

**MINUTES for the MEETING of GOLDENFIELDS WATER COUNTY COUNCIL held at GOLDENFIELDS WATER COUNTY COUNCIL OFFICES on THURSDAY 23 NOVEMBER 2006 at 1.05pm.**

**PRESENT**

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

**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**

06/137 An apology for non-attendance was received from Crs. D. Edwards and a leave of absence was granted on the motion of Crs. Speirs and O'Brien.

**B. CONFIRMATION OF MINUTES OF MEETING HELD ON 26 OCTOBER 2006**

06/138 The Minutes of the meeting held on 26 October 2006 having been circulated and read by the Members, were confirmed on the motion of Crs Manchester and Speirs.

**C. BUSINESS ARISING FROM MINUTES**

**NIL**

**D. CORRESPONDENCE**

**NIL**

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

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

**Warrant**

Fund	Voucher Numbers	\$
Water	16512 – 16690	
	Autopays 60221-600222	
	70714 – 70731	\$1,562,334.33

**Bank Reconciliation**

Opening Balance	\$ 73,537.42
Deposits	<u>\$1,676,079.59</u>
	\$1,749,617.01
Withdrawals	<u>\$1,562,334.33</u>
Balance as at 31 October 2006	<u><u>\$187,282.68</u></u>

**2. REPORT OF COUNCIL INVESTMENTS**

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

Financial Institution	Face Value	Annualised Interest Rate %
NSW Treasury – Cash Facility	\$6,525,840.00	5.94
Local Govt Financial Services – Cash	\$13,939,621.29	5.93
Commonwealth Bank – At Call	\$670,308.87	5.95
CBA Term Deposit due 07.12.06	\$500,000.00	5.80
LGFS Term Deposit due 8.12.06-188203	\$500,000.00	5.86
CBA Term Deposit due 04.01.07	\$500,000.00	6.06
LGFS Term Deposit due 8.02.07-190260	\$500,000.00	6.08
LGFS Term Deposit due 21.3.07-189365	\$500,000.00	5.75
LGFS Term Deposit due 26.4.07-189657	\$700,000.00	6.02
LGFS Term Deposit due 04.5.07-189919	\$500,000.00	6.20
CBA Term Deposit due 01.06.07	\$500,000.00	6.32
LGFS Term Deposit due 20.8.07-191269	\$500,000.00	6.48
<b>TOTAL:</b>	<b>\$25,835,770.16</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& E2 be noted.

06/139 RESOLVED on the motion of Crs Manchester and McGregor that the information in respect of items E1& E2 be noted

### 3. OUTSTANDING DEBTORS

The balances outstanding as at 8 November 2006 were:

	<b>Arrears</b>	<b>Interest</b>	<b>Current</b>	<b>Total</b>
Access Charges	52,401	6,755	175,043	234,199
Consumption Charges	145,724	35,984	340,082	521,790
Deferred headworks			66,000	66,000
<b>TOTAL:</b>	<b>198,125</b>	<b>42,739</b>	<b>581,125</b>	<b>821,989</b>
Overpayments				<b>88,028</b>

The balances outstanding as at 4 October 2006 were:

	<b>Arrears</b>	<b>Interest</b>	<b>Current</b>	<b>Total</b>
Access Charges	66,987	7,307	419,203	493,497
Consumption Charges	185,390	37,312	987,980	1,210,682
Deferred headworks			66,000	66,000
<b>TOTAL:</b>	<b>252,377</b>	<b>44,619</b>	<b>1,473,183</b>	<b>1,770,179</b>
Overpayments				<b>93,644</b>

#### **Recommendation**

That the report on outstanding debtors be received and noted

06/140 RESOLVED on the motion of Crs Manchester and McGregor that the report on outstanding debtors be received and noted.

### 4. AUDIT REPORT - 2005/2006 FINANCIAL REPORTS

Following completion of the audit of the of last year's financial statements, Council's auditor Mr Graham Bradley principal of Auswild & Co has submitted his statutory report to Council.

The report does not disclose any major areas of concern and indicates that in the auditor's opinion Council is in a sound financial position. However, Council is again reminded of its reliance on investment interest income on page 10 of the audit report. A copy of the auditor's report is included with the business paper (green pages).

The financial reports were despatched to the Department of Local Government on 3 November 2006.

The required advertisement was placed in the Southern Weekly magazine for the week commencing 13 November and called for submissions on the financial statements and reports. Any submissions received will be considered at the December meeting of Council.

The Auditor's report provides further information on the summary below. Mr Bradley will be present at this meeting to formally present his report. A full copy of the Financial Reports can be made available to any Councillor upon request.

The summary report as advertised shows:

**SUMMARY OF FINANCIAL REPORTS**

*For the year ending 30th June, 2006*

	<b>2006</b>	<b>2005</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
<b><u>Income Statement</u></b>		
Total income from continuing operations	13,577	13,133
Total expenses from continuing operations	11,987	11,574
Operating result from continuing operations	1,590	1,559
Net operating result before capital grants & contributions	697	854
<b><u>Balance Sheet</u></b>		
Total current assets	28,840	33,126
Total current liabilities	1,914	8,297
Total non-current assets	163,861	164,804
Total non-current liabilities	21	24
Total equity	190,766	189,609
<b><u>Other Financial Information</u></b>		
Current ratio	15.07:1	3.99:1
Unrestricted current ratio	27.03:1	3.99:1
Debt service ratio	56.09%	6.50%
Annual charges coverage ratio	22.34%	22.90%
Annual charges outstanding percentage	17.89%	16.45%

**Recommendation**

1. That the action taken in advertising the summary be endorsed.
2. That Council adopt the 2005/2006 Financial Statements and Auditors report following the presentation by Mr Bradley.

06/141 RESOLVED on the motion of Crs. Manchester and O'Brien that Standing Orders be suspended to allow Councils auditor, Mr Graham Bradley, to present his report on the 2005/06 Financial Statements, the time being 1.10pm.

Mr Bradley presented his report and advised Council that in his opinion Council's financial position as at 30 June 2006 was sound. He highlighted to Council:

- the accounting changes required with employee leave entitlements to comply with AIFRS;
- the declining operating result and Council's dependence on interest on investments;
- cash flow results showed a decrease of \$4.25m, however, this included loan repayments of \$6.5m therefore a real cash surplus of over \$2m.
- suggested that total unrestricted cash should be less than \$1m and Council may consider transferring more funds to its infrastructure reserves
- performance ratios satisfactory – as indicated in report Debt Service Ratio is not meaningful this year.

The Chairman thanked Mr Bradley for his report and attendance and Mr Bradley left the meeting.

05/142 RESOLVED on the motion of Crs. Manchester and O'Brien that Standing Orders be resumed the time being 1.40pm.

06/143 RESOLVED on the motion of Crs Manchester and O'Brien :

1. That the action taken in advertising the summary be endorsed.
2. That Council adopt the 2005/2006 Financial Statements and Auditors report.

**F. WORKS REPORT (Nick Nasser)**  
**OCTOBER 2006**

**1. WATER LOSSES & MAINS REPAIRS**

DATE	TIME		LOCATION	AFFECTED CONS.	DIA/TYPE (mm)	EST. LOSS (KI)	REASON
	Off	On					
4/10/06	-	-	Garoolgan – Binya	-	100	10	Split pipe
9/10/06	-	-	Hadrills Lane, Naradhan	-	80	20	Hole in pipe
10/10/06	-	-	Cootamundra – Temora	-	375	10	Hole in pipe
11/10/06	-	-	Cootamundra – Temora	20	375	10	Hole in pipe
13/10/06	-	-	Cowangs – Bauloora	15	375	10	Split pipe
15/10/06	7.00	10.00	Robert Street, Junee	-	100	50	Split pipe
18/10/06	12.00	1.30	Ungarie Road, West Wyalong	20	100	30	Hit by post bore – Bland Shire
18/10/06	-	-	Trunk Main, Barmedman	-	300	30	Joint failure
19/10/06	-	-	Monia Gap Road, Naradhan	-	80	15	Cracked pipe
20/10/06	10.30	12.00	Pine Street, Matong	-	100	10	Split pipe
23/10/06	-	-	Garoolgan	1	100	15	Split pipe
26/10/06	-	-	Bootoowa Road, Naradhan	-	80	25	Hole in pipe
27/10/06	-	-	Harts Lane, Naradhan	-	80	12	Hole in pipe
27/10/06	-	-	Bethungra	1	150	1	Split pipe
29/10/06	1.30	6.00	Nottingham Street, Temora	10	100	30	Split pipe
31/10/06	-	-	Trunk Main, Barmedman	-	300	10	Joint failure
31/10/06	-	-	Bethungra	-	150	2	Split pipe

**2. COMPLAINTS**

Water Quality

Dirty Water – Junee

23/10/06 Ducker Street

Dirty Water – Other

3/10/06 Locke Street, Ganmain

11/10/06 Cowabbie Street, Coolamon

16/10/06 Wellman Street, Aria Park  
19/10/06 Bygoo Street, Ardlethan  
23/10/06 Cowabbie Street, Coolamon

Other Problems:

A total of 80 service difficulty and fault reports were received for the month of October.

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

The following significant Works were undertaken in October 2006:-

- Swabbed Junee Reticulation
- Swabbed Oura Bore lines
- Swabbed Oura to Junee 525mm Trunk Main
- Flushed Coolamon Retic
- Flushed Ganmain Retic
- Cleaned “Rocky Hill” Reservoir – Junee
- Continue pipeline valve maintenance Ardlethan - Barellan
- Remove and repair sludge valves at Jugiong treatment plant
- Complete bearing change on Flocculators at Jugiong plant
- Installed new motor on No. 3 pump at Ganmain
- Remove No. 1 pump motor at No. 2 station for service
- Installed No.1 pump and motor at Aria Park following overhaul.
- Continue laying new pipe Junee
- Continue Lonsdales Lane pipework
- Fabricate new pit lids
- Fabricate and install ladders on Cartwrights Hill and Eurolie Lane Reservoirs.

#### **Recommendation**

That the information be noted

06/144 RESOLVED on the motion of Crs McGregor and Manchester that the information be noted.

### **G. OTHER REPORTS**

#### **1. CAPITAL WORKS PROGRESS REPORT (Paul Wearne)**

Attached for the information of Councillors is the Capital Works Progress Reports for the period ending 31 October 2006.

#### **Recommendation**

That the information be noted.

06/145 RESOLVED on the motion of Crs O’Brien and Palmer that the information be noted.

#### **2. TEMORA STANDPIPE (Paul Wearne)**

Further to Minute 06/117 of the September meeting, ongoing discussions have been held with Temora Shire Council regarding the relocation of the Temora Standpipe. A suitable site has been chosen at the Temora Saleyards Complex. It

has been agreed that initially the Standpipe will be constructed and operated as the majority of public standpipes currently are with a view to further investigating methods of managing access and collection issues.

Staff have prepared an estimate of the costs associated with tapping the new (not yet commissioned) 200mm main in Airport Road, metering, installation of a backflow protection device, service pipe and standpipe assembly (including meter). The estimate of \$6,000, which includes the decommissioning and removal of the existing standpipe located at the rear of the Caltex Service Station, Temora is currently not in the budget and would require the voting of the funds by Council.

Once constructed, a Standpipe Operations Agreement would be entered into with Temora Shire Council with one of the conditions being that the maintenance of infrastructure past the initial meter located inside the property boundary be the responsibility of Temora Shire Council.

**Recommendation**

That Council authorise the installation of the standpipe and vote the amount of \$6,000 to the project.

06/146 RESOLVED on the motion of Crs. Palmer and Macaulay that Council authorise the installation of the standpipe and vote the amount of \$6,000 to the project.

**3. WATER PRODUCTION AND BULK SALES**

A review of the monthly graphs included in the Business Paper has highlighted the impact the ongoing drought continues to have on water consumption over the entire Goldenfields area. With the commencement of the warmer weather, consumption as at 31/10/06 has increased to above the nine year average in all areas and in the cases of the three smaller systems servicing the western areas, to above the pro-rata maximum allocation. The table below shows the cumulative year to date figures.

Source	Production (Megalitres)	9 Yr Average (Megalitres)	Maximum Allocation (Megalitres)
Jugiong	1,351	2	1,33
Oura	7	7	1,36
Mt Arthur	8	6	15
Mt Daylight	3	0	5
Hylands Bridge	4	8	2
Cootamundra	9	9	37
Harden	0	1	27
Young	4	3	51

In accordance with Council Policy, Level A Restrictions came into effect on Sunday 29 October. The impact that these restrictions have had on consumption is not yet known however this will be closely monitored and in accordance with delegated authority under the policy, the General Manager, in consultation with the Chairman, may, if necessary, impose further restrictions.

**Recommendation**

That the information be noted.

06/147 RESOLVED on the motion of Crs Manchester and Palmer that the information be noted.

**4. REPORT TO MINISTER – REVIEW OF OPERATIONAL EFFICIENCIES** (*Paul Wearne*)

As reported to the October Meeting, a Draft Report to the Minister has been prepared and is enclosed with the Business Paper. It contains three (3) recommendations for the consideration of Council and dependent on whether it is accepted as prepared or in an amended form will form the basis of the report that is ultimately submitted to the Minister for Energy, Utilities and Sustainability as per legislative requirements. It is suggested that once the recommendations to the Minister are finalised (resolved) by Council, copies of the adopted Report be placed on public display with a call for submissions. Any submissions received along with the Report will then be forwarded to the Minister for his consideration and ultimate determination.

**For Council's Determination**

06/148 RESOLVED on the motion of Crs. O'Brien and McGregor that Item G4 be deferred until later in the meeting.

**5. FUTURE COUNCIL MEETINGS** (*Paul Wearne*)

As per the Minutes of the October Meeting, the next Ordinary Meeting will be held Friday 15 December 2006 at the Temora Office.

**Recommendation**

That the information be noted

06/149 RESOLVED on the motion of Crs. O'Brien and McGregor that the information be noted.

**H. QUESTIONS AND STATEMENTS**

Cr. Macaulay advised that the RTA had approved the continuation of the Wallacetown Rest Area project by Junee Shire Council

Cr. Macaulay sought and was provided with information relating to the new rural fire hydrants in Junee Shire

**I. CLOSED SESSION – 2.42pm (Pink pages)**

06/150 RESOLVED on the motion of Crs. O'Brien and Palmer that the Council meet in Closed Session.

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,”

06/151 RESOLVED on the motion of Crs. McGregor and O'Brien that Council offer the sum of \$1,000 plus all associated legal costs for the purchase of 805.2 m2 of land in Jepsons Lane, Bectric and that Council offer the sum of \$5,500 (GST inclusive) as full and final payment for the lease of the aforementioned land from the time of construction until ownership of the land is transferred to Goldenfields.

**OPEN SESSION – 2.46pm.**

06/152 RESOLVED on the motions of Crs. McGregor and Manchester that the Council revert to Open Session and that the resolutions made in closed session be made public.

Item G4 was now considered.

06/153 RESOLVED on the motion of Cr. Speirs and Manchester:

1. That the report presented to the November 2006 meeting of Council entitled 'Review of Relative Efficiencies and Economies of Reticulation and Distribution of Water' be accepted as a working document, which is still a work in progress.
2. That it be noted that the report as above still requires detailed information from the General Purpose Councils of Harden, Young and Cootamundra Prior to completion.
3. That in accordance with paragraph 16 of the Proclamation Establishing Goldenfields, the councils referred to in paragraph 15(b) and 15(c) of that document be directed to provide to the General Manager of Goldenfields within 14 days of receipt of such direction, all requested information pertaining to their respective water operations.
4. That the Minister for Water Utilities be informed on the progress of the Review.
5. That following the consideration and finalisation of the Report by Council, it be placed on public exhibition for comment for 28 days.
6. That the Report along with submissions received be forwarded to the Minister for Water Utilities for consideration.

**GOLDENFIELDS WATER COUNTY COUNCIL – NOVEMBER 2006**

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There being no further business requiring the attention of the Council, the Meeting closed at 3.30pm.

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