

**MINUTES of the MEETING of GOLDENFIELDS WATER COUNTY COUNCIL held at THE YOUNG SHIRE COUNCIL CHAMBERS on THURSDAY, 27 APRIL 2006 at 10.00am.**

**PRESENT**

Cr. C. Manchester (Chair), Cr. C. Manchester, Cr. J. Macaulay, Cr. P. Speirs, Cr. D. Palmer, Cr. J. McGregor, Cr. J O'Brien and Cr. D. Edwards.

**ALSO IN ATTENDANCE**

Mr. P. Wearne, General Manager, Mr. P. Dwyer, Group Leader - Administration, Mr. N. Nasser, Group Leader - Production and Distribution and Mr. B. West - Group Leader – Engineering.

**A. APOLOGIES**

06/030 An apology for non-attendance was received from Cr. D. Bolte and a leave of absence was granted on the motion of Crs. Speirs and Palmer.

**B. CONFIRMATION OF MINUTES OF MEETING HELD ON MARCH 22, 2006**

06/031 The Minutes of the Meeting held on 22 March 2006 having been circulated and read by the Members, were confirmed on the motions of Crs. Edwards and Macaulay.

**C. BUSINESS ARISING FROM MINUTES**

NIL

**D. CORRESPONDENCE**

1. John Della Bosca MLC, Minister for Industrial Relations and Kerry Hickey MP, Minister for Local Government (received 30/03/06)

Strongly encouraging councils to defer any consideration of the Work Choices legislation until the completion of the High Court proceedings and to avail themselves of the recent amendments made to the NSW legislation.

**Recommendation**

That the information be noted.

06/032 RESOLVED on the motion of Crs. O'Brien and Edwards that the letter be received.

**E. FINANCIAL REPORT (P. Dwyer)**

**1. CHEQUE WARRANTS – FEBRUARY 2006 AND BANK RECONCILIATION**

**Warrant**

<b>Fund</b>	<b>Voucher Numbers</b>	<b>\$</b>
Water	15119 – 15262 Autopays 259 & 600205	\$1,675,840.36

**Bank Reconciliation**

Opening Balance	\$ 335,172.95
Deposits	\$1,330,563.10
	<u>\$1,665,736.05</u>
Withdrawals	\$1,675,840.36
Balance as at 28 February 2006	<u><u>DR \$10,104.31</u></u>

**2. CHEQUE WARRANTS – MARCH 2006 AND BANK RECONCILIATION**

**Warrant**

<b>Fund</b>	<b>Voucher Numbers</b>	<b>\$</b>
Water	15263 – 15403 Autopays 600206-207	\$988,825.08

**Bank Reconciliation**

Opening Balance	\$- 10,104.31
Deposits	\$1,083,078.90
	<u>\$1,072,974.59</u>
Withdrawals	\$ 988,825.08
Balance as at 31 March 2006	<u><u>\$ 84,149.51</u></u>

**3. REPORT OF COUNCIL INVESTMENTS**

Listed below are Council's Investments as at 28 February 2006

<b>Financial Institution</b>	<b>Face Value</b>	<b>Annualised Interest Rate %</b>
NSW Treasury – Cash Facility	\$13,694,229.53	5.60
Local Govt Financial Services – Cash	\$13,419,166.53	5.70
Commonwealth Bank – At Call	\$1,083,058.80	5.45
LGFS Term Deposit due 2.3.06 -186878	\$500,000.00	5.71
LGFS Term Deposit due 24.3.06 -188035	\$500,000.00	5.68
LGFS Term Deposit due 26.4.06 -188696	\$720,219.84	5.67
LGFS Term Deposit due 21.08.06	\$521,309.99	5.65
CBA Term Deposit due 07.12.06	\$500,000.00	5.80
LGFS Term Deposit due 08.12.06-188203	\$500,000.00	5.86
<b>TOTAL:</b>	<b>\$31,437,984.69</b>	

Listed below are Council's Investments as at 31 March 2006

<b>Financial Institution</b>	<b>Face Value</b>	<b>Annualised Interest Rate %</b>
NSW Treasury – Cash Facility	\$13,757,595.07	5.45
Local Govt Financial Services – Cash	\$13,484,442.97	5.73
Commonwealth Bank – At Call	\$783,058.80	5.45
LGFS Term Deposit due 26.4.06 -188696	\$720,219.84	5.67
LGFS Term Deposit due 1.06.06-189105	\$515,018.08	5.63
LGFS Term Deposit due 21.08.06-188980	\$521,309.99	5.65
CBA Term Deposit due 07.12.06	\$500,000.00	5.80
LGFS Term Deposit due 08.12.06-188203	\$500,000.00	5.86
LGFS Term Deposit due 21.03.07-189365	\$500,000.00	5.75
<b>TOTAL:</b>	<b>\$31,281,644.75</b>	

I hereby certify that the investments have been made in accordance with the Act, the Regulations and Council's investment policy.

**Recommendation**

That the information in respect of items E1 to E3 be noted.

06/033 RESOLVED on the motion of Crs. McGregor and Speirs that the recommendation be adopted.

**4. OUTSTANDING DEBTORS**

The balances outstanding as at 12 April 2006 following the levy of the March quarter accounts were:

	<b>Arrears</b>	<b>Interest</b>	<b>Current</b>	<b>Total</b>
Access Charges	93,882	9,007	471,996	574,885
Consumption Charges	240,561	42,140	2,118,728	2,401,429
Deferred headworks			82,000	82,000
<b>TOTAL:</b>	<b>334,443</b>	<b>51,147</b>	<b>2,672,724</b>	<b>3,058,314</b>
Overpayments				<b>57,800</b>

After adjustments for the write offs approved at the February meeting the balances outstanding as at 9 March 2006 were:

	<b>Arrears</b>	<b>Interest</b>	<b>Current</b>	<b>Total</b>
Access Charges	71,409	9,157	50,209	130,775
Consumption Charges	169,758	42,298	109,318	321,374
Deferred headworks			82,000	82,000
<b>TOTAL:</b>	<b>241,167</b>	<b>51,455</b>	<b>241,527</b>	<b>534,149</b>
Overpayments				<b>53,084</b>

The balances reported to the last meeting (outstanding at 6 February 2006) were:

	<b>Arrears</b>	<b>Interest</b>	<b>Current</b>	<b>Total</b>
Access Charges	84,200	8,311	235,450	327,961
Consumption Charges	191,493	78,969	612,502	882,964
Deferred headworks			84,000	84,000
<b>TOTAL:</b>	<b>275,693</b>	<b>87,280</b>	<b>931,952</b>	<b>1,294,925</b>
Overpayments				<b>53,951</b>

Over the past month staff have commenced a determined effort to rein in the overdue accounts. Guidelines have been established for use by staff in considering arrangements with the message being conveyed that we are serious in our action. In March 57 final notices were issued to customers in Temora township and areas west in the first instance. The amounts overdue for this area totalled \$42,359. Since then with follow up action the following results have been achieved:

Paid in full	26
Arrangement made	20
Pending Disconnection	11
Balance outstanding reduced by	\$19,497

At the time of preparing this report some 75 final notices were issued to customers in the West Wyalong, Barmedman and Ungarie areas. Follow up action will continue with these and results will be reported to the next meeting.

**Recommendation**

That the report on outstanding debtors be received and noted

- 06/034 RESOLVED on the motion of Crs. Edwards and Speirs that the recommendation be adopted.

**5. SUPERANNUATION CONTRIBUTIONS**

The Local Government Superannuation Scheme has advised that its investments have performed “*extremely well*” over the past year and this has again allowed them to extend the “contribution holiday” for another year. This means that Council will again only be contributing 50% of the notional contributions for the Retirement and Defined Benefit Scheme members until the 30 June 2006. Council has 17 staff members in these schemes resulting in a saving of approximately \$82,000 for the year from this “holiday”.

Council’s have been advised to budget for normal cost being reintroduced from 1 July 2007.

**Recommendation**

That the report on the extended super “contributions holiday” be noted.

- 06/035 RESOLVED on the motion of Crs. O’Brien and Edwards that the recommendation be adopted.

**6. QUARTERLY BUDGET REVIEW TO 31 MARCH 2006**

The Quarterly Budget Review for the period ending 31 March 2006 is attached (yellow pages) for the consideration of Council.

Details of the main variations are as follows:

*Revenue*

- Service availability and user charges – increased by \$31,160 – reviewed income following the March quarterly accounts.
- Interest on investments and extra charges – increased by \$391,000 due to extra funds being invested with the anticipated drawn down for capital works not being as great as originally planned.
- Other revenues – increased by \$32,130 due to additional private works, rental and OHS incentive payment.
- Contributions – increased by \$78,980 due to higher than anticipated connections.

Operating revenue increased by \$533,270.

*Expenditure*

- Community Support – decreased by \$5,700 – revised estimate in line with previous years results.
- Pumping Station energy – increased by \$6,200 – result of increased water sales and pumping.
- Other operations and maintenance – decreased by \$42,630 – revised estimates for depot expenses, radio/telemetry maintenance and meter installations.

- Depreciation – increased by \$175,000 – revised estimate in line with last years result and additional new reservoirs.
  - Private works – increased by \$30,000 – additional works
  - Loss on sale of assets – increased by \$15,000 – due to higher plant/vehicle changeover costs (resale values decreasing)
- Operating expenditure increased by \$177,870.

The following changes are proposed to the budget:

<b>Adopted operating budget (surplus)</b>	<b>\$88,710</b>
Revision at 30 September 2005 – surplus	\$46,000
Revision at 31 December 2005 - surplus	\$31,500
Revision at 31 March 2006 – surplus	\$355,400
<b>Revised result – 30 June 2006 – anticipated surplus</b>	<b>\$521,610</b>

At this stage there are no major areas of concern and the review indicates that Council's financial position is satisfactory.

**Recommendation**

That the quarterly budget review report as at 31 March 2006 be noted and that Council adopt the variations as listed.

06/036 RESOLVED on the motion of Crs. Speirs and O'Brien that the recommendation be adopted.

**7. GST COMPLIANCE**

It was reported to the September meeting of Council last year changes have been made the compliance requirements for the Goods & Services Tax compliance. Council is now required to supply a certificate of confirmation to the Department of Local Government in lieu of an external audit. Council has properly accounted for its GST liabilities and input tax credits during the period of certification.

Accordingly, the required certificate has been prepared and now requires a resolution of Council for completion.

**Recommendation**

That authority be given to complete the Goods and Services Tax Certificate for the period 1 July 2005 to 30 April 2006.

06/037 RESOLVED on the motion of Crs. O'Brien and Palmer that the recommendation be adopted.

**8. DEBT WRITE-OFF**

A Queensland owner forwarded an application to permanently disconnect a property in Barellan in late 2004. In February 2006 the owner contacted Council's office inquiring about the disconnection and despite a search that application could not be found. Two options were offered to the owner, one being to proceed with the permanent disconnection including the writing off access charges from the date of the original application. The owner also disputed water consumption of 11 kilolitres recorded in March 2004. While this was legitimate consumption, in order to resolve the matter this consumption and

interest were also offered to be written off. The owner decided to proceed with the permanent disconnection paying \$257.06 in remaining charges.

**Recommendation:**

That \$182.85, being access charges of \$153.00, disputed water consumption of \$7.74 and interest of \$22.11 be written off water account 72352.

06/038 RESOLVED on the motion of Crs. Palmer and Edwards that the recommendation be adopted.

**F. WORKS REPORT  
FEBRUARY 2006**

**1. WATER LOSSES & MAINS REPAIRS**

DATE	TIME		LOCATION	AFFECTED CONS.	DIA/TYPE (mm)	EST. LOSS (KI)	REASON
	Off	On					
1/2/06	-	-	Binya Line	20	100	2	Split pipe
1/2/06	-	-	Barellan Rd Weethalle	-	100	10	Hole in pipe
2/2/06	1.30	3.00	Temora Pump Station	1	100	4	Cracked pipe
3/2/06	-	-	Temora	-	100	10	Hole in pipe
4/2/06	10.30	12.30	Grant Street, Ganmain	-	100	5	Cracked pipe
7/2/06	-	-	Hannan Rd Hannan	-	100	20	Split pipe
8/2/06	-	-	Double Day Lane, Coolamon	-	100	10	Cracked pipe
8/2/06	-	-	Ungarie Res Compound	-	150	20	Cracked pipe
8/2/06	-	-	Deepwater Road, Matong	-	100	2	Cracked pipe
11/2/06	-	-	Wagga Road, Temora	-	100	10	Split pipe
13/2/06	-	-	Griffith Road, Binya	20	100	5	Split pipe
14/2/06	8.30	11.30	Central Road, Wyalong	10	100	30	Cracked Pipe
14/2/06	-	-	Cowangs – Bauloora	-	375	15	Leaking joint
16/2/06	-	-	Cootamundra – Bauloora 375 line	-	375	5	Lead joint leaking
18/2/06	-	-	Euglo Street, Ungarie	-	100	10	Split pipe
20/2/06	-	-	Wagga Road, Temora	-	100	1	Split pipe
20/2/06	-	-	Maxwell Street, Ariah Park	-	80	10	Cracked pipe
23/2/06	-	-	Malebo Range	1	80	100	Split pipe
23/2/06	-	-	Matong Forest	-	250	100	Cracked pipe
24/2/06	-	-	Stockinbingal – Temora	-	375	5	Leaking joint
26/2/06	-	-	Hannan to Gubbata	-	100	20	Split pipe

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27/2/06	9.30	1.30	Ford Street, Ganmain	25	100	30	Split pipe
28/2/06	-	-	Perseverance Street, Wyalong	-	100	4	Cracked pipe

**2. COMPLAINTS**

Water Quality

Dirty Water – Junee

1/2/06 Fitzroy Street

13/2/06 Fitzroy Street

Dirty Water – Other

3/2/06 Byron Street, Temora

6/2/06 Wattle Lane, Coolamon

7/2/06 Wallace Street, Coolamon

20/2/06 Wallace Street, Coolamon

21/2/06 Iverach Street, Coolamon

28/2/06 Wallace Street, Coolamon

Other Problems:

13/2/06 Martin Street, Barellan – Bad tasting water

A total of 67 service difficulty and fault reports were received for the month of December.

**3. CONSTRUCTION & MAJOR MAINTENANCE**

The following significant Works were undertaken in February 2006:-

- Completed meter reading
- Continue maintenance on Methul to Coolamon pipeline section
- Installed new air valve on inlet to Bethungra Reservoirs
- Continue Ganmain pipeline upgrade
- Overhaul No. 3 pump No. 1 pump station
- Continue servicing of all Altitude Control and Pressure Reducing valves across scheme

**G. WORKS REPORT**

**MARCH 2006**

**1. WATER LOSSES & MAINS REPAIRS**

DATE	TIME		LOCATION	AFFECTED CONNS.	DIA/ TYPE (mm)	EST. LOSS (KI)	REASON
	Off	On					
1/3/06	-	-	Neeld Street, West Wyalong	-	300	5	Split pipe
1/3/06	-	-	Garoolgan	-	100	1	Split pipe

**GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2006**

3/3/06	-	-	Barmedman – Wyalong	-	300	10	Joint failure
3/3/06	-	-	Temora	-	80	1	Split pipe
4/3/06	10.30	10.30	Matong Forest	15	250	20	Split pipe
6/3/06	12.30	3.00	Polaris Street, Temora	10	100	10	Hole bored in pipe
6/3/06	-	-	Gubbata Road, Gubbata	-	100	10	Hole in pipe
6/3/06	-	-	Bootawa Road, Daylight	-	80	15	Hole in pipe
8/3/06	-	-	Junee	-	100	10	Split pipe
10/3/06	-	-	Trunk main, Barmedman	-	300	25	Lead collar
14/3/06	2.00	5.30	Victoria Street, Temora	2	225	50	Split pipe
14/3/06	-	-	Trunk Main, Barmedman	-	300	20	Joint failure
16/3/06	8.30	11.00	Britannia Street, Temora	20	100	5	Replace rubber
17/3/06	-	-	Bootawa Road, Naradhan	-	80	5	Cracked pipe
18/3/06	7.00	1.00	Main Street, Junee	-	200	20	Split pipe
21/3/06	10.30	12.00	Gilbert Lane, Wyalong	15	100	15	Split pipe
21/3/06	11.30	2.30	Malebo Range	15	150	20	Split pipe
22/3/06	9.30	11.00	Frampton	2	100	1	Split pipe
23/3/06	-	-	Leeton Road, Brobenah	-	100	10	Split pipe
23/3/06	-	-	Brobenah	-	100	5	Split pipe
24/3/06	-	-	Gubbata Road, Weethalle	-	100	15	Hole in pipe
26/3/06	9.30	11.30	Main Street, Matong	-	100	50	Split pipe
28/3/06	-	-	Garoolgan Retic	-	100	5	Hole in pipe
28/3/06	-	-	Illabo	-	150	5	Split pipe
29/3/06	-	-	Temora – Springdale	-	375	2	Joint failure
29/3/06	-	-	Kingsvale, Young	-	50	10	Split pipe
30/3/06	-	-	Malebo Range	10	80	50	Split pipe
30/3/06	3.30	4.00	Bypass Road, West Wyalong	5	100	30	Hole in pipe
31/3/06	10.30	11.30	Euglo Street, Ungarie	12	100	35	Cracked pipe

**2.COMPLAINTS**

Water Quality

Dirty Water – Junee

14/3/06 Gloucester Street

22/3/06 French Street

23/3/06 Florence Street

Dirty Water – Other

6/3/06 Lackey Street, Wallendbeen

6/3/06 Baker Street, Temora

13/3/06 Cowabbie Street, Coolamon

14/3/06 Ganmain

20/3/06 Illabo

29/3/06 Wallace Street, Coolamon

Other Problems:

21/3/06 Broadway Street, Junee – Smelly water

31/3/06 Railway Parade, Junee – Smelly water

A total of 63 service difficulty and fault reports were received for the month of March.

### **3. CONSTRUCTION & MAJOR MAINTENANCE**

The following significant Works were undertaken in March 2006:-

- Continue Methul to Coolamon pipeline maintenance
- Interconnect mains extensions in Wooten Street & Boltes Road – West Wyalong
- Construct and Interconnect new 450mm DICL section through King's Creek, Kingsvale
- Cut in new 200mm section of pipe in Ganmain
- Constructed 100m of new 200mm diameter main – Wagga Road, Coolamon
- Install and commission No. 3 Pump No. 1 pump station
- Continue routine servicing of Altitude Control and Pressure Reducing Valves
- Overhauled No. 1 pump at Naradhan pump station
- Install new reflux valve on Jugiong Low lifts wall
- Contractor installed and commissioned new electrical panel and USD to No. 1 Bore at Matong

#### **Recommendation**

That the information be noted

06/039 RESOLVED on the motion of Crs. Speirs and O'Brien that the recommendation be adopted.

**H. OTHER REPORTS**

**1. CAPITAL WORKS PROGRESS REPORT**

The Capital Works Progress Report to the end of March 2006 is attached for the information of Councillors.

**Recommendation**

That the information be noted.

06/040 RESOLVED on the motion of Crs. Edwards and Macaulay that the recommendation be adopted.

**2. 2006/07 DRAFT MANAGEMENT PLAN**

The Draft Management Plan and Budget for the 2006/07 Financial Year is included in the Business Paper mail out. The plan is generically similar to previous years with the exception of the following:-

- *Clause 3* no longer refers to the transitional arrangements relating to the operation of Goldenfields rather it refers to the legislative arrangements.
- *Headworks (Infrastructure) Charges* or Developer Charges have been amended in line with the Draft Development Servicing Plans for standard (20mm) connections that are at present on public display. Submissions from the public will be considered at the June Meeting prior to the adoption of the Plans in either the current or amended forms. Connection sizes from 25mm to 50mm have been unilaterally increased by \$2,000 although Headworks Contributions for connections above 20mm are calculated on a Peak Day Demand basis.
- *Pricing Structure* – In accordance with the direction given by Council at its Pricing Workshop of March 2006, the Draft Management Plan and Budget have been prepared using the following criteria.
  - Access charges for Retail customers remain unchanged from previous years at \$204 per annum.
  - Consumption charges for Retail Customers for Potable water have been increased by 2.8% from \$1.06 per kilolitre to \$1.09 per kilolitre
  - Retail charges for Non-Potable water have increased from \$0.74 per kilolitre to \$1.09 per kilolitre to align it with the price for potable water and to reduce the operational deficit of the Hylands Bridge scheme.
  - Access charges to Bulk Council customers have been set at 65% of the Retail Access charge multiplied by the actual number of connections.
  - Consumption charges for Bulk Council customers have been set at 65% of the Retail Consumption charge.

- **Capital Works Program** – The three year Capital Works Program is based on Council’s adopted 30 year Capital Works Program with some minor adjustment to the timing of projects. It is anticipated that some projects within the 2005/06 Program will not be completed by June 30 and unexpended votes at the end of the year will be carried forward into the 2006/07 year subject to the approval of Council. A detailed report on these projects will be submitted to Council for consideration at the end of the current financial year.
- **Staff Structure** – The Staff Structure remains unchanged from that previously adopted and the adoption of the Draft Management Plan (as amended) will be considered to comply with the mandatory annual review of the Structure. This does not preclude Council from reviewing the Structure at some time during the period covered by the Management Plan if deemed necessary.
- **Non Reticulated Headworks Contributions for the Binya and Naradhan/Weethalle/Tallimba systems** – The contributions have been reduced by 8% and 10% respectively in line with Council’s decision to ultimately align these contributions with the standard non-reticulated headworks contribution. The Binya scheme has now reached this amount and the Naradhan/Weethalle/Tallimba system will do so over the next four (4) years.
- **Tapping, Service and Meter Charge** – The tapping fee for a standard 20mm connection has been increased by \$100 and sizes from 25mm to 50mm have been increased by \$200. This is still approximately half of the average cost.
- **Sundry Fees and Charges** – Regulatory fees and charges have remained unchanged as no advice of changed has yet been received from the relevant authorities. Should advice be received prior to the adoption of the Plan then amendments will be made and reported to Council. Other sundry charges have been amended to better reflect the actual cost of providing the service.
- **Draft Budget** – The Draft Budget has been prepared using the pricing structure referred to above resulting in an anticipated increase in revenue on the current year of 8.68%. Estimated Expenditure line items have generally been increased by 3% in line with CPI and some specific maintenance projects have been included. A reduction of \$648,000 in Loan Repayments expense has been made as Council’s final loan is to be paid out during the 2005/06 financial year. Operating Expenses overall have been anticipated to reduce by 7.94% from those of the current year. The projected operating results are viewed as reasonable but will obviously be dependant on factors outside the control of Council, namely, the weather.

**Footnote**

Since the preparation of this report, the Chairman and General Manager have met with representatives from the three Bulk Councils and a supplementary report on these discussions will be tabled at the meeting.

**Recommendation**

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This is Page 13 of the Minutes for the Meeting of the Council of Goldenfields Water County Council held on Thursday, 27 April 2006  
.....General Manager .....Chairman

That the Draft Management Plan, as amended, be adopted and exhibited; and that Council make a final Management Plan for the 2006/2007 year at its June Meeting.

**2.2006/07 DRAFT MANAGEMENT PLAN – SUPPLEMENTARY REPORT**

As alluded to in the Business Paper, the Draft Management Plan has been prepared using the “65%” method of calculation of charges to the “Bulk” Councils. The Chairman and General Manager were invited to meet with representatives from the three “Bulk” Councils on Tuesday 18 April to discuss the proposed changes following correspondence from the General Manager to the councils dated 23 March 2006.

The discussions focused on what the Bulk Councils perceived to be an unfair increase in the pricing structure. The following points (in no particular order) were put forward:-

- There is no relationship between “Retail” customers and “Bulk” councils therefore the number of connections in each “Bulk” council area is irrelevant.
- The three councils should be considered as “Bulk” customers.
- The method of calculation used to date (carried over from SWTWS) was based on the “purchase” of a guaranteed amount of water.
- The present method of calculation (referred to above) was fundamentally acceptable to the three councils.
- The distribution of “Administration” costs on a “percentage of production” basis does not reflect the “real” costs.
- The councils are prepared to pay a “reasonable” cost of production plus an “acceptable” administration charge and an amount towards the “cross subsidy” of the minor schemes but when asked what was ‘reasonable’ and “acceptable” no suggestions were put forward.

In considering the points above it should be noted that the method of calculation used by SWTWS was:-

- Based on a fixed charge for the “guaranteed” supply of a fixed amount of water per week plus a charge for each kilolitre up to that amount. Consumption over that fixed amount was charged at double the standard rate.
- The prices were reviewed and set by Ministerial consent annually and were “formalised” as a Regulation under the South West Tablelands Water Supply Administration Act 1941.
- The South-west Tablelands Water Supply Administration (Price of Water) Amendment Regulation 1996 states (in part):  
*“The alterations will increase the price of water in line with increases in the Consumer Price Index. The Regulation has effect in relation to water supplied in 1997 and each subsequent year.”*
- The South-west Tablelands Water Supply Administration (Repeal) Act 1997 repealed the requirement for the Minister to set the charges annually.

- GWCC amended the method of calculation from “per fortnight” to “per month” in 2002/03 and amended the consumption charge to a percentage (54%) of the “Retail” price.
- The “fixed” charge has remained unchanged since then and the “consumption” charge has increased in line with the “retail” consumption charge.

Subsequent discussions with DEUS have revealed that the original method of calculation was devised to “send a clear message to the Bulk councils that there is a need to conserve water and that the price for going over the agreed amount would act as a penalty for exceeding the predetermined quantity.” It was also stated that it was intended that the pricing structure be indexed annually by CPI.

The attached spreadsheet shows a comparison of four methods of calculation. By using the ‘existing method’ with the 2006/07 retail price a minor increase in revenue of approximately \$60,000 will be realised. It can be seen that the ‘65 percent’ method generates less income than if GWCC had indexed the 1998 charges by CPI. Were GWCC to classify the three councils as “Bulk” customers (similar to other large volume users) then whilst the fixed charges would be considerably less, the consumption charges would dramatically increase. The income generated from this method would be higher than the ‘65 percent’ method but still below that generated using CPI increases.

A copy of correspondence received from Young Shire Council dated 26/04/06 is attached in which an alternative pricing structure is proposed. Whilst the proposal is simple and transparent, it disregards the whole of system philosophy adopted by this Council and promotes segmentation of the system into schemes.

In considering a suggested way forward staff are of the opinion that the ‘65 percent’ method of calculation is still the preferred option. Alternatively, if the existing system is to continue then steps should be taken to recoup lost CPI increases that were clearly the intent of the State Government.

### **Recommendation**

That the Draft Management Plan, as amended, be adopted and exhibited; and that Council make a final Management Plan for the 2006/2007 year at its June Meeting.

### **2006/07 Draft Management Plan**

It was MOVED by Councillors Speirs and McGregor that the Draft Management Plan be amended so that the Retail consumption price be set at \$1.10 per kilolitre and that the Bulk Council consumption price be set at 54% of that price (i.e. \$0.5940 per kilolitre). Access charges are to remain unchanged from those set for the 2005/06 year. This pricing structure is to be an interim measure for the 2006/07 year only with Council to determine an alternative pricing structure prior to the preparation of the 2007/08 Draft Management Plan.

An AMENDMENT was moved by Councillors O’Brien and Edwards that the Retail consumption price be set at \$1.10 per kilolitre and that the Bulk Council consumption price be set at \$0.6124 per kilolitre.

On being put, the amendment was LOST

The MOTION was put and was CARRIED.

06/041 RESOLVED on the motion of Councillors Speirs and McGregor that the Draft Management Plan as amended be adopted and exhibited; and that Council make a final Management Plan for the 2006/07 year at its June Meeting.

**3. 2006 ANNUAL SHIRES ASSOCIATION CONFERENCE**

The Shires Association Annual Conference will be held at the Sofitel Wentworth Sydney from 5 – 7 June. A copy of the Draft Conference Program together with details of the Mini Councillor Professional Development Workshops being held on 8 June will be tabled at the meeting. Registration fees for the conference have been set at \$632.50 per person with accommodation costs of \$200 per room per night.

So that registrations forms can be submitted, I seek an indication from Council who will be attending on behalf of Goldenfields and who will be our Voting Delegate at the conference. In past years the General Manager has also attended as an observer.

**Recommendation**

1. That Council nominate a voting delegate for the 2006 Shires Association Annual Conference
2. That Council nominate an observer(s) for the 2005 Shires Association Annual Conference

06/042 RESOLVED on the motion of Crs. O’Brien and McGregor that

1. Council nominate Cr. Macaulay as a voting delegate for the 2006 Shires Association Annual Conference
2. That Council nominate the General Manager as an observer(s) for the 2005 Shires Association Annual Conference

**4. FUTURE COUNCIL MEETING**

The next meeting of Council would normally be held in June, with submissions to both the Draft Developer Servicing Plans and the Draft Management Plan to be considered at this meeting. It is suggested that the meeting be held in Temora.

**Recommendation**

That the next Council Meeting will be held on Thursday 22 June 2006 at Temora Shire Council Chambers.

06/043 RESOLVED on the motion of Crs. McGregor and O’Brien that the recommendation be adopted.

**I. QUESTIONS AND STATEMENTS**

NIL

**J. CLOSED SESSION (*Pink pages*)**

In accordance with Clause 10A(2) of the Local Government Act 2001 the following item is to be considered in Closed Session as it relates to:

“...(c) Information that would, if disclosed confer a commercial advantage on a person with whom the Council is conducting (or proposed to conduct) business,”

**CLOSED SESSION – 1.10pm.**

06/044 RESOLVED on the motion of Crs. Palmer and Speirs that the Council meet in Closed Session.

06/045 RESOLVED on the motions of Crs. Speirs and McGregor that Council Acknowledge the 1992 arrangement between NRCC and Coolamon Shire Council in relation to payment of Headworks and Tapping fees for 10 lots and that Council accept the payment of Headworks Contributions applicable at the time of lodgement of a Development Application with the Constituent Council on the condition that a Registered Plan of Subdivision and/or construction of infrastructure necessary to service the proposed plan is completed within five (5) years from the date of receipt. Should this not occur, or the Development Application be amended, then the Headworks Contribution applicable at the time of Registration of the Subdivision or the submission of the amended Development Application will apply. Any funds previously received will be regarded as a non interest bearing deposit and will be credited to final amount owing.

06/046 RESOLVED on the motion of Crs. Speirs and Edwards that the recommendation be adopted.

**OPEN SESSION – 1.20pm.**

06/046 RESOLVED on the motion of Crs. Manchester and Speirs that the Council revert to Open Session and that the resolutions made in closed session be made public.

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There being no further business requiring the attention of the Council, the Meeting closed at 1.22pm.

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