

MINUTES for the MEETING of GOLDENFIELDS WATER COUNTY COUNCIL held at GOLDENFIELDS WATER COUNTY COUNCIL OFFICES on WEDNESDAY 23 APRIL 2008 starting at 1.08pm.

PRESENT

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

ALSO IN ATTENDANCE

Mr. P. Wearne, General Manager, Mr. P. Dwyer, Manager Administration, Mr. N. Nasser, Manager Production and Distribution, Mr. B. West, Manager Engineering and Miss. K. Turner, Executive Assistant.

A. APOLOGIES

08/022 An apology for non-attendance was received for Cr. J. Edwards and leave of absence was granted on the motion of Crs. Speirs and McGregor.

B. CONFIRMATION OF MINUTES OF MEETING HELD ON 28 FEBRUARY 2008

08/023 The Minutes of the meeting held on 28 February 2008 having been circulated and read by the Members, were confirmed on the motion of Crs. Manchester and O'Brien.

C. BUSINESS ARISING FROM MINUTES

The Chairperson advised Council that the annual performance review of the General Manager had been undertaken just prior to the Council Meeting and that a Chairperson's Minute would be presented during the Closed Session of the meeting.

D. CORRESPONDENCE

1. Mr Peter Hughes, Project Manager, NSW Department of Commerce (Received 26/3/08) Advising that Commerce will be seeking an exemption from the Minister of Planning for Developer Contributions applicable to the new Junee MPHS.

The General Manager advised Council that since the preparation of the Business Paper a Mediation Session had been arranged between the parties in Sydney on 1 May 2008 and that the General Manager and Manager Engineering would be representing Council at the meeting.

Recommendation

That the information be noted.

08/024 RESOLVED on the motion of Crs. Speirs and Manchester that the information be noted.

2. Electoral Commission of NSW
(Received 4/4/08)

Providing information on the 2008 election of the Executive Members and Office Bearers of the Shires Association of NSW.

Recommendation

That the information be noted.

08/025 RESOLVED on the motion of Crs. Manchester and Palmer that the information be noted.

E. FINANCIAL REPORT (P. Dwyer)

1. CHEQUE WARRANT – MARCH 2008 AND BANK RECONCILIATION

Warrant

Fund	Voucher Numbers	\$
Water	18599 – 18706	
	Autopays 600258-600259	
	71606 – 71678	\$1,014,219.49

Bank Reconciliation

Opening Balance	\$ 307,713.16
Deposits	\$ 753,739.57
	<u>\$1,061,452.73</u>
Withdrawals	\$1,014,219.49
Balance as at 31 March 2008	<u>\$ 47,233.24</u>

2. CHEQUE WARRANT – FEBRUARY 2008 AND BANK RECONCILIATION

Warrant

Fund	Voucher Numbers	\$
Water	18480 – 18595	
	Autopays 600256-600257	
	71522 – 71605	\$1,833,518.33

Bank Reconciliation

Opening Balance	\$ 329,425.87
Deposits	\$1,811,805.62
	<u>\$2,141,231.49</u>
Withdrawals	\$1,833,518.33
Balance as at 29 February 2008	<u>\$ 307,713.16</u>

3. REPORT OF COUNCIL INVESTMENTS

Listed below are Council's Investments as at 29 February 2008

Financial Institution	Face Value	Annualised Interest Rate %
NSW Treasury – Cash Facility	\$6,175,749.45	6.03
Local Govt Financial Services – FOCF	\$5,016,228.30	7.40
Local Govt Financial Services – Cash	\$1,956,168.64	2.40
Commonwealth Bank – At Call	\$731,128.77	6.95
LGFS Term Deposit due 20.3.08-193928	\$500,000.00	6.75
LGFS Term Deposit due 20.3.08-197692	\$850,000.00	7.33
LGFS Term Deposit due 04.4.08-197471	\$500,000.00	7.32
LGFS Term Deposit due 19.5.08-197690	\$1,300,000.00	7.42
LGFS Term Deposit due 6.6.08-194803	\$500,000.00	6.85
CBA Term Deposit due 06.06.08	\$500,000.00	6.77
LGFS Term Deposit due 18.6.08-197692	\$2,120,000.00	7.46
LGFS Term Deposit due 7.8.08-198091	\$500,000.00	7.59
TOTAL:	\$20,649,275.16	

The above investments include the following restricted assets:

Purpose	Amount
Plant and vehicle replacement	\$846,000
Employees leave entitlements	\$1,296,000
Sales fluctuation	\$2,120,000
Infrastructure replacement	\$13,506,000
Total:	\$17,768,000

4. REPORT OF COUNCIL INVESTMENTS

Listed below are Council’s Investments as at 31 March 2008

Financial Institution	Face Value	Annualised Interest Rate %
NSW Treasury – Cash Facility	\$6,205,812.28	5.73
Local Govt Financial Services – FOCF	\$5,051,618.08	8.31
Local Govt Financial Services – Cash	\$1,960,037.57	2.33
Commonwealth Bank – At Call	\$631,128.77	7.20
LGFS Term Deposit due 04.4.08-197471	\$500,000.00	7.32
LGFS Term Deposit due 19.5.08-197690	\$1,300,000.00	7.42
LGFS Term Deposit due 6.6.08-194803	\$500,000.00	6.85
CBA Term Deposit due 06.06.08	\$500,000.00	6.77
LGFS Term Deposit due 18.6.08-197692	\$2,120,000.00	7.46
LGFS Term Deposit due 20.6.08-199805	\$850,000.00	7.81
LGFS Term Deposit due 7.8.08-198091	\$500,000.00	7.59
LGFS Term Deposit due 19.9.08-199804	\$500,000.00	7.97
TOTAL:	\$20,618,596.70	

The above investments include the following restricted assets:

Purpose	Amount
Plant and vehicle replacement	\$846,000
Employees leave entitlements	\$1,296,000
Sales fluctuation	\$2,120,000
Infrastructure replacement	\$13,401,000
Total:	\$17,663,000

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 E4 be noted.

08/026 RESOLVED on the motion of Crs. Manchester and O’Brien that the information in respect of items E1 to E4 be noted.

5. OUTSTANDING DEBTORS

The balances outstanding as at 4 April 2008 were:

	Arrears	Interest	Current	Total
Access Charges	48,707	7,178	511,234	567,119
Consumption Charges	144,017	24,283	1,759,969	1,928,269
Deferred Headworks			79,800	79,800
TOTAL:	192,724	31,461	2,351,003	2,575,188
Overpayments				58,918

Therefore the breakdown can be summarised as follows:

Total outstanding	\$2,575,188
<i>Less credit balances</i>	-58,618
<i>Less bulk accounts</i>	-289,401
<i>Less deferred h/wks</i>	<u>-79,800</u>
Nett balance	\$2,147,369 owed by customers

Some 10,474 accounts for the March quarter totalling \$2,076,274 were posted on April 3 and are due for payment by April 24.

The balances outstanding as at 4 March 2008 were:

	Arrears	Interest	Current	Total
Access Charges	32,065	6,371	106,524	144,960
Consumption Charges	64,170	22,769	179,273	266,212
Deferred Headworks			79,800	79,800
TOTAL:	96,235	29,140	365,597	490,972
Overpayments				108,290

The breakdown of the above can be summarised as follows:

Total outstanding	\$490,972
<i>Less credit balances</i>	-108,290
<i>Less bulk accounts</i>	-130,418
<i>Less deferred h/wks</i>	<u>-79,800</u>
Nett balance	\$172,464 owed by customers

Recommendation

That the report on outstanding debtors be received and noted.

08/027 RESOLVED on the motion of Crs. Manchester and Palmer that the report on outstanding debtors be received and noted.

6. GST COMPLIANCE

As reported last year, Council is required to supply a certificate of confirmation to the Department of Local Government in lieu of an external audit of its GST accounts. Council has properly accounted for its GST liabilities and input tax credits during the period of certification.

For Council's information:

- The value of GST collected was \$75,270
- The value of GST refunded from the ATO was \$1,475,577
- Each of Council's 12 monthly BAS's were completed and remitted on time and there are no matters raised in writing by the ATO during the period.

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 May 2007 to 30 April 2008.

08/028 RESOLVED on the motion of Crs. Palmer and Speirs that authority be given to complete the Goods and Services Tax Certificate for the period 1 May 2007 to 30 April 2008.

7. PENSION REBATES (*Gerard Carr*)

Council is required to write-off concessions granted to eligible pensioners for water supplied. Nineteen hundred and twenty nine concession claims require writing-off for the period: 1 October 2007 to 31 December 2007, and nineteen hundred and fifty six concession claims are current and require the writing-off for the period: 1 January 2008 to 31 March 2008.

(Subsidy claimed \$23,780.31 – Claim 137)

(Subsidy claimed \$23,475.43 – Claim 138)

Recommendation

That Council hereby write-off, as mandatory concessions, the amount of \$43,236.92 in pensioner concession rebates for the period 1 October 2007 to 31 December 2007 and the amount of \$42,682.60 in pensioner concession rebates for the period 1 January 2008 to 31 March 2008.

08/029 RESOLVED on the motion of Crs. Palmer and Manchester that Council hereby write-off, as mandatory concessions, the amount of \$43,236.92 in pensioner concession rebates for the period 1 October 2007 to 31 December 2007 and the amount of \$42,682.60 in pensioner concession rebates for the period 1 January 2008 to 31 March 2008.

8. QUARTERLY BUDGET REVIEW TO 31 MARCH 2008

The Quarterly Budget Review for the period ending 31 March 2008 is attached (yellow pages) for the consideration of Council. A detailed review of all votes was undertaken as part of preparation of next years' budget. As a result most of the variations in the budget come from this revision.

Variations where this was not the case are as follows:

Revenue

- User charges – decreased as a result of restrictions and wetter summer conditions
- Interest on investments – increased due to lower capital drawdown and interest rates higher than originally budgeted
- Private works income – increased in line with additional work undertaken

Operating income decreased by \$96,170.

Expenditure

- Community service & support – increased by \$23,500 as a result of the standpipe write-offs approved at the November meeting
- Depreciation – revised in line with anticipated, based on last year's result
- Private works – increased due to additional work undertaken

Operating expenditure increased by \$595,775.

Changes to Capital

- Developer contributions – decreased by \$70,000 – estimate revised due to large decrease in demand for new connections and reduced development.

The following changes are proposed to the operating budget:

Adopted operating budget (deficit)	-\$37,010
Revision at 30 September 2007 – deficit	-\$105,369
Revision at 31 December 2007 – deficit	-\$108,590
Revision at 31 March 2008 – deficit	-\$691,945
Revised result – 30 June 2008 – anticipated deficit	-\$942,914

At this stage, even though the deficit appears large there are no major areas of concern. The review indicates that Council's projected level of available working capital at year end is still satisfactory.

Recommendation

That the quarterly budget review report as at 31 March 2008 be noted and that Council adopt the variations as listed.

- 08/030 RESOLVED on the motion of Crs. O'Brien and Manchester that the quarterly budget review as at 31 March 2008 be noted and that Council adopt the variations as listed.

9. WRITE OFF OF RATES AND CHARGES (*Paul Wearne*)

In accordance with section 131 of the Local Government (General) Regulations 2005 and by virtue of the authority delegated to the General Manager by Council (Minute 08/017), listed below are details of Rates and Charges Written Off since the last Council Meeting.

Account Number	Amount	Reason for Write off
73820	\$86.32	Charges unrecoverable after the issue of S603 Certificate.

Recommendation

That the information be noted.

08/031 RESOLVED on the motion of Crs. O'Brien and Manchester that the information be noted.

F. WORKS REPORT *(Nick Nasser)*
FEBRUARY 2008

1. WATER LOSSES & MAINS REPAIRS

DATE	TIME		LOCATION	PIPE DIAMETER	AFFECTED CONSUMERS	ESTIMATED LOSS (KI)	REASON
	Off	On					
4/02/08	-	-	Leeton Road, Brobenah	100	-	5	Split pipe
4/02/08	-	-	Bethungra	150	-	-	Split pipe
7/02/08	-	-	Old Sydney Road, Bethungra	150	-	3	Split pipe
11/02/08	-	-	Garoolgan	100	1	2	Split pipe
11/02/08	9.30	11.30	Methul	80	3	50	Split pipe
12/02/08	-	-	Airport Road, Temora	100	-	10	Split pipe
13/02/08	11.30	3.30	Airport Road, Temora	100	-	1	Split pipe
19/02/08	-	-	Leeton Road, Brobenah	100	-	5	Split pipe
19/02/08	-	-	Y Piece to Garoolgan	100	-	8	Hole in pipe
20/02/08	-	-	Garoolgan	100	-	1	Split pipe
20/02/08	-	-	Eurongilly	25	-	2	Split pipe
20/02/08	-	-	Calleen	150	-	1	Other
20/02/08	-	-	Ungarie	150	-	0.5	Other
21/02/08	3.00	5.00	Garoolgan	100	1	20	Split pipe
25/02/08	-	-	Junece	100	-	5	Split pipe
26/02/08	7.00	9.00	Deep Water Road, Matong	100	-	20	Split pipe

2. COMPLAINTS

Water Quality

Dirty Water – Junece

13/02/08 Coffin Rock Lane.

Dirty Water – Other

07/02/08 Ardlethan Road, Kamarah.

07/02/08 9 Wallace Street, Coolamon.

Other Problems:

14/02/08 Stockinbingal Road, Temora – horrible quality water.

A total of 48 service difficulty and fault reports were received for the month of February.

3. CONSTRUCTION & MAJOR MAINTENANCE

The following significant works were undertaken in February 2008:-

- Commenced investigation/locations for Garoolgan – Binya mains replacement.
- Carried out test/tag on leads and power tools.
- Service soda ash pumps at Jugiong Treatment Plant.
- Install new transfer pump and pipework at Aria Park.
- Fabricate internal platform for Hannon Reservoir.
- No. 1 pump at Barmedman stripped for overhaul.
- Install new auto-valve to inlet at Aria Park Reservoir.
- Commence customer meter reading.
- Dismantle surge tank at Rosehill to Harden for repairs.

G. WORKS REPORT *(Nick Nasser)*
MARCH 2008

1. WATER LOSSES & MAINS REPAIRS

DATE	TIME		LOCATION	PIPE DIAMETER	AFFECTED CONSUMERS	ESTIMATED LOSS (KI)	REASON
	Off	On					
3/03/08	-	-	Ardlethan Road, Tallimba	150	-	1	Split pipe
4/03/08	-	-	Malebo	200	-	5	Split pipe
4/03/08	-	-	Barmedman Road, Temora	250	-	1	Joint failure
5/03/08	-	-	Monia Gap Road, Naradhan	80	-	1	Hole in pipe
5/03/08	-	-	Eurongilly	50	-	1	Split pipe
6/03/08	-	-	Malebo	80	-	1	Split pipe
7/03/08	7.00	12.30	Waterview Street, Ganmain	100	25	5	Split pipe
7/03/08	1.30	3.00	Trunk main, Grong Grong	100	-	10	Split pipe
7/03/08	-	-	Hadrill's Lane, Naradhan	80	-	5	Split pipe
7/03/08	-	-	Narrandera Road, Barellan	20	-	5	Hole in pipe
10/03/08	-	-	Malebo	-	-	10	Split pipe
12/03/08	-	-	John Potts Drive, Junee	-	-	-	Damaged by others
13/03/08	-	-	Old Sydney Road, Illabo	-	-	2	Split pipe
13/03/08	-	-	Wagga Road, Coolamon	-	-	10	Split pipe
13/03/08	8.00	11.30	Malebo	80	-	10	Split pipe
14/03/08	-	-	Old Sydney Road, Bethungra	-	-	1	Split pipe
17/03/08	-	-	Eurongilly	-	-	20	Split pipe
17/03/08	-	-	Olympic Way, Cootamundra	-	-	3	Split pipe
17/03/08	-	-	Garoolgan	100	-	20	Split pipe
17/03/08	-	-	Olympic Way, Illabo	-	-	1	Split pipe
18/03/08	-	-	Trunk main, Barmedman	300	-	10	Hole in pipe
18/03/08	-	-	Trunk main, Wyalong	300	-	15	Hole in pipe

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18/03/08	-	-	Wyalong	300	-	30	Hole in pipe
19/03/08	-	-	Bells Hill	-	-	1	Joint failure
19/03/08	-	-	Futter Park	-	-	2	Joint failure
21/03/08	2.45	5.30	Coolamon	100	-	50	Split pipe
24/03/08	-	-	Garoolgan	100	-	15	Hole in pipe
25/03/08	-	-	Temora Road, Cootamundra	-	-	50	Hole in pipe
26/03/08	-	-	Gubbatta	100	-	20	Hole in pipe
26/03/08	-	-	Temora Road, Cootamundra	-	-	50	Hole in pipe
27/03/08	-	-	Old Sydney Road, Cootamundra	-	-	5	Split pipe
27/03/08	-	-	Leeton Road, Brobenah	100	-	5	Split pipe
27/03/08	11.30	1.30	Malebo Range	80	12	50	Split pipe
28/03/08	-	-	Dirnaseer Road – Frampton	100	-	10	Split pipe
28/03/08	-	-	South Weethalle	100	-	5	Split pipe
28/03/08	-	-	Barellan Road, Weethalle	-	-	5	Split pipe
29/03/08	-	-	Garoolgan	100	-	12	Hole in pipe
31/03/08	-	-	Temora Road, Cootamundra	-	-	50	Hole in pipe
31/03/08	12.30	1.30	Wallacetown	50	-	20	Split pipe
31/03/08	-	-	Leeton Road, Barellan	100	-	5	Split pipe
31/03/08	-	-	Binya	100	-	5	Split pipe

2. COMPLAINTS

Water Quality

Dirty Water – Juneec

Nil.

Dirty Water – Other

06/03/08 9 Wallace Street, Coolamon
 12/03/08 112 Methul Street, Coolamon
 13/03/08 9 Wallace Street, Coolamon
 14/03/08 Cambria Street. Stockinbingal
 17/03/08 1 Booth Street, Coolamon
 17/03/08 Marrar North Road, Marrar
 18/03/08 Corner Britannia & Crowley Streets, Temora
 25/03/08 4 Kindra Crescent, Coolamon

Other Problems:

12/03/08 112 Methul Street, Coolamon – bad smell and tasting water.
 13/03/08 40 Hibernia Street, Stockinbingal – white and bubbly water.
 17/03/08 15 Adams Street, Stockinbingal – cloudy water.

- 20/03/08 Corner Double Day & Leary's Lane, Coolamon – discoloured (yellow) water.
26/03/08 7802 Burley Griffin Way, Temora – foul tasting water.

A total of 62 service difficulty and fault reports were received for the month of March.

3. CONSTRUCTION & MAJOR MAINTENANCE

The following significant works were undertaken in March 2008:-

- Complete cut-ins on new main Stockinbingal to Temora.
- Complete Victoria Street, Temora upgrade.
- Continue investigation/location for mains replacement Garoolgan to Binya.
- Repair Barmedman No. 1 pump.
- No. 1 pump Prunevale removed for repair.
- Removed No. 3 Bore at Oura following failure.
- Replace roof on Demondrille Cottage.
- Relocated PRV at Marrar.
- Continued customer meter reading.
- Interconnect new railway crossing at Kanaley Square, Junee.
- Clean Garoolgan, Binya and Brobenah Reservoirs.
- Swab bore header mains.

Recommendation

That the information contained in items F1-3 and G1-3 be noted.

- 08/032 RESOLVED on the motion of Crs. Manchester and Speirs that the information contained in items F1-3 and G1-3 be noted.

H. 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 March 2008.

Recommendation

That the information be noted.

08/033 RESOLVED on the motion of Crs. Speirs and O'Brien that the information be noted.

2. CRITICAL WATER AVAILABILITY FOR 2007-08 *(Paul Wearne)*

Included in the Business Paper are the water production graphs for the five sources and the three bulk councils to the end of March 2008. The wetter than usual summer coupled with the necessity to apply heavy restrictions early in the water year has resulted in consumption being down on previous years. This is detailed in Table 1 below.

Table 1

Source	YTD Consumption	YTD Maximum Allocation	Percentage
Jugiong	2,940	4,391	66.95%
Oura	3,055	4,781	63.89%
Mt Arthur	378	620	60.96%
Mt Daylight	197	236	83.47%
Hylands Bridge	112	132	84.84%
Total All Sources	6,682	10,160	65.76%
Cootamundra	574	1,231	46.62%
Harden *	355	966	36.74%
Young	1,056	1,628	64.86%

NB:

YTD Consumption for Harden does not include Harden Minor Consumers

Hylands Bridge Allocation does not include additional allocation from Narrandera Shire Council.

Looking at the trend that is developing it is reasonable to assume that, possibly with the exception of the Mt Daylight scheme, consumption will be well below that of the 10 year average. The long range weather forecast is for above average rainfall during the autumn and winter periods.

Given that the original revenue estimates for the current year were based on that 10 year average consumption, income from water sales is expected to be well below that originally anticipated (refer item E.8 earlier in this business paper). This will impact negatively on Council's operating result for the year.

The latest communiqué from the Department of Water & Energy on Critical Water Availability report that inflows into the major storages over recent months have been below average. There is a need (in the opinion of the writers) to maintain conservative usage patterns for the foreseeable future.

Recommendation

That the information be noted.

08/034 RESOLVED on the motion of Crs. Palmer and McGregor that the information be noted.

3. DRAFT CODE OF MEETING PRACTICE AND DRAFT POLICY – PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO COUNCILLORS *(Paul Wearne)*

In accordance with Minutes 08/015 and 08/016 the Draft Code of Meeting Practice and Draft Policy for Payment of Expenses and Provision of Facilities to Councillors were placed on public display. Submissions closed on Monday 14 April at which time no submissions had been received.

Council is now required to formally adopt these policies and to forward a copy of the policy relating to Payment of Expenses and Provision of Facilities to Councillors policy to the Director General, Department of Local Government.

Recommendation

1. That Council formally adopt the Draft Code of Meeting Practice.
2. That Council formally adopt the Draft Policy – Payment of Expenses and Provision of Facilities to Councillors.
3. That a copy of the Payment of Expenses and Provision of Facilities to Councillors policy be forwarded to the Director General, Department of Local Government in accordance with Section 253(4) of the Local Government Act.

08/035 RESOLVED on the motion of Crs. Speirs and Manchester

1. That Council formally adopt the Draft Code of Meeting Practice.
2. That Council formally adopt the Draft Policy – Payment of Expenses and Provision of Facilities to Councillors.
3. That a copy of the Payment of Expenses and Provision of Facilities to Councillors policy be forwarded to the Director General, Department of Local Government in accordance with Section 253(4) of the Local Government Act.

4. 2008/09 DRAFT MANAGEMENT PLAN *(Paul Wearne)*

The Draft Management Plan and Budget for the 2008/09 Financial Year is included in the Business Paper mail out. The plan is generically similar to previous years with the exception of the following:-

- *Headworks (Infrastructure) Charges* or Developer Charges have been amended in line with the adopted Development Servicing Plans for standard (20mm) connections. Headworks Contributions for connections larger than 20mm are calculated on a Peak Day Demand basis.
- *Pricing Structure* – In accordance with Minute 08/012 of the February 2008 meeting the Draft Management Plan and Budget have been prepared using the following criteria:-
 - a) The Retail consumption price be \$1.20 per kilolitre and that the Bulk Council Consumption price be 57% of that price (i.e. \$0.6840 per kilolitre); and
 - b) That the Bulk Council Access charge be 57% of the Retail Access charge (i.e. \$116.28 per connection per annum) multiplied by the actual number of connections serviced by the respective council.
- *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 2007/08 Program may not be fully completed by June 30 and unexpended votes at the end of the year will be carried forward into the 2008/09 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.

During the first three financial years of the term of the current Council, capital expenditure totalling \$18.602M has been undertaken. Year to date capital expenditure to 31 March of \$9.428M has occurred giving a combined total of \$28.030M. Council's 2003/04 Financial Statements record that the Infrastructure Replacement Reserve (IRR) had funds of \$17.894M set aside for such purposes at that time. As reported earlier in the business paper the IRR is currently at \$13.401M. Based on the proposed capital works program and the anticipated operating results for the next three years this reserve will be at approximately \$5M at the end of 2010/11. For capital works expenditure to continue past this point at the present rate Council will have to source external funding from other means.

- *Non Reticulated Headworks Contributions for the Naradhan/Weethalle/Tallimba system* – The contribution has been reduced by a further 10% in line with Council's decision to ultimately align these contributions with the standard non-reticulated headworks contribution.
- *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 the same amount. This is still approximately half of the average cost.
- *Sundry Fees and Charges* – Regulatory fees and charges have been changed as advice from the relevant authorities has been received. At the time of preparation, the maximum allowable interest rate on overdue charges has not been released and has remained at 10% per annum. 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.

- *Organisational Structure* – The organisation structure is the same as that adopted by Council last year. Efforts to fill vacant positions are continuing however recruitment of specialist positions has generally not been successful.
- *Draft Budget* – The Draft Budget has been prepared using the pricing structure referred to above and using the ten (10) year average of water consumption resulting in an anticipated increase in total revenue on that of the revised current year of 9.30%.

Estimated Expenditure line items have generally increased in line with CPI and some specific maintenance projects have been included. Operating Expenses overall have been anticipated to increase by 2.74% from those of the revised current year which is below CPI however it is expected that current levels of service can be maintained.

The projected operating results are viewed as “break even”. Factors outside the control of Council, such as the weather and potential variations to water allocations by regulatory authorities will obviously impact on Council’s revenue stream and could significantly impact, either positively or negatively on these results.

Recommendation

That the Draft Management Plan, as amended, be adopted and exhibited; and that Council make a final Management Plan for the 2008/2009 year at its June Meeting.

08/036 RESOLVED on the motion of Crs. O’Brien and Speirs that the Draft Management Plan, as amended, be adopted and exhibited, and that Council make a final Management Plan for the 2008/2009 year at its June Meeting.

5. PRICING STRUCTURE (Paul Wearne)

In accordance with Part 4 of Minute 08/012 of the February Meeting the process of developing an alternative pricing structure has recommenced. Attached is a Discussion Paper that has been prepared for the consideration of Council. It should be noted that this paper is in two parts with Part 1 devoted to the principles of a pricing structure. Part 2 will focus on the financial implications on the organisation and a cross section of our customers following Council determining its pricing principles.

It is suggested that Council develop pricing principles at this meeting that will allow financial modelling to be undertaken by staff with Part 2 of the Discussion Paper to be submitted to a future meeting for Council’s consideration.

Recommendation

That the recommendations contained in the Alternative Pricing Structure Discussion Paper, April 2008 (Part 1) be adopted.

The General Manager recommended that to allow a frank and open discussion of the matter Standing Orders be suspended.

- 08/037 RESOLVED on the motion of Crs. Manchester and Palmer that Standing Orders be suspended the time being 2.02pm.
- 08/038 RESOLVED on the motion of Crs. Speirs and Manchester that Standing Orders be resumed the time being 3.45pm.
- 08/039 RESOLVED on the motion of Crs. Speirs and Manchester that the recommendations contained in the Alternate Pricing Structure Discussion Paper April 2008 (Part 1) be adopted.

6. STRATEGIC BUSINESS PLAN (*Paul Wearne*)

As advised verbally by the General Manager at the February Meeting there is a perceived need for a thorough review of Council's Strategic Business Plan.

In May 1997 the Goldenfields Water County Council Strategic Business Plan (SBP) was prepared by Riverina Water County Council. A search of Councils records has failed to find where this document has been reviewed by Council since that time.

Council did undertake a Planning Workshop in June 2003 which resulted in the adoption of the Goldenfields Water County Council Corporate Plan at the November 2003 Council Meeting (Minute 03/146).

Given the limited resources available within the organisation, it is suggested that outside assistance be sought to facilitate the review process. The question arises whether this can be satisfactorily undertaken during the term of the current Council or whether it should be dealt with by the new council after the Local Government Elections in September of this year. Direction is now sought from Council as to how it wishes to proceed.

Recommendation

That Council determine the course of action it wishes to take.

- 08/040 RESOLVED on the motion of Crs. Manchester and Speirs that review of Council's Strategic Business Plan be deferred for the consideration of the new Council.

7. LAND MATTERS – GRONG GRONG RESERVOIR SITE (*Paul Wearne*)

Council staff is continuing to address matters pertaining to the ownership of land and assets that were transferred to Goldenfields upon its formation. Land on which the Grong Grong Reservoir is situated is being finalised and now requires Council's authorisation for the affixing of the Council Seal to the Deposited Plan.

Recommendation

That authorisation be given for the fixing of the Common Seal of Goldenfields Water County Council to documents relating to the Plan of Land Acquired by Northern Riverina County Council in Government Gazette No. 165 of 5 October 1951, Folio 2844 and for the Chairman and General Manager to sign the document on behalf of Council.

- 08/041 RESOLVED on the motion of Crs. McGregor and O'Brien that authorisation be given for the fixing of the Common Seal of Goldenfields Water County Council to documents relating to the Plan of Land Acquired by Northern Riverina County Council in Government Gazette No. 165 of 5 October 1951, Folio 2844 and for the Chairman and General Manager to sign the document on behalf of Council.

8. SHIRES ASSOCIATION ANNUAL CONFERENCE *(Paul Wearne)*

The 2008 Shires Association of NSW Annual Conference will be held at the Sofitel Wentworth Sydney from 2 – 4 June. A copy of details of the Conference Program is included in the Business Paper mail out for the information of Council however, 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 nominates a voting delegate for the 2008 Shires Association Annual Conference.
2. That Council nominates an observer(s) for the 2008 Shires Association Annual Conference.

- 08/042 RESOLVED on the motion of Crs. Manchester and Speirs that

1. Council's delegate to the 2008 Shires Association Annual Conference be Cr. Macaulay.
2. Council authorise the General Manager to attend the Conference as an Observer.
3. That the General Manager contact Cr. Edwards to advise him that Council had endorsed his attendance to the Conference as an Observer should he wish to attend.

9. OCCUPATIONAL HEALTH & SAFETY REPORT – 2007

(Paul Wearne)

A copy of the 2007 Annual Occupational Health & Safety Report prepared by Council's OH&S Officer is attached for the information of Council. The report demonstrates Council's commitment to workplace safety and the positive outcomes it is achieving in this area.

Recommendation

That the information be noted.

08/043 RESOLVED on the motion of Crs. Manchester and Speirs that the information be noted and that staff be commended on their continuing commitment to Occupational Health & Safety as evident by the report.

10. TEMORA RESERVOIR PIPELINE INTERCONNECTION

(Bill West)

Council resolved at its December meeting to accept the schedule of rates offer from Templemichael Construction Pty Ltd totalling \$789,388 for the Temora Reservoir Interconnection Pipeline. It was expected that the works would start March/April and take approximately 3 months to complete with funding being \$500,000 this financial year and \$289,388 in 2008/2009. Due to Templemichael's lack of commitments elsewhere, the works at Temora have been accelerated, consequently the project will be completed this financial year and it is requested that the expenditure budgeted for 2007/2008 be increased to \$789,388.

Recommendation

That the expenditure allocated for this project be increased from \$500,000 to \$789,388.

08/044 RESOLVED on the motion of Crs. O'Brien and Speirs that the expenditure allocated for this project be increased from \$500,000 to \$789,388.

11. PROPOSED BUNDAWARRA STREET MAINS EXTENSION

(Bill West)

Late 2007 Council received advice of a proposed Seniors Living development in Chifley Street, Temora which would require a peak water demand of 224 kl/day, the developer was advised that preliminary investigation indicated that the present reticulation servicing parts of French and Chifley Streets would be inadequate to supply the peak demand required by the development, therefore augmentation by way of installation of approximately 1500 metres of new 100mm diameter water main connected to the then proposed interconnection or balancing pipeline from the new reservoir to the existing reservoir in Loftus Street would be required at the developers cost.

Also Council had previously planned to replace the existing 100mm main in the laneway between the Temora Hospital and Narraburra Lodge with a 150mm main to improve the water supply to the Deutcher, Joffre and Glassop Streets area but this upgrade would not adequately serve the proposed Seniors Living development. After consultation with Temora Shire Council regarding anticipated future subdivisions, it was considered that the installation of a new 200mm water main down Bundawarra Street from the interconnecting pipework between the reservoirs to Chifley Street with 150mm diameter connections to the existing reticulation in both Chifley and Kitchener Streets would serve the proposed Seniors Living, potential subdivisional developments and improve the water supply to the upper areas of Deutcher, Joffre and Glassop Streets area.

Council's proposed financial budget for 2008/2009 has included an item for the installation of approximately 1900 metres of 200mm and 150mm PVC from the

reservoirs interconnecting pipework in Loftus Street at \$200,000. The net cost to Council for this water main extension will be \$200,000 less a \$90,000 contribution from the Seniors Living Development.

As it is anticipated that both the new reservoir and the interconnecting pipework will be completed this financial year, it is considered prudent for Goldenfields Water to take advantage of Templemichael Construction Pty Ltd's presence in Temora, by providing the pipes, fittings and materials and obtain a quotation from both Templemichael and Keogh's Plumbing from Wagga Wagga (who satisfactorily installed 1100 metres of 200mm water main in Coopers Lane, Coolamon) for installation only. The quotations will be tabled at the April Council meeting and if considered satisfactory bring forward the \$200,000 to this years budget.

Recommendation

That subject to the receipt of a satisfactory quotation, bring forward the funding for the proposed Bundawarra water mains extension to allow the works to be completed this financial year.

The Manager Engineering verbally advised Council that since the production of the Business Paper, Templemichael Constructions Pty Ltd had submitted a quotation of \$139,000 for installation only and that Keogh's Plumbing had declined to submit a quotation.

- 08/045 RESOLVED on the motion of Crs. McGregor and Speirs that Council accept the quotation from Templemichael Constructions Pty Ltd and authorise the bringing forward of the funding for the proposed Bundawarra water mains extension to allow the works to be completed this financial year.

12. FUTURE COUNCIL MEETINGS *(Paul Wearne)*

The next Ordinary Meeting of Council would normally be held in June and it is suggested that this meeting be held in Temora.

Recommendation

That the next meeting of Council be held in Temora on Thursday 26 June 2008 commencing at 1.00 pm.

- 08/046 RESOLVED on the motion of Crs. McGregor and Palmer that the next meeting of Council be held in Temora in Thursday 26 June 2008 commencing at 1.00 pm.

13. LATE ITEM: LOCAL WATER UTILITIES REVIEW AND INQUIRY *(Paul Wearne)*

The General Manager advised Council that Public hearings for the above Inquiry were being held in Wagga Wagga on Tuesday 29 April 2008 and in Temora on Wednesday 7 May 2008 and that the Chairman and General Manager would be making a presentation at the Temora venue. Councillors were asked to advise the General Manager should they wish to be registered as an Observer if they had not already done so.

I. QUESTIONS AND STATEMENTS

Cr. O'Brien sought and was provided with information relating to Council's Payment for Mains Extension Policy and requested that a report be prepared for a future Council Meeting.

J. CLOSED SESSION

08/047 RESOLVED on the motion of Crs. McGregor and Speirs that the Council meet in Closed Session.

1. CHAIRMAN'S MINUTE: GENERAL MANAGERS EMPLOYMENT CONTRACT (Cr. D Bolte)

This item is classified CONFIDENTIAL under section 10A (2) (a) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(a) personnel matters concerning particular individuals.

08/048 RESOLVED on the motion of Crs. McGregor and Macaulay

1. That in accordance with Minute 08/020, the subcommittee consisting of Crs. Bolte and Manchester has undertaken the Performance Review of the General Manager on 23 April 2008. The overall performance of the General Manager was considered to be of a high standard resulting in an overall rating of B+.
2. That the General Manager's total package be increased, effective from 1 May 2008 to \$135,000 per annum.
3. The General Manager has formally advised Council of his intention to seek reappointment to the position and the subcommittee recommend that he be offered a new five (5) year contract with a commensurate total package of \$135,000 per annum to be effective from 1 July 2008.
4. That a Draft Contract of Employment be prepared for the consideration of Council at the June 2008 Council Meeting.

OPEN SESSION – 4.08PM

08/049 RESOLVED on the motion of Crs. McGregor and Speirs that the Council revert to Open Session and that the resolutions made in Closed Session be made public.

There being no further business requiring the attention of the Council, the Meeting closed at 4.08pm.
