australia	500,000	AA-	367	4.37%	17/10/23	5.69%
ME Bank - Curve Securites	500,000	BBB+	367	1.35%	27/03/23	5.69%
AMP - Curve Securities	500,000	BBB	365	4.80%	3/11/23	5.69%
Commonwealth Bank of Australia	500,000	AA-	365	4.48%	31/10/23	5.69%
Commonwealth Bank of Australia	600,000	AA-	365	4.04%	22/08/23	6.83%
MyState - Curve Securites	500,000	BBB	365	1.10%	15/03/23	5.69%
ME Bank - Curve Securites	500,000	BBB+	365	1.05%	10/03/23	5.69%
Macquarie Bank - Curve Securities	600,000	A+	0	3.30%	At Call	6.83%
ME Bank - Curve Securities	500,000	BBB+	365	2.90%	5/05/23	5.69%
Commonwealth Bank of Australia	500,000	AA-	365	4.20%	15/09/23	5.69%
AMP - Curve Securities	500,000	BBB	367	4.65%	25/09/23	5.69%
Macquarie Bank - Curve Securities	500,000	A+	365	1.60%	28/03/23	5.69%
At Call Deposits	\$ 482,087.18					5.49%
Commonwealth Bank - General Account	\$ 123,051.51	AA-	At Call	2.95%	N/A	
Commonwealth Bank - BOS Account	\$ 359,008.85	AA-	At Call	3.10%	N/A	
Reliance Credit Union - Cheque Account	\$ 26.82	Unrated	At Call	0.00%	N/A	
Total Value of Investment Funds	\$ 8,782,087.18					100%

Average Rate on Term Deposits

90 Day BBSW for March 2022	3.3730%
Average Rate on Term Deposits	2.9894%
Margin over 90 day BBSW	-0.3836%

Average Term - Short Term Deposits (days) 343

Long Term Credit Rating

	Amount \$	%
AA-	\$ 3,682,060.36	41.92%
A+	\$ 1,100,000.00	12.53%
BBB+	\$ 1,500,000.00	17.08%
BBB	\$ 2,000,000.00	22.76%
Unrated	\$ 500,026.82	5.69%
Total	\$ 8,782,087.18	99.98%

BANK RECONCILIATION

Balance as per Bank Statement	\$ 117,041.16
Add: Visa card purchases processed January 2023	\$ 6,010.35

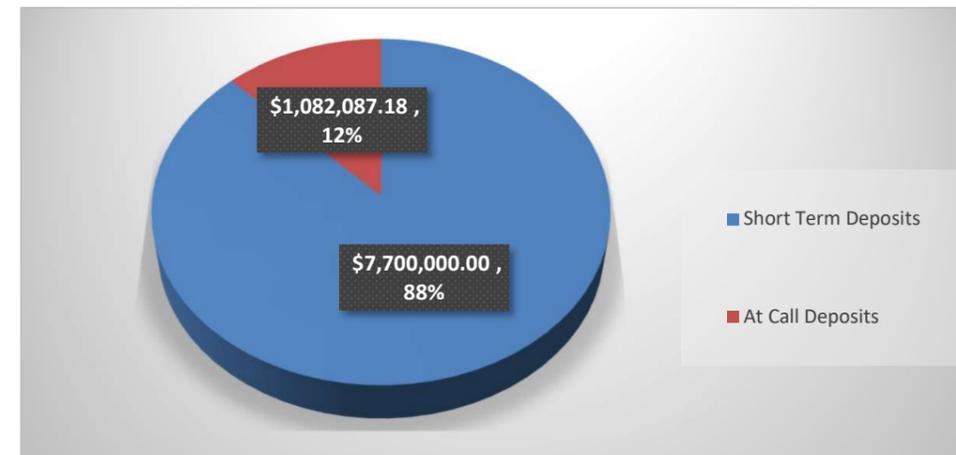
Balance as per Cash Book	<u>\$ 123,051.51</u>
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GENERAL FUND

(a) Cash Book Balance	\$ 482,087.18
-----------------------	---------------

(b) Bank Balance	\$ 482,087.18
------------------	---------------

Short Term Deposits	\$ 7,700,000.00
At Call Deposits	\$ 1,082,087.18



12.6) QUARTERLY BUDGET REVIEW STATEMENT - 31 DECEMBER 2022 (FM.FR.1)

Author: Director Finance & Corporate Services
IP&R Link: – 2.2: Sound Financial management – 2.2.1: Review and update long term financial plan (LTFP).

RECOMMENDATION:

That Council adopt the budget review statement for the quarter ended 31 December 2022 and the variations therein be voted.

REPORT

The Quarterly Budget Review Statement (QBRS) for the period ended 31 December, 2022 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the revised forecast operating surplus after capital amounts in the September QBRS of \$3,680,230 is now estimated to be a surplus of \$3,313,200. The main reason for this change is reduction in operating revenue of \$219,000 and a \$148,000 estimated increase in operating expenses. Further details are provided in the attached QBRS document.

The net operating result before capital has reduced from a surplus of \$20,446 to a deficit of \$376,554 at the December QBRS. This is a reduction of \$397,000 over the quarter. The main driver for this change is an estimated reduction in water sales of \$369,000. This has been attributable to the continuing wet conditions that have reduced the outlook for water sales over the course of the 22/23 financial year.

Some operating expenditure is also anticipated to increase being \$50,000 for a contribution for the development of the Sub Regional Town Water Strategy in conjunction with Cabonne and Orange Council and \$42,000 has also been set aside to fund the flood support package to assist customers impacted by the devastating flooding event in November 2022.

The capital expenditure budget is estimated to increase by \$160K to \$7.677M. The detailed makeup of these changes is outlined in the QBRS Report.

It is also notable that Council increased its transfer from the Employee Leave Entitlement restriction in the December quarter by \$50,000 to fund leave payments to long serving employees who have left Council. This is why it is prudent to establish a robust ELE restriction to meet those unplanned payments when they arise.

BUDGET IMPLICATIONS

The overall revised budget result indicates that the financial position of the Council remains sound however continuing wet conditions has suppressed water sales. This reduction in revenue cannot be made up with reduced operational expenses as a significant portion of Council's costs are fixed in nature (i.e. employee costs and depreciation in particular).

This reduction in revenue is now in its third year which is making it more challenging to meet the ongoing funding of infrastructure renewals.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 [↓](#) December 2022 Quarterly Budget Review Statement Report 9 Pages

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

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Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Report by responsible accounting officer

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

31 December 2022

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 31/12/22 indicates that Council's projected financial position at 30/6/23 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:** 9/02/2023

Peter McFarlane
Responsible accounting officer

Budget Review Statement as at 31 December 2022

Council's Revised Income and Expenditure for the year 2022/2023

Original Budget	<u>Operating Revenue</u>	Revised Budget	
1,738,608	Availability Charges	1,738,608	
5,868,031	Water Charges	5,499,031	
111,750	Interest	171,750	
68,868	Other Revenues	163,868	
263,740	Capital Grants and Contributions	3,689,784	
-	Operational Grants and Contributions	0	
60,000	Gains on Disposal of Assets	60,000	
8,110,997	Total Operating Revenue		11,323,041
	<u>Operating Expenses</u>		
2,610,353	Employee Costs	2,664,353	
0	Borrowing Costs	0	
2,388,508	Materials & Contracts	2,408,508	
14,000	Legal Costs	29,000	
145,000	Consultants	215,000	
12,000	Other Expenses	54,000	
0	Loss on Sale of Assets	0	
2,538,950	Depreciation and Impairment	2,638,950	
7,708,811	Total Operating Expenses		8,009,811
402,186	<u>Operating Result for Period After Capital</u>	Surplus/(Deficit)	3,313,230
	<u>Operating Result for Period Before Capital</u>	Surplus/(Deficit)	(376,554)
	<u>Less Non-Operating Expenditure</u>		
2,375,564	Acquisitions of Assets	7,677,081	
0	Repayment of Loans	0	
300,000	Transfer to Reserves - Plant	300,000	
1,500,000	Transfer to Reserves - Renewal Reserves	1,500,000	
200,000	Water Pricing Increase - Tfr to Infrastructure	200,000	
80,000	Transfer to Reserves - ELE	80,000	
50,000	Transfer to Reserves - Consultancy	50,000	
781,136	Transfer Estimated Budget Surplus/(Deficit)	316,136	
5,286,700			10,123,217
(4,884,514)			(6,809,987)
	<u>Add Non-Operating Revenue</u>		
232,412	Book Value of Assets Sold	232,412	
194,941	Transfer from Reserves - Plant	194,941	
-	Transfer from Consultancy Reserve	20,000	
30,000	Transfer from Reserves - ELE	80,000	
1,888,211	Transfer from Reserves - Infrastructure	3,643,684	
-	Transfer from External Restriction	-	
2,345,564			4,171,037
(2,538,950)			(2,638,950)
	<u>Add Expenses not Involving Flow of Funds</u>		
2,538,950	Depreciation	2,638,950	
\$ -	Budget (Cash) Result Surplus/(Deficit)		\$ -

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Income & expenses budget review statement

Budget review for the quarter ended 31 December 2022

Income & expenses - General Fund

(\$000's)	Original budget 2022/23	Approved Changes					Revised budget 2022/23	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Income											
Rates and annual charges	1,738,608					1,738,608			1,738,608	852,300	
User charges and fees	5,868,031					5,868,031	(369,000)	(a)	5,499,031	2,023,875	
Other revenues	68,868			15,000		83,868	80,000	(b)	163,868	98,857	
Other income	-					-			-	-	
Grants and contributions - operating	-					-			-	-	
Grants and contributions - capital	263,740	-	3,376,044	20,000		3,659,784	30,000	(g)	3,689,784	300,272	
Interest and investment revenue	111,750			20,000		131,750	40,000	(c)	171,750	100,948	
Net gain from disposal of assets	60,000					60,000	-		60,000	39,557	
Total income from continuing operations	8,110,997	-	3,376,044	55,000	-	11,542,041	(219,000)		11,323,041	3,415,809	
Expenses											
Employee benefits and on-costs	2,610,353			(2,000)		2,608,353	56,000	(d)	2,664,353	1,164,645	
Borrowing costs	-					-			-	-	
Materials and services	2,388,508			20,000		2,408,508	-		2,408,508	1,104,128	
Depreciation and amortisation	2,538,950			100,000		2,638,950	-		2,638,950	659,738	
Legal costs	14,000			15,000		29,000	-		29,000	15,953	
Consultants	145,000			20,000		165,000	50,000	(e)	215,000	33,600	
Other expenses	12,000					12,000	42,000	(f)	54,000	7,853	
Total expenses from continuing operations	7,708,811	-	-	153,000	-	7,861,811	148,000		8,009,811	2,985,917	
Net operating result from continuing operations	402,186	-	3,376,044	(98,000)	-	3,680,230	(367,000)		3,313,230	429,893	
Net Operating Result before Capital Items	138,446	-	-	(118,000)	-	20,446	(397,000)		(376,554)	129,621	

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Income & expenses budget review statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
(a)	Reduced water consumption estimate due to extended wet weather during the 2022/23 year to date. Reduction is primarily attributable to reduced residential and rural consumption. Reduction is based 6.4% lower estimate or 100Kls. (369K reduction)
(b)	Additional income due to receipt of \$24K final dividend from Lehman's Brothers Australia liquidation. 56K unbudgeted revenue for workers compensation claim reimbursements.
(c)	40K estimated additional revenue due to continuing increased interest on investments.
(d)	56K additional wage expenses due to determination of workers compensation matter. Please note that this amount is offset by reimbursements (refer variation (b))
(e)	50K additional vote for technical consultants being Council's share of contribution towards sub regional town water strategy being developed in conjunction with Cabonne and Orange Council. Refer to detailed report at Council meeting held on 17 November 2021.
(f)	42K estimated cost of Flood Support Package (CM 15/12/22). This allows for the support of 310 consumers in Eugowra which were affected by the boil water alert and the severe flooding. Estimate also includes support to flood impacted Canowindra and Cudal residents.
(g)	30K additional revenue estimated from water main extension capital contributions. These funds are hypothecated for funding specific mains extension works requested by the applicants.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Capital budget review statement

Budget review for the quarter ended 31 December 2022

Capital budget - General Fund

(\$000's)	Original budget 2022/23	Approved changes					Revised budget 2022/23	Variations for this Dec Qtr	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRs	Sep QBRs	Dec QBRs	Mar QBRs					
Capital expenditure											
New assets											
- Motor Vehicles	487,353					487,353			487,353	48,974	
- Other Plant and Equipment	25,000					25,000			25,000	-	
- Office Equipment	30,000					30,000			30,000	13,212	
- Telemetry Upgrades	20,000		22,723			42,723			42,723	4,967	
- Reticulation Mains (new)	-					-			-	4,967	
- Post Chlorinator - Gooloogong Bore							50,000 (a)		50,000	-	
- Post Chlorinator - Quandialla Reservoir							50,000 (b)		50,000	42,098	
- Post Chlorinator - Greys Hill			50,000			50,000			50,000	3,825	
- Post Chlorinator - Grenfell North			50,000			50,000			50,000	32,489	
- Renewable Energy Infrastructure	500,000					500,000			500,000	88,270	
- Trunk Main I Relocation			19,000			19,000			19,000	-	
- Carcoar WTP 12MI Reservoir			3,985,436			3,985,436			3,985,436	-	
- Woodstock Pump Station			200,608			200,608			200,608	20,550	
- New Metering - Gooloogong Bore				25,000		25,000			25,000	13,937	
- New Metering - Lake Rowlands				50,000		50,000			50,000	31,319	
- New Metering - Quandialla Bore				15,000		15,000			15,000	7,116	
- Lake Rowlands Renewable Energy									-	-	
- Canomodine Renewable Energy									-	-	
- Reticulation Mains Extensions (Capital Contributions)	40,000			20,000		60,000	30,000 (c)		90,000	52,077	
Total New Assets	1,102,353	-	4,327,767	110,000	-	5,540,120	130,000	-	5,670,120	363,801	
Renewal assets (replacement)											
- Pump Station renewals	53,211		20,064			73,275			73,275	-	
- Depot Refurbishment / Upgrades	-		120,000			120,000			120,000	-	
- Carcoar Pump Station			144,896			144,896			144,896	-	
- Canomodine Pump Station			178,050			178,050			178,050	3,672	
- Quandialla Pump Station			50,000			50,000			50,000	-	
- Moorbel Reservoir Refurbishment							30,000 (d)		30,000	-	
- Carcoar Town Reservoir Refurbishment	120,000			17,738		137,738			137,738	137,738	
- Gooloogong Bore - renew Switchboard	250,000					250,000			250,000	-	
- Reticulation Main renewals	700,000		91,392			791,392			791,392	89,389	
- Blayney Office refurbishments			35,699			35,699			35,699	-	
- Blayney Office Outdoor - refurbishments	20,000		10,000			30,000			30,000	5,475	
- Reticulation Mains - Rural Scheme	30,000					30,000			30,000	-	
- PLC Control Units			35,911			35,911			35,911	23,866	
- Carcoar WFP - Equipment Renewals	50,000					50,000			50,000	9,378	
- Blayney WFP - Equipment Renewals	50,000					50,000			50,000	-	
Total Renewed Assets	1,273,211	-	686,012	17,738	-	1,976,961	30,000	-	2,006,961	269,518	
Total capital expenditure	2,375,564	-	5,013,779	127,738	-	7,517,081	160,000	-	7,677,081	633,319	
Capital funding											
Rates & other untied funding											
Capital grants & contributions	194,941		3,194,436	20,000		3,409,377	30,000 (e)		3,439,377	72,627	
Reserves:											
- External restrictions/reserves											
- Internal restrictions/reserves	1,888,211		1,819,343	107,738		3,815,292	130,000 (f)		3,945,292	521,829	
New loans											
Receipts from sale of assets											
- Plant & equipment	292,412					292,412			292,412	38,863	
Total capital funding	2,375,564	-	5,013,779	127,738	-	7,517,081	160,000	-	7,677,081	633,319	
Net capital funding - surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Capital budget review statement
Recommended changes to revised budget

Budget variations being recommended include the following material items:

Notes	Details
(a)	\$50K for a post chlorinator at the Gooloogong Bore. This is being done in response to a request by DPE water. This will be funded from the Infrastructure Restriction.
(b)	\$50K for a post chlorinator at the Quandialla Reservoir. This is being done in response to a request by DPE water. This will be funded from the Infrastructure Restriction.
(c)	\$30K additional funding for mains extensions requested by applicants to enable augmentation of the water supply network. This is normally subject to a quote provided by CTW. In rare circumstances an applicant may dedicate the asset to CTW subject to conditions.
(d)	30K for the reline of Moorbel reservoir. This reservoir is leaking and urgent rectification works are required to extend the remaining life of the reservoir.
(e)	30K estimated additional contributions for main extensions. Refer to Note (c).
(f)	130K additional transfer from infrastructure restriction to fund additional chlorination units and reline of Moorbel reservoir. Refer to Notes (a),(b) and (d).

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Leakage Allowances Granted - Financial Year to Date

<u>Sept Qtr.</u>	<u>No of Applications Granted</u>	<u>Total Allowance KIs</u>	<u>Total Allowance Granted \$</u>
Residential	9	1,183.89	4,368.57
Total	9	1,183.89	4,368.57

<u>Dec Qtr.</u>	<u>No of Applications Granted</u>	<u>Total Allowance KIs</u>	<u>Total Allowance Granted \$</u>
Residential	5	665.01	2,453.89
Total	5	665.01	2,453.89

Note: Council's undetected water leaks policy provides for an allowance to be granted if strict eligibility criteria are met as per the 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 private water infrastructure on their properties.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/10/22 to 31/12/22

Contracts budget review statement

Budget review for the quarter ended 31 December 2022

Part A - Contracts listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract value	Start date	Duration of contract	Budgeted (Y/N)	Notes
West Orange Motors	Supply Fleet Vehicle	71,451	25/11/22	6 to 9 months	Y	From Plant Replacement Vote

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 and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

12.7) POLICY REVIEWS - DEBT COLLECTION AND INVESTMENTS (CM.ME.1)

Author: Director Finance & Corporate Services
IP&R Link: Strategic Priority 3: Regional leadership and collaboration – 2.2: Sound Financial management

RECOMMENDATION:

That Council:

1. Note the report, and
2. Endorse the draft Water Charges Debt Recovery and Investment Policies, and place on public display for a period of 28 days.

REPORT

Council is required to review all public policies within 12 months of the most recent Local Government election. Council continues to work through and review all external policies. The filling of the current vacant position of Governance and Executive Support Officer will speed up the review of existing policies. The proposed changes to each policy are shown in red text in each draft.

Water Charges Debt Recovery Policy

The Water Charges Debt Recovery Policy was subject to a significant review in June, 2021. The policy has been working well with Council working with its debt collection agent to recover some debts that have been outstanding for many years.

In some instances, debtors have entered into arrangements with Council, only to break the conditions after a short period of compliance.

Council is always looking to assist debtors when experiencing difficulty paying their account and legal action as outlined in the policy is only undertaken after all other intervention methods have not led to the recovery of any arrears.

There is only one small change proposed in the draft policy and that is to make it clear that Council can undertake restriction of supply at any stage in the recovery process after payment default has occurred.

Investment Policy

There are proposed to be some minor changes to the investment policy as follows:

- The maximum level of cash and investments held in one institution at any one time will increase from 40% to 50%. This will permit greater investment in highly rated institutions in the current rising interest environment.
- The maximum term of investments permitted will be reduced from 3 years to 2 years. Council is currently operating within a 12 month maturity time frame so this change will have no impact upon investment choices by Council.

- The counterparty limit for “A” long term rated approved deposit institutions (ADI) will increase from 60% to 80%. This will assist Council in selecting more “A” rated institutions when the rates offered are competitive.
- The counter party limit for “unrated” ADI’s will be reduced from 40% to 30%. Council currently only has one investment with an unrated ADI and that makes up 5.69% of the portfolio. It is important to note that “unrated” ADI’s are not inherently riskier than “rated” ADIs, however, there needs to be more due diligence undertaken to assess their risk profile. “Unrated” ADIs are regulated by the Australian Prudential Regulatory Authority (APRA) so the governance requirements and standards are very high.

Council’s investment practices are currently yielding good returns for Council with a minimum of risk. This is expected to continue when these minor changes to the policy are made.

BUDGET IMPLICATIONS

The minor changes proposed to the above policies will not impact the budget outcomes.

Where recovery action is taken, the costs incurred by Council will be added to the debt and paid by the debtor. There is no direct cost to Council of using a debt recovery agent, however, there is considerable staff time involved in monitoring and supervising the debt recovery process.

POLICY IMPLICATIONS

In accordance with the above report.

ATTACHMENTS

- | | | | |
|---|---|--|---------|
| 1 | ↓ | Draft Investment Policy | 7 Pages |
| 2 | ↓ | Draft Water Charges Debt Recovery Policy | 7 Pages |



Central Tablelands Water

Investment Policy

DOCUMENT CONTROL

Document Title		Investment Policy			
Policy Number		CTW-PR007			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted		12 February 2020			
Adopted by		Council			
Review Due Date		15 February 2023			
Revision Number		3			
Previous Versions	Date	Description of Amendments	Author	Review /Sign Off	Minute No: (if relevant)
1	12/10/15				16/079
2	12/02/20		DFCS		20/011
3	15/02/23		DFCS		

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 including cash at bank shall not exceed 50% 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 % > 2 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	80
BBB	A-3	50
Unrated		30

For the purposes of determining the limits pursuant to this policy, the sum of the cash, cash equivalence (call accounts) 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 30th 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.



Central Tablelands Water

Water Charges

Debt Recovery Policy

DOCUMENT CONTROL

Document Title		Water Charges Debt Recovery Policy			
Policy Number		CTW-PR014			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted		December 2016			
Adopted by		Council			
Review Due Date		February 2023			
Revision Number		3			
Previous Versions	Date	Description of Amendments	Author	Review /Sign Off	Minute No: (if relevant)
1	12/10/16		DFCS		16/079
2	18/6/21		DFCS		21/050
3	15/2/23		DFCS		

Purpose

To establish guidelines for the General Manager and delegated staff on appropriate debt recovery procedures to ensure effective control over charges that become due and payable.

It will also provide a framework for the efficient and effective collection of outstanding debts and fulfil statutory requirements of the Local Government Act, 1993.

Council has a responsibility to ensure monies owed are recovered in a timely and effective manner to finance its operation and to ensure effective cash flow management. During the debt recovery process Council will; treat people fairly, consistently, and in a confidential professional manner.

Debt Recovery Policy Statement

Central Tablelands Water (CTW) acknowledges that customers will, for various reasons fail to pay for water charges when they become due and payable. It is not the intention to cause hardship to any ratepayer through debt recovery procedures, and consideration will be given to acceptable arrangements to clear the debt where possible.

The General Manager has the delegated authority to assess/approve and or reject payment arrangements from any customer.

The General Manager has the delegated authority to proceed with legal action to recover outstanding charges where an arrangement plan has defaulted or if the customer has failed to pay, or a suitable attempt has not been made to clear the outstanding balance.

The General Manager has sub delegated authority under this Policy to the Director Finance & Corporate Services, Revenue Officer and Finance Officer.

Procedure

Water Consumption Charges

Charges are set annually by way of the adopted Operational Plan.

Water Notices are issued on the completion of the quarterly meter readings. On each quarterly account issued, the period covered by the availability charge components on the account is the current calendar quarter. The period covered by the water usage component on the account is the period from the last meter reading from which the account was calculated in the previous period, to the date the meter reading was taken in the current period. The frequency of the reading cycle is quarterly.

Accounts will be due for payment 28 days after the date of issue.

The person, or persons, who are listed as the owner of the property are responsible for the payment.

Interest on Overdue Accounts

Interest is calculated daily on overdue charges at the maximum rate announced by the Minister for Local Government each year in accordance with Section 566 (3) of the Local Government Act, 1993. The rate of interest that applies to overdue charges will be advised in Council's adopted operational plan and advised on each account.

Tenanted Properties

A number of landlords have lease agreements that stipulate that the tenant is responsible for the usage or consumption charge. The billing of tenants is the owner's or agent's responsibility.

In the case of a tenanted property, CTW will only pursue the debt directly with the landowner, and will only take legal action against a landowner. CTW will not seek payment of water charges from tenants that landowners are liable for, nor will it be involved in collecting money from tenants or accept a payment arrangement, unless provided for in s569 of the Act.

CTW will take reasonable steps to identify whether a property is tenanted before considering restricting a water supply, and will not restrict or disconnect when it becomes aware that the property is tenanted.

CTW will only restrict or disconnect the water supply as a last resort, after a notice has been issued under s569 of the Act, and a reasonable opportunity is given for the tenant to comply with the notice.

Payment Arrangements

Arrangements may be entered into with all property owners in accordance with Section 564 of the Act.

Arrangements are to be negotiated with the aim of recovering all arrears and the current charges. Agreement to requests to pay by regular amounts or for an extension of the due date for payment are to be assessed on their merits, having regard to the individual's payment history and circumstances.

For those accounts where the owner has entered into an arrangement to extend the due date or to pay off by instalments, a continuing check is made that the arrangement is being kept.

Where a customer defaults on approved arrangements for payment, recovery action will recommence from the stage which had been reached prior to the last arrangement being negotiated.

Reminder/Final Notices

A Reminder/Final Notice shall be issued where applicable seven (7) days after the due date of a water account to those customers who have an outstanding balance greater than the quarterly 20mm access charge, and have not made previous satisfactory payment arrangements with CTW.

The Reminder/Final Notice will provide the customer with the balance outstanding, and will indicate that if the balance remains unpaid, it may result in Council's operator attending the

premises to restrict or disconnect the water supply, and if this should occur an attendance fee will be payable immediately in addition to the outstanding amount. It will also advise the customer of the fees for reconnection or removal of the restriction.

Reminder/Final Notices will be due for payment 10 days after the date of issue.

If an account was not issued with a Reminder/Final Notice because an arrangement had been entered, and the arrangement is then not kept, the non-issue of a Reminder does not preclude the account from normal recovery actions.

Attend to Restrict/Disconnect Water Supply for non-payment

Council reserves the right to restrict the water supply at any stage of the recovery process.

At the expiration of time nominated for payment on a Reminder/Final Notice and where the account has not been paid or a suitable payment arrangement has been entered into for any amounts outstanding of \$200.00 or over, a CTW representative may attend the premises and present a Final Notice to the Occupier Card.

The Final Notice to the Occupier card will state that a representative of Central Tablelands Water visited the premises in regard to the imminent restriction/disconnection of the water supply because of non-payment of water charges. It will show that if the amount due is not paid by the date and time shown on the card, the water will either be restricted/disconnected.

The Final Notice to the Occupier card will show the total balance outstanding, including the attendance fee.

If no contact is made by the Occupier by the date and time notified, the water supply will be:

- a) Restricted by the fitting of a restriction device but so as to make available a nominal supply to the consumer (approximately 0.2 litres per minute) if the property is occupied.
- b) Disconnected if the property is deemed to be vacant.

When a restrictive washer has been fitted to a meter, or alternatively the supply has been disconnected, a card will be left at the premises notifying the occupant that as no contact has been made after the issuing of the Final Notice to the Occupier card, they are informed that the water supply to the premises has been disconnected/restricted and will be restored on payment of all arrears owing, in addition to a reconnection fee.

The supply will not be restored until the total amount outstanding is paid, or other arrangements made to the satisfaction of CTW. Notification of payment must be made to CTW prior to 2pm if same day restoration of supply is required.

*** If a Final Notice to the Occupier card has been issued to the owner of a property on 4 consecutive times or more, a further Final Notice to the occupier will not be issued. The water supply will be restricted without further notice. The restrictive washer will only be removed after payment of the water account and reconnection fee is paid in full.

*** If a Final Notice to the Occupier card has been issued to a tenant, reasonable opportunity must be given for the tenant to comply with the notice and contact the landlord/estate agent prior to the restriction/disconnection of the water supply is to take place.

Early-Stage Intervention

At any stage in the debt recovery process prior to legal action commencing, an Early-Stage Intervention visit may be made to customers in a compassionate and rational attempt to help them to pay Council, and to help them avoid accumulating unmanageable levels of debt, and to avoid legal action.

Those customers who have an outstanding balance greater than \$600.00 or 2 bills outstanding and do not currently have a satisfactory payment arrangement with CTW, may be sent a letter encouraging them to pay in full or to enter a satisfactory arrangement with CTW. The letter will give fourteen (14) days' notice of a compassionate visit if no payment or arrangement is made.

The letter will transparently explain:

- The purpose of the visit.
- The timing of the visit.
- The cost of the visit, to be recovered at cost from the customer.
- How to opt-out of both the visit and the cost.
- The debt recovery consequences of taking no action.

The purpose of each visit is to:

- Avoid the requirement for legal action.
- Understand the customer's situation and whether they are experiencing financial hardship and desire assistance.
- Assist the customer to calculate a sustainable payment plan.
- Assist the customer to complete the relevant forms.
- Where indicated, assist the customer to complete a Financial Hardship application form.
- Where indicated and with the customer's consent, introduce Financial Counselling.
- Explain the consequences of taking no action to resolve the situation.

During the 14 days' notice period, contact with a customer may be attempted - by any combination of telephone call, SMS message, and/or email - to help the customer to make a payment arrangement and avoid an Early-Stage Intervention visit.

Legal Action

If payment has not been received or no arrangement has been made following the disconnection/restriction of the water supply for non-payment, or if the total outstanding remains unpaid after a final notice to the occupier card was presented, or after Early-Stage Intervention, the debt may then be handed to a debt collection agency appointed by CTW to follow up collection of the outstanding debt. Arrangements to pay after the commencement of legal action are encouraged and will be accepted provided the offer will complete the debt within a satisfactory time frame.

Application for Judgment is to be effected wherever possible if satisfactory arrangements have not been made to finalise the account. Action following Judgment is to be assessed by the General Manager and may include the issue of a writ, garnishee or examination summons.

All legal costs and expenses incurred in recovering outstanding water charges shall be charged against the property in accordance with Section 605 of the Local Government Act, 1993.

A report detailing all legal action is to be provided to a subsequent Council meeting for notification.

Late-Stage Intervention

From time-to-time accounts remain outstanding despite legal action having been taken. In most such cases the customers are experiencing financial hardship and/or other complex issues exist.

Any customers whose accounts remain outstanding despite legal action being taken may receive a more intensive visit to understand the difficulties they face and endeavour to help them to find a way to pay CTW. Where possible, Late-Stage Intervention also helps customers take steps towards their general recuperation.

Council contracts a specialist 3rd-party organisation, which assists ratepayers for many NSW councils, to perform Early-Stage and Late-Stage Interventions.

Where possible the 3rd-party organisation will visit to help customers with both their water account and any outstanding rates account owing to a constituent council, to make payment arrangements more sustainable and to avoid cost duplication.

If Late-Stage Intervention fails to get the account paid to Council, then after 5 years, pursuant to Section 713 of the Local Government Act 1993, the property upon which the water service is provided may be sold by Council.

Variation

Council reserves the right to review, vary or revoke this policy.

12.8) AUDIT RISK AND IMPROVEMENT COMMITTEE (ARIC) (CM.AU.1)

Author: Director Finance & Corporate Services
IP&R Link: – 2.3: Continuous Improvement Whilst Managing Risk – 2.3.1: Manage the risk management framework including the risk register.

RECOMMENDATION:

1. That Council receive and note the Audit Risk and Improvement Committee Minutes of the meeting of 23 November 2022.
2. That Council receive and note the Office of Local Government Circular 22-41 dealing with the implementation of changes to the Risk Management and Internal Audit Framework.

REPORT

The minutes of the ARIC meeting held on the 23 November 2022 are attached for Council's consideration.

The next meeting of the ARIC is scheduled for Thursday 16 February, 2023 at the Blayney Shire Community Centre.

At that meeting the report outlining the outcomes and recommendations from the Project Management Audit will be presented. A workshop to discuss this report will be held in conjunction with the Operational Plan and Revenue Policy Workshop that is planned to be held on 5 April, 2023.

On the 19 December, 2022 the Office of Local Government issued Circular 22-41 providing an update on the Membership Requirements for ARIC's.

The main points of the circular are:

- Confirmation that the new Risk and Internal Audit Guidelines have been approved.
- Regulatory amendments to support the new guidelines are expected in 2023.
- Confirmation that the new guidelines will commence on 1 July 2024.

BUDGET IMPLICATIONS

Allowing for the cost of the Project Management Audit plus meeting expenses and members fees it is anticipated that the internal audit budget for 22/23 of \$22,360 will be exceeded by around \$3,200 for the 22/23 financial year.

A revote by Council for this amount will be sought through the March 2023 Quarterly Budget Review.

POLICY IMPLICATIONS

Section 428A of the Local Government Act 1993 outlines the requirements and duties of the ARIC. Section 23A of the Local Government Act applies to the new OLG guidelines that as noted in circular 22-41 will be implemented in 2023.

ATTACHMENTS

- 1 [↓](#) ARIC Minutes 23 November 2022 3 Pages
- 2 [↓](#) OLG Circular 22-41 Membership Requirements for ARIC 2 Pages

Minutes of the Audit, Risk and Improvement Committee Meeting of Central Tablelands Water conducted held by Microsoft teams on Wednesday 23 November 2022 commencing at 11:02am.

PRESENT: Donna Rygate (Chairperson – Independent Member – Voting)
Ron Gillard (Independent Member – Voting)
Cr David Somerville (Council Alternate Member – Voting)
Gavin Rhodes (General Manager – Observer)
Peter McFarlane (Director Finance and Corporate Services – Acting Secretariat)

1. Welcome

The Chairperson opened the meeting at 11.02am

2. Acknowledgement of Country

The Chairperson gave an acknowledgement of Country.

3. Declarations of any Conflicts of Interest

Nil.

4. Declarations of any Unethical Behaviour reported to Council.

Nil.

5. Apologies for non- attendance

Apologies were received from Karen Taylor of the NSW Audit Office and Cr Nash. It was noted that Noel Wellham was unavailable to attend the meeting. It was noted that Leanne Smith from Intentus was going to dial into the meeting to discuss agenda item 8.

Moved: Ron Gillard Seconded: Cr Somerville

Resolved: That the apologies from Karen Taylor and Cr Nash be accepted.

This is Page No. 1 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 23 November 2022

6. Confirmation of Minutes of Audit, Risk and Improvement Committee – 23 August 2022.

Moved: Cr Somerville Seconded: Ron Gillard

Resolved: That the minutes of the meeting of 23 August 2022 be adopted.

7. Major Developments Since the Previous Meeting

Moved: Ron Gillard Seconded: Cr Somerville

Resolved: That the Committee receive and note the report on recent developments since the meeting on 23 August ,2022.

8. Financial Statements Update

Moved: Cr Somerville Seconded: Ron Gillard

Resolved:

1. That the Committee receive and note the unqualified Audit Reports received in respect of the General purpose Financial report and Special Purpose Financial Report.
2. That the Committee receive and note the Engagement Closing report for the 21-22 Financial Statements.
3. That the progress report on the interim Management Letter dated 18 July 2022 be noted.

(Proceedings in brief , Leanne Smith from Intentus joined the meeting by phone at 11.05am and left the meeting at 11.28am. This item was moved by the Chairperson to precede item 7 in the proceedings of the meeting)

9. Internal Audit Status Report and Action Plan

Moved: Ron Gillard Seconded: Cr Somerville

Resolved:

1. That the Committee receive and note the update regarding the Project Management Audit.
2. That the Committee note that the final report for the Project Management Audit both stages 1 and 2 will be presented to the February 2023 meeting.

This is Page No. 2 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 23 November 2022

3. That the Committee receive and note the update regarding the Fraud Health Risk assessment.
4. That the Committee note the undertaking of an internal scan conducted by Cyber Security NSW and the positive outcomes achieved.
5. That the Committee recommends that Council approach Cyber Security NSW to undertake a detailed external scan as soon as practically possible.

10. Change in Charter – Notice Period for Meetings

Moved: Cr Somerville

Seconded: Ron Gillard

Resolved:

1. That the Committee endorses the proposed change in the Charter so that it aligns with the Council's Meeting Code of Practice and Section 367 of the Local Government Act.
2. That the Committee note that the minimum period in the Charter for preparation of the agenda will be 3 business days prior to the meeting date.
3. That the Committee recommends that this change to the Charter be presented to the next meeting of Council.

11. Next Meeting – Thursday 16 February 2023

12 General Business – Nil

There being no further business, the Chairperson declared the meeting closed at 12:08pm.

This is Page No. 3 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 23 November 2022

Circular Details	Circular No 22-41 / 19 December 2022 / A843647
Previous Circular	22-21 Update on membership requirements for audit, risk and improvement committees
Who should read this	General Managers / Councillors / Council governance staff / Audit, risk and improvement committee members and internal audit personnel
Contact	Council Governance Team / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Information

Update on the *Guidelines for Risk Management and Internal Audit for Local Government in NSW*

What’s new or changing

- The Guidelines for Risk Management and Internal Audit for Local Government in NSW (the Guidelines) have been approved. However, the Office of Local Government (OLG) has been advised that the amendments to the Local Government (General) Regulation 2021 giving statutory force to elements of the Guidelines will not be made until early 2023.
- OLG has issued the approved Guidelines in draft form pending the supporting Regulation amendments being made so that councils can start to implement them.

What this will mean for your council

- The approved Guidelines are available on OLG’s website - <https://www.olg.nsw.gov.au/councils/governance/risk-management-audit-and-internal-controls/risk-management-and-internal-audit-framework-for-local-councils-in-nsw/>.
- The model terms of reference for audit risk and improvement committees, an example risk management policy, and the model internal audit charter have also been published on OLG’s website in Word format for use by councils and joint organisations.
- Councils and joint organisations must comply with the Guidelines from **1 July 2024**. As of that date all councils and joint organisations will be required to ensure audit risk and improvement committee chairs and members meet the eligibility and independence requirements set out in the Guidelines and have a risk management framework and internal audit function in place that complies with the Guidelines.

Key points

- The final version of the Guidelines will be issued when the supporting Regulation amendments are made. While further minor amendments will be made to the Guidelines to align them with the supporting Regulations as drafted, OLG does not anticipate any significant changes.

Office of Local Government
 5 O’Keefe Avenue NOWRA NSW 2541
 Locked Bag 3015 NOWRA NSW 2541
 T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
 E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 20 770 707 468

Where to go for further information

- For further information please contact the Council Governance Team on 02 4428 4100 or by email at olg@olg.nsw.gov.au.
- If councils or joint organisations require assistance in establishing an ARIC or shared arrangements for an ARIC, they should contact their council engagement manager at OLG.

Melanie Hawyes
Deputy Secretary, Crown Lands and Local Government

Office of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 20 770 707 468

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

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – Strategic Priority 2: An efficient, sustainable and customer focused organisation – 2.1.3: Review and update levels of service and report on performance.

RECOMMENDATION:

That Council note the information.

REPORT

FROM 1/12/2022 to 31/1/2023

a) Main Breaks

	Location	Date	Size / Type	Comment
Canowindra	Wenz Lane	25/11/2022	100mm	DNR
Canowindra	TMU	31/12/2022	150mm PVC	R&RP
Canowindra	TMC	25/01/2023	150mm PVC	Weld
Carcoar	Icely St	02/12/2022	100mm PVC	R&RP
Carcoar	Icely St	04/12/2022	100mm AC	DNR
Carcoar	Icely St	22/01/2023	100mm PVC	R&RP
Cudal	Orange Rd – Hazelton’s Line	07/12/2022	80mm AC	DNR
Cudal	Orange Rd – Hazelton’s Line	15/12/2022	80mm AC	DNR
Cudal	Creek St	28/12/2022	100mm PVC	DNR
Cudal	74 Main St	11/01/2023	100mm PVC	R&RP
Cudal	Hazelton’s Line	12/01/2023	80mm DNR	R&RP
Mandurama	Belubula Way	25/01/2023	300/225mm	R&RP
Mandurama	Belubula Way -TMC	29/01/2023	300/225mm	R&RP
Manildra	23 Old Orange Rd	06/01/2023	100mm AC	DNR
Moorbel	Belubula Way	23/01/2023	150mm AC	DNR



Notes

1. CTW Mains (Trunk & Retic) Break score of 15/573km == 2.61/100km.
Rolling Value across 12mths = 10.30/100km which is slightly higher than the 2017-18 NSW State Median benchmark of 9.0 breaks/100km.

b) Service Activities and Requests

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
BLAYNEY	18	14	52	17	1.15%	1475
CHECK METER READING	0	0	1	3	0.20%	
DIRTY WATER COMPLAINT	0	4	34	1	0.07%	
HYDRANT LEAKING	2	0	0	0	0.00%	
LEAKING METER	4	4	3	7	0.47%	
LEAKING SERVICE	4	3	5	1	0.07%	
MAIN BREAK	2	2	0	0	0.00%	
MAINTENANCE - GENERAL	0	1	2	1	0.07%	
METER NEW / REPLACEMENT	4	0	3	2	0.14%	
METER NOT SHUTTING OFF	1	0	0	1	0.07%	
PATHCOCK FAILURE	0	0	1	1	0.07%	
QUALITY COMPLAINT	1	0	3	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
CANOWINDRA	12	8	10	21	1.84%	1141
CHECK METER READING	0	0	1	0	0.00%	
LEAKING METER	4	2	1	12	1.05%	
LEAKING SERVICE	2	1	1	4	0.35%	
LOW PRESSURE COMPLAINT	1	1	0	1	0.09%	
MAIN BREAK	3	2	2	1	0.09%	
MAINTENANCE - GENERAL	1	0	4	1	0.09%	
METER - SPECIAL READING	0	1	0	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	1	0.09%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
NO WATER COMPLAINT	0	1	0	1	0.09%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
CARCOAR	3	3	2	1	0.75%	134

CHECK METER READING	1	0	0	0	0.00%	
LEAKING METER	0	0	1	0	0.00%	
LEAKING SERVICE	0	0	1	0	0.00%	
MAIN BREAK	2	3	0	1	0.75%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
CARGO	1	3	2	4	2.44%	164
LEAKING METER	0	0	0	1	0.61%	
LEAKING SERVICE	0	1	1	1	0.61%	
LOW PRESSURE COMPLAINT	0	0	0	1	0.61%	
METER NEW / REPLACEMENT	0	0	0	1	0.61%	
MAIN BREAK	1	1	1	0	0.00%	
MAINTENANCE - GENERAL	0	1	0	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
CUDAL	2	3	7	4	1.72%	233
HYDRANT LEAKING	0	0	1	0	0.00%	
LEAKING METER	2	1	1	0	0.00%	
LEAKING SERVICE	0	2	2	3	1.29%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAINTENANCE - GENERAL	0	0	0	1	0.43%	
NO WATER COMPLAINT	0	0	2	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
EUGOWRA	5	3	4	11	2.85%	386
LEAKING METER	1	0	0	2	0.52%	
LEAKING SERVICE	2	2	2	2	0.52%	
MAIN BREAK	0	0	2	0	0.00%	
MAINTENANCE - GENERAL	1	0	0	5	1.30%	
METER NEW / REPLACEMENT	0	0	0	1	0.26%	
METER NOT SHUTTING OFF	1	1	0	1	0.26%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD	
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	2020	2021	2022	2023	% of Total meters	Total meters
GRENFELL	9	8	13	19	1.41%	1349
DIRTY WATER COMPLAINT	6	0	0	1	0.07%	
LEAKING METER	3	2	5	15	1.11%	
LEAKING SERVICE	4	1	2	1	0.07%	
LOW PRESSURE COMPLAINT	1	1	0	0	0.00%	
MAINTENANCE - GENERAL	0	0	1	1	0.07%	
METER - SPECIAL READING	0	1	0	0	0.00%	
METER NEW / REPLACEMENT	0	1	3	1	0.07%	
METER NOT SHUTTING OFF	2	1	0	0	0.00%	
NO WATER COMPLAINT	1	1	0	0	0.00%	
QUALITY COMPLAINT	0	0	2	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
LYNDHURST	2	1	2	2	1.27%	157
CHECK METER READING	0	0	1	0	0.00%	
LEAKING METER	0	0	0	1	0.64%	
METER NOT SHUTTING OFF	0	0	0	1	0.64%	
LEAKING SERVICE	2	1	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
MANDURAMA	1	2	1		0.75%	134
LEAKING METER	1	0	1		0.75%	
LEAKING SERVICE	0	1	0		0.00%	
MAIN BREAK	0	1	0		0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
MANILDRA	1	4	6	3	0.71%	280
HYDRANT LEAKING	0	0	0	1	0.36%	
CUSTOMER DAMAGED SERVICE	0	0	1	0	0.00%	
LEAKING METER	0	0	2	0	0.00%	
LEAKING SERVICE	1	2	0	1	0.36%	
MAIN BREAK	0	2	3	1	0.36%	

Total Complaints = 0

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
MILLTHORPE	9	4	6	4	0.87%	459
CHECK METER READING	0	1	1	0	0.00%	
CUSTOMER DAMAGED SERVICE	0	0	2	0	0.00%	
LEAKING METER	3	0	1	2	0.44%	
LEAKING SERVICE	3	0	1	2	0.44%	
MAIN BREAK	1	3	1	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	1	0	0	0	0.00%	
NO WATER COMPLAINT	1	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total meters
	2020	2021	2022	2023	% of Total meters	
QUANDIALLA	3	1	4	0	0.00%	100
CHECK METER READING	0	0	2	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	0	0.00%	
LEAKING METER	2	0	0	0	0.00%	
LEAKING SERVICE	0	1	1	0	0.00%	
LOW PRESSURE COMPLAINT	1	0	0	0	0.00%	
METER NOT SHUTTING OFF	0	0	1	0	0.00%	
Total Complaints = 0						

TOTAL ACROSS CTW TOWNSHIPS	66	54	109	86	1.43%	6012
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Notes:

1. Comparison values listed each year use data from the period covering the same months of the year i.e. December to February
2. Total Meters is the number of meters connected to properties.
3. CTW complaint rolling value score across 12mths == 8.48, which is slightly higher than the 2017/18 NSW State median of 5.0 complaints/1000 connections.
4. CTW Total Service Activities and Requests score == 1.43%, which is below CTW benchmark of 5% across all townships.

c) *Lake Rowlands*

The current level of Lake Rowlands Dam is 100% (10.2.23) with the Dam's scour valve fully shut.

d) *Water Services*

Since 1st December 2022, there have been an additional nine (9) new domestic water services connected to, and nil (0) water meters disconnected from, 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.

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

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.1.2: Review, update and implement existing maintenance program. – 1.1.4: Undertake regular water meter replacement program. – 1.5: Efficient use of water

RECOMMENDATION:

That Council note the information in the General Report.

REPORT**GENERAL REPORT**

- a) Meter Reading
The third meter read for the 2022-23 financial year was completed in accordance with CTW's meter reading schedule.
- b) Meter Change Program
There have been eleven (11) water meter changes since the previous reporting period.
- c) Water Filtration Plants & associated Ancillary Plants
Blayney Water Treatment Plant (BWTP) and Carcoar Water Treatment Plant (CWTP) has maintained their full operational performance. BWTP await NSW Public Health Officer (PHO) to sign off on the new fluoride injection package plant before placing it into operation. CTW & Atom Consulting have planned a Fluoride tracing exercise beginning the first week of March to evaluate the performance of CTW's network as a whole. As such, return of Fluoride operation at CWTP has been postponed to early March. BWTP and CWTP Chlorination package plants have maintained their full operation performance.
- d) Pump Stations
Cleaning of pump stations listed under general maintenance has continued throughout the supply network over the past months.
- e) Drinking Water Quality
There have been no reportable incidences of exceeding CTW's Critical Control Points for the delivery of drinking water from CTW's Water Treatment Plants. As a result of DPE recommendations, upgrades to the Chlorination plant at Quandialla Bore site has been completed and Gooloogong Bore Chlorination plant upgrade is on track for completion next month.
- f) Trunk Mains
Ongoing inspections continue to be hampered due to the impacts of warm and wet weather conditions.
- g) Hydrants
Ongoing inspections and maintenance requirements have continued throughout all towns on the CTW supply network during the previous three months.

h) Rural Scheme renewals

No renewals have been undertaken for this 2022-23 financial year.

i) Reticulation main renewals

Limited staffing numbers have hindered progress of the reticulation mains renewal program for Millthorpe.

BUDGET IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

12.11) WATER SECURITY - DROUGHT IMPACT UPDATE (WS.AM.1)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.1.1: Deliver capital works program based on asset management data.

RECOMMENDATION:

That Council note the information in the report.

REPORT

In following with NSW State Government directions, CTW continues to develop its drought resilience opportunities through continuance of the below projects:

1. **Woodstock Pump Station** - CTW has reached agreement with Cowra Shire Council (CSC) to conduct “Wet” commissioning tests to prove the operation of the new pump station in the next two months.
2. **Centroc Water Grid Pipeline** - CTW, in conjunction with Parkes and Forbes Shire Councils, continues to await feedback from DPE Water on the Centroc Water Grid Pipeline project’s draft final business case.
3. **12 ML Clear Water Tank (CWT)** – CTW and the major contractor Leed Construction (Leed) have reached the 60% design milestone. Leed has taken possession of the site on 6th February 2023 and is currently undertaking civil works to meet its construction timetable for completion by June 2023.

BUDGET IMPLICATIONS

Project		Woodstock Pump Station		
Approved Budget		\$806,703 (includes \$63,886 contingency)		
Project End date		April 2023		
Revised Budget	Expenditure to date	Projected (*)	Total	Remaining Funds (**)
\$806k	\$658k	\$62k	\$720k	\$86k

Project		12ML CWT D&C contract		
Approved Budget		\$3,895k (includes \$353k contingency)		
Project End date		June 23		
Revised Budget	Expenditure to date	Projected (***)	Total	Remaining Funds
\$3,895k	\$0k	\$3,850k	\$3,850k	\$45k

Note: (*) Projected costs include 1-2 weeks of commissioning.

(**) Remaining funds will be available for CTW’s 12ML CWT project.

(***) Projected costs include ancillary earthworks & Pre Chlorine injection.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil.

12.12) RENEWABLE ENERGY PROJECTS UPDATE (ET.SP.2)

Author: Director Operations & Technical Services
IP&R Link: Strategic Priority 2: An efficient, sustainable and customer focused organisation – Strategic Priority 3: Regional leadership and collaboration – 3.1: Regional collaboration and partnerships – 3.1.2: Participate in CNSWJO opportunities for relevant joint procurement activities, knowledge and resource sharing, and advocacy for strategic regional priorities. – Strategic Priority 1: Provide a high quality and reliable drinking water supply – 1.1: Service provision through fit for purpose infrastructure – 1.1.1: Deliver capital works program based on asset management data. – 1.4: Mitigate environmental impacts of service delivery – 1.4.2: Review and update Renewable Energy Action Plan (REAP) including solar and battery optimisation projects. – 1.4.3: Continue to review operational processes with the objective of further mitigating environmental impacts.

RECOMMENDATION:

That Council note the update report for the renewable energy projects.

REPORT

In following with CTW’s staged approach to assist with renewable energy opportunities, the Central NSW Joint Organisation (CNSWJO), on behalf of Central Tablelands Water, facilitated a formal Request for Tender (RFT) process for - Supply and installation of Solar PV systems for Carcoar Water Treatment Plant (CWTP) and Canomodine Pump Station (CPS) sites.

The successful tenderer Redfern Power Solutions Pty Ltd t/a NSW Country Solar. (NSW-CS), has installed the Solar Panel supporting posts at both sites as well as running electrical conduits at CPS.

The project is on track to meet the Project end date of June 2023.

BUDGET IMPLICATIONS

Project		Stage 1 - CWTP and CPS Renewable Energy		
Approved Budget (Operational Plan 22/23)		\$360k from \$500k (includes \$30k contingency)		
Project End date		June 2023		
Revised Budget	Expenditure to date	Projected remaining costs	Total	Contingency Funds *
\$360k	\$139.8k	\$203.2k	\$343k	\$17k

Note: * Topsoil supplied & spread across CWTP solar site to assist with future maintenance of site.

POLICY IMPLICATIONS

Nil.

ATTACHMENTS

Nil.

13. QUESTIONS ON NOTICE

(General Manager)

No questions on notice were received.

ATTACHMENTS

Nil

14. CONFIDENTIAL MATTERS**RECOMMENDATION:**

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

14.1) LEHMAN BROTHERS AUSTRALIA - UPDATE ON LIQUIDATION (WS.FC.1) (FM.IN.1)

This matter is considered to be confidential under Section 10A(2) (g) of the Local Government Act, as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

14.2) DEBT RECOVERY - WATER CHARGES - LEGAL ACTION (WS.FC.1)

This matter is considered to be confidential under Section 10A(2) (b) of the Local Government Act, as it deals with the personal hardship of any resident or ratepayer.