

MINUTES for the MEETING of GOLDENFIELDS WATER COUNTY COUNCIL held at GOLDENFIELDS WATER COUNTY COUNCIL OFFICES on THURSDAY 23 APRIL 2009 starting at 1.09pm.

PRESENT

Cr. P. Speirs (Chair), Cr. C. Manchester, Cr. J. McGregor, Cr. J. Macaulay, Cr. K. Morris, Cr. D. Palmer, Cr. J. O'Brien and Cr. H. Mangelsdorf.

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. PUBLIC ACCESS

No requests for this meeting were received.

B. APOLOGIES

Nil.

C. CONFIRMATION OF MINUTES OF MEETING HELD ON 26 MARCH 2009

09/028 The Minutes of the meeting held on 26 March 2009 having been circulated and read by the Members, were confirmed on the motion of Crs. Macaulay and Morris.

D. BUSINESS ARISING FROM MINUTES

Nil.

E. CORRESPONDENCE

Correspondence was deferred until all Councillors were present.

1. Cr. Dennis Palmer
(Received 8/04/09)

Providing comments relating to the Special Council Meeting held on 26 March 2009 convened to consider a pricing structure as part of the Strategic Business Plan Review.

NB: Cr. Palmer has made a verbal request to the General Manager that this letter be placed before Council.

Recommendation

That the information be noted.

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

Councillor Palmer addressed Council in relation to the correspondence item.

09/029 RESOLVED on the motion of Crs. McGregor and O'Brien that the information be noted.

F. FINANCIAL REPORT (*Peter Dwyer*)

1. CHEQUE WARRANT – FEBRUARY 2009 AND BANK RECONCILIATION

Warrant

Fund	Voucher Numbers	\$
Water	Cheques 19675 – 19756	
	EFT's 72469 – 72555	
	Autopays 600282-600283	\$ 1,564,042.83

Bank Reconciliation

Opening Balance	\$ 251,874.06
Deposits	\$1,381,746.93
	<u>\$1,633,620.99</u>
Withdrawals	\$1,564,042.83
Balance as at 28 February 2009	<u><u>\$ 69,578.16</u></u>

2. CHEQUE WARRANT – MARCH 2009 AND BANK RECONCILIATION

Warrant

Fund	Voucher Numbers	\$
Water	Cheques 19757 – 19841	
	EFT's 72556 – 72634	
	Autopays 600284-600285	\$1,138,529.78

Bank Reconciliation

Opening Balance	\$ 69,578.16
Deposits	\$1,212,497.67
	<u>\$1,282,075.83</u>
Withdrawals	\$1,138,529.78
Balance as at 31 March 2009	<u><u>\$ 143,546.05</u></u>

3. REPORT OF COUNCIL INVESTMENTS

Listed below are Council's Investments as at 28 February 2009

Financial Institution	Face Value	Annualised Interest Rate %
NSW Treasury – Cash Facility	\$6,602,297.71	2.90
Local Govt Financial Services – FOCF	\$5,398,672.01	4.28
Local Govt Financial Services – 12m Cash	\$1,027,953.36	1.40
Commonwealth Bank – At Call	\$1,416,348.84	3.20
LGFS Term Deposit due 6.2.09 - 201241	\$500,000.00	6.45
LGFS Term Deposit due 20.02.09- 201674	\$500,000.00	5.35
LGFS Term Deposit due 20.3.09-200503	\$558,000.00	7.75
CBA Term Deposit due 27.03.09	\$1,000,000.00	3.64
LGFS Term Deposit due 3.04.09-200615	\$500,000.00	7.65

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

LGFS Term Deposit due 17.04.09- 201786	\$813,000.00	4.65
LGFS Term Deposit due 17.04.09- 202161	\$500,000.00	3.85
CBA Term Deposit due 24.04.09	\$750,000.00	3.19
LGFS Term Deposit due 08.05.09- 202089	\$500,000.00	3.65
LGFS Term Deposit due 21.5.09-199299	\$1,300,000.00	8.02
LGFS Term Deposit due 5.6.09-199460	\$500,000.00	8.45
LGFS Term Deposit due 17.7.09 – 199790	\$1,000,000.00	8.40
TOTAL:	\$22,866,271.92	

The above investments include the following restricted assets:

Purpose	Amount
Plant and vehicle replacement	\$817,000
Employees leave entitlements	\$1,383,000
Sales fluctuation	\$1,558,000
Infrastructure replacement	\$14,066,000
Total:	\$17,824,000

4. REPORT OF COUNCIL INVESTMENTS

Listed below are Council's Investments as at 31 March 2009

Financial Institution	Face Value	Annualised Interest Rate %
NSW Treasury – Cash Facility	\$6,611,599.47	1.59
Local Govt Financial Services – FOCF	\$5,415,089.57	3.58
Local Govt Financial Services – 12m Cash	\$1,025,289.89	-0.26
Commonwealth Bank – At Call	\$958,348.84	3.20
LGFS Term Deposit due 3.04.09-200615	\$500,000.00	7.65
LGFS Term Deposit due 17.04.09 -201786	\$813,000.00	4.65
CBA Term Deposit due 17.04.09	\$500,000.00	3.85
CBA Term Deposit due 24.04.09	\$750,000.00	3.19
LGFS Term Deposit due 08.05.09-202089	\$500,000.00	3.65
LGFS Term Deposit due 21.5.09-199299	\$1,300,000.00	8.02
CBA Term Deposit due 29.05.09	\$1,000,000.00	3.35
LGFS Term Deposit due 5.6.09-199460	\$500,000.00	8.45
CBA Term Deposit due 26.06.09	\$558,000.00	3.27
LGFS Term Deposit due 17.7.09 – 199790	\$1,000,000.00	8.40
TOTAL:	\$21,431,327.77	

The above investments include the following restricted assets:

Purpose	Amount
Plant and vehicle replacement	\$711,000
Employees leave entitlements	\$1,383,000
Sales fluctuation	\$1,558,000
Infrastructure replacement	\$13,868,000
Total:	\$17,520,000

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

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 F1 to F4 be noted and endorsed.

09/030 RESOLVED on the motion of Crs. Manchester and O'Brien that the information in respect of items F1 to F4 be noted and endorsed.

5. OUTSTANDING DEBTORS

The balances outstanding as at 5 March 2009 were:

	Arrears	Interest	Current	Total
Access Charges	75,788	7,191	132,006	214,985
Consumption Charges	194,397	23,103	303,975	521,475
Deferred Headworks			96,685	96,685
TOTAL:	270,185	30,294	532,666	833,145
Overpayments				103,789

The breakdown of the above can be summarised as follows:

Total outstanding	\$833,145
<i>Less</i> credit balances	-103,789
<i>Less</i> bulk accounts	-351,251
<i>Less</i> deferred h/wks	<u>- 96,685</u>
Nett balance	\$281,420 owed by customers

The balances outstanding as at 7 April 2009 were:

	Arrears	Interest	Current	Total
Access Charges	77,543	7,889	563,088	648,520
Consumption Charges	142,576	24,326	2,331,128	2,498,030
Deferred Headworks		131	96,571	96,702
TOTAL:	220,119	32,346	2,990,787	3,243,252
Overpayments				45,427

The breakdown of the above can be summarised as follows:

Total outstanding	\$3,243,252
<i>Less</i> credit balances	-45,427
<i>Less</i> bulk accounts	-360,942
<i>Less</i> deferred h/wks	<u>- 96,702</u>
Nett balance	\$2,740,181 owed by customers

The March quarter customer accounts totalling \$2,743,121 (\$2,076,274 last year this period) were posted on April 2 and are due for payment on April 24.

Recommendation

That the reports on outstanding debtors be received and noted.

09/031 RESOLVED on the motion of Crs. Palmer and Mangelsdorf that the reports on outstanding debtors be received and noted.

6. GST COMPLIANCE

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 \$43,761
- The value of GST refunded from the ATO was \$788,039
- 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 2008 to 30 April 2009.

09/032 RESOLVED on the motion of Crs. Manchester and Macaulay that authority be given to complete the Goods and Services Tax Certificate for the period 1 May 2008 to 30 April 2009.

7. QUARTERLY BUDGET REVIEW TO 31 MARCH 2009

The Quarterly Budget Review for the period ending 31 March 2009 is attached (yellow pages).

Details of the main variations are as follows:

Revenue

Rents and Fees have been increased by \$25,000 due to additional revenue expected from fees and charges associated with debt recovery procedures.

Tapping fees has been reduced by \$15,000 as the number of new connections is not expected to reach original estimates.

Headworks Contributions has been reduced by \$75,000 as development slows presumably due to the economic downturn.

User charges have been retained at original budgets but achieving these figures depends on weather conditions and restrictions imposed.

Expenditure

Administration expenses have been reduced due primarily to some positions currently being vacant. Active recruiting has been delayed. Increases in pumping station maintenance, treatment chemical costs and the purchase of water have occurred.

Capital

No changes in the budgets for this review.

The following changes are proposed to the operating budget:

Adopted operating budget (deficit)	-\$376,942
Revision at 30 September 2008 – surplus	\$1,320
Revision at 31 December 2008 - deficit	-\$246,320
Revision at 31 March 2009 - deficit	-\$93,780
Revised result – 30 June 2009 – anticipated deficit	-\$715,722

Whilst the increased deficit is of concern it has largely occurred as a result of factors beyond Council's control. However, it reflects Council's reliance on interest income to help "balance" the budget. Council will need to carefully consider this in next year's and future budgets as the lower interest rates and increased capital expenditure will seriously erode this income source in the future. At this stage the review indicates that Council's level of available working capital at the years end is satisfactory.

Recommendation

That the quarterly budget review report as at 31 March 2009 be noted and that Council adopt the variations as listed.

- 09/033 RESOLVED on the motion of Crs. Manchester and Morris that the quarterly budget review report as at 31 March 2009 be noted and that Council adopt the variations as listed.

8. PENSION REBATES (*Sheree Schmidt*)

Council is required to write-off concessions granted to eligible pensioners for water supplied. Nineteen hundred and fifty five concession claims require writing off for the period 1 January 2009 to 31 March 2009.

(Subsidy claimed \$24,207.04 – Claim 142)

Recommendation

That Council hereby write-off, as mandatory concessions, the amount of \$44,012.79 in pensioner concession rebates for the period 1 January 2009 to 31 March 2009.

- 09/034 RESOLVED on the motion of Crs. Mangelsdorf and Palmer that Council hereby write-off, as mandatory concessions, the amount of \$44,012.79 in pensioner concession rebates for the period 1 January 2009 to 31 March 2009.

9. SALE OF LAND FOR UNPAID RATES (*Gerard Carr*)

Coolamon Shire Council recently advised the completion of the sale of two properties where this Council's overdue Charges were included. This resulted in the amount of \$1235.57 being recovered.

Recommendation

That the information be noted

09/035 RESOLVED on the motion of Crs. Palmer and O'Brien that the information be noted.

10. WRITE-OFF OF RATES AND CHARGES (*Gerard Carr*)

In accordance with section 131 of the Local Government (General) Regulations 2005 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
71868	\$408.00	Access Fees levied in error after permanent disconnection.
73995	\$193.52	Sale of overdue land rates (s713) insufficient to meet charges owing.

Recommendation

That the information be noted.

09/036 RESOLVED on the motion of Crs. Manchester and O'Brien that the information be noted.

11. PROPOSED DEBT WRITE-OFF (*Gerard Carr*)

Water Account 71639

A water supply in the Temora area was permanently disconnected in March 2004 with the account continuing to be levied interest. When being reviewed for further debt recovery action a number of irregularities came to light.

Firstly while the water account had a property parcel attached, this is for an unrelated property in West Wyalong. It is possible this was a software conversion error as prior to 2003 the account had no parcel identifying what lands were supplied. What cannot be explained was the then ownership record that originated from the RWCC. This ownership was that of an adjoining property but with an unrelated PO Box postal address in Cootamundra. It can be recalled that the adjoining owner advised that this was not his account and had no association with it and who a possible leaser may be. Investigations then could shed no further light on the matter nor can a property search find any freehold land in the vicinity that may have been connected remotely. Also the only known Crown Land (part of the agricultural research station) is some distance away separated by a rail line, Goldfields Way and Council's trunk main to West Wyalong. Given

that the original parcel of land and the actual holder of the original water account cannot be determined further debt recovery action would appear fruitless.

Recommendation

That charges and interest previously levied on water account 71639 totalling \$852.58 be written off as being unrecoverable.

09/037 RESOLVED on the motion of Crs. Palmer and O'Brien that charges and interest previously levied on water account 71639 totalling \$852.58 be written off as being unrecoverable.

G. WORKS REPORT (*Nick Nasser*)

1. FEBRUARY 2009

a) Water Losses & Mains Repairs

DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
	Off	On					
3/02/09	-	-	Cowangs – Bauloora	375	-	10	Joint failure
3/02/09	-	-	Temora Road, Cootamundra	375	-	5	Joint failure
3/02/09	10.00	11.00	Mains Road, Jugiong	450	1	3	Other
3/02/09	-	-	Dirnaseer Road, Cootamundra	100	-	5	Split pipe
4/02/09	-	-	Samsung Lane, Garoolgan	100	-	1	Hole in pipe
6/02/09	-	-	Eurongilly	32	-	100	Split pipe
6/02/09	-	-	Bootoowa Road, Mt Daylight	80	-	5	Split pipe
8/02/09	-	-	Ungarie Road, West Wyalong	150	-	30	Split pipe
9/02/09	3.30	5.30	Deepwater Road, Matong	100	15	5	Split pipe
10/02/09	-	-	Bells Hill, Cootamundra	375	-	5	Joint failure
10/02/09	-	-	Temora Road, Cootamundra	375	-	5	Joint failure
10/02/09	3.30	6.30	Wade Street, Coolamon	100	20	10	Split pipe
10/02/09	11.00	1.00	Malebo Range	50	5	20	Split pipe
10/02/09	6.00	11.30	De Boos Street, Temora	100	50	10	Split pipe
10/02/09	3.30	5.30	Deepwater Road, Matong	100	15	20	Split pipe
11/02/09	-	-	Mulga Street, Barellan	100	-	20	Split pipe
11/02/09	3.30	6.00	Wade Street, Coolamon	100	20	50	Split pipe
11/02/09	-	-	Deepwater Road, Matong	100	-	-	Split pipe
11/02/09	-	-	Pinkerton Road, Cootamundra	375	-	3	Joint failure
12/02/09	8.30	11.00	Deepwater Road, Matong	100	15	1	Joint failure
12/02/09	-	-	Monia Gap Road, Naradhan	80	-	5	Split pipe

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

14/02/09	8.40	11.40	Deepwater Road, Matong	100	15	1	Split pipe
17/02/09	-	-	Lismore Road, Cootamundra	50	-	2	Split pipe
17/02/09	-	-	Jugiong Road, Cootamundra	375	-	5	Joint failure
17/02/09	-	-	Temora Road, Cootamundra	375	-	2	Joint failure
17/02/09	-	-	Lake Cargelligo Road, Naradhan	80	4	4	Split pipe
17/02/09	9.30	11.30	Malebo Range	80	6	20	Split pipe
18/02/09	-	-	Suttons Lane, Cootamundra	100	-	4	Split pipe
18/02/09	-	-	Garoolgan	100	-	5	Hole in pipe
20/02/09	8.30	2.00	Temora Road, Stockinbingal	375	25	20	Split pipe
23/02/09	-	-	Cowangs – Bauloora	375	-	2	Joint failure
23/02/09	-	-	Weethalle	100	-	5	Split pipe
23/02/09	5.00	7.00	Old Junee	150	-	10	Split pipe
24/02/09	4.00	6.00	Main Street, Matong	100	5	20	Joint failure
24/02/09	-	-	Malebo Range	200	-	30	Split pipe
24/02/09	4.00	6.00	Narrandera Road, Matong	100	12	20	Joint failure
24/02/09	-	-	Ungarie	150	-	10	Other
24/02/09	-	-	Demondrille	300	-	5	Joint failure
24/02/09	-	-	Substation Road, Murrumburrah	375	-	5	Joint failure
25/02/09	-	-	Kingsvale Road, Harden	300	-	4	Joint failure
25/02/09	-	-	Substation Road, Murrumburrah	375	-	5	Joint failure

b) Complaints

Water Quality

Dirty Water – Junee

Nil.

Dirty Water – Other

- 02/02/2009 112 Methul Street, Coolamon
- 02/02/2009 Berembed Street, Grong Grong
- 02/02/2009 Jugiong
- 02/02/2009 Narrandera Street, Grong Grong
- 02/02/2009 Barellan Street, Grong Grong
- 04/02/2009 Jugiong Road, Cootamundra
- 04/02/2009 Garland Street, Coolamon
- 13/02/2009 Pinkerton Lane, Cootamundra

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

19/02/2009 Parkes Street, Temora
 20/02/2009 Leary's Lane, Coolamon
 26/02/2009 Wallace Street, Coolamon

Other Problems:

20/02/2009 Methul Street, Coolamon – ruined clothes
 23/02/2009 Jugiong Road, Cootamundra – discoloured water

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

c) Construction & Major Maintenance

The following significant works were undertaken in February 2009:-

- Clean clear water tank at Jugiong.
- Clean No. 2 Pump Station Reservoir.
- Install new motor on No.2 pump Hylands Bridge.
- Fit new reflux valve to No. 2 pump Temora Transfer Station.
- Fit new valve to No.2 filter bed at Jugiong.
- Fit new pinion gear wheel to No. 1 sludge rake at Jugiong.
- Remove fallen trees from near intake well at Jugiong.
- Clean filters at Jugiong Plant.
- Repair overflow pipe on sludge lagoon discharge at Jugiong.
- Cut-in bulk meter at Temora East Reservoir.

2. MARCH 2009

a) Water Losses & Mains Repairs

DATE	TIME		LOCATION	PIPE DIAMETER	CONSUMERS AFFECTED	ESTIMATED LOSS (KI)	REASON
	Off	On					
3/03/09	9.30	11.00	Suttons Lane, Frampton	100	-	10	Split pipe
3/03/09	-	-	Eurongilly	32	-	-	Split pipe
5/03/09	-	-	Barmedman	300	-	50	Joint failure
6/03/09	-	-	Thanowring Road – Ariaiah Park	250	-	15	Hole in pipe
6/03/09	-	-	Robertson Street, Barmedman	300	-	-	Split pipe
8/03/09	-	-	Barmedman	300	-	5	Joint failure
10/03/09	-	-	Kikoira Road, Naradhan	150	-	15	Split pipe
10/03/09	8.30	9.30	Junee	100	2	10	Joint failure

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

12/03/09	-	-	Golf Club Road, Temora	100	-	2	Split pipe
13/03/09	10.30	1.00	Orr Street, Coolamon	100	20	10	Split pipe
13/03/09	9.00	12.30	Marrar	100	20	10	Split pipe
14/03/09	-	-	School Street, West Wyalong	100	-	20	Split pipe
16/03/09	-	-	Olympic Way, Frampton	100	-	1	Split pipe
16/03/09	10.00	1.00	Parkes Street, Temora	100	30	30	Split pipe
16/03/09	-	-	Barmedman	300	-	5	Hole in pipe
17/03/09	-	-	Hadrill's Lane, Naradhan	80	-	12	Split pipe
17/03/09	-	-	Malebo Range	200	-	20	Split pipe
17/03/09	-	-	Roediger's Lane, Junee	200	-	20	Split pipe
17/03/09	-	-	Olympic Way, Frampton	100	-	2	Split pipe
18/03/09	-	-	Barellan Road, Weethalle	100	-	25	Split pipe
18/03/09	9.00	11.00	Malebo Range	200	-	20	Split pipe
18/03/09	-	-	Barellan Road, Weethalle	100	-	20	Hole in pipe
20/03/09	10.00	12.00	10 Elizabeth Street, Junee	-	1	-	Hole in pipe
20/03/09	1.00	3.00	Tenandra Line	300	1	20	Joint failure
23/03/09	-	-	Olympic Way, Cootamundra	100	-	2	Split pipe
23/03/09	-	-	Beckom	100	-	5	Split pipe
23/03/09	-	-	Suttons Lane, Cootamundra	100	-	1	Split pipe
24/03/09	-	-	Kingsvale	300	-	3	Joint failure
24/03/09	-	-	Bells Hill, Cootamundra	375	-	5	Joint failure
24/03/09	-	-	Malebo Range	200	-	10	Split pipe
24/03/09	-	-	Olympic Way	100	-	1	Split pipe
24/03/09	-	-	Ganmain – Coolamon	200	-	1	Joint failure
26/03/09	-	-	Suttons Lane, Cootamundra	100	-	2	Split pipe
27/03/09	-	-	Temora Road, Cootamundra	375	-	5	Joint failure
27/03/09	-	-	Cowangs – Bauloora	375	-	2	Joint failure
29/03/09	-	-	Corner Joffre & Anzac Streets, Junee	100	-	10	Split pipe
30/03/09	-	-	Methul	80	3	10	Joint failure
31/03/09	-	-	Kikoira Road, Naradhan	100	-	20	Split pipe
31/03/09	9.00	3.00	Malebo Range	200	10	20	Split pipe

b) Complaints

Water Quality

Dirty Water – Junee

Nil.

Dirty Water – Other

02/03/2009 Leary's Lane, Coolamon
03/03/2009 Wollongough Street, Ungarie
13/03/2009 46 Cowabbie Street, Coolamon

Other Problems:

27/03/2009 Coffin Rock Road, Old Junee – yellow coloured water

A total of 46 service difficulty and fault reports were received for the month of March.

c) Construction & Major Maintenance

The following significant works were undertaken in March 2009:-

- Clean low level and high level Reservoirs at Coolamon.
- Swab bore header mains.
- Clean Oura collection tank.
- Commence laying Stage 1 Marrar town reticulation upgrade.
- Remove No. 3 pump at No. 2 Station for overhaul.
- Replace No. 2 pump at No. 2 Station bearing following failure.
- Modify hatch and ladder on Marrar town tank.

Recommendation

That the information contained in the Works Report be noted.

09/038 RESOLVED on the motion of Crs. Manchester and Mangelsdorf that the information contained in the Works Report be noted.

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

Cootamundra	628	1,230	1,168	53%
Harden *	384	967	918	41%
Young	1,117	1,628	1,546	72%

NB:

YTD Consumption for Harden does not include Harden Minor Consumers.

Consumption continues to be closely monitored on a weekly basis. Water accounts for the first quarter of 2009 were mailed to customers on 2 April and are due for payment by 24 April. Consumption for the quarter was approximately 34% higher than the same quarter last year and highlights the impact attributable to the weather.

Recommendation

That the information be noted.

09/040 RESOLVED on the motion of Crs. McGregor and Morris that the information be noted.

3. INDEPENDENT INQUIRY INTO SECURE AND SUSTAINABLE URBAN WATER SUPPLY AND SEWERAGE SERVICES FOR NON-METROPOLITAN NSW (Paul Wearne)

Following the report submitted to the February 2009 Council Meeting regarding the above, Council made a submission to the Minister for Water and Energy in accordance with Minute 09/017. A copy of that submission is attached for Councillors information.

Recommendation

That the information be noted.

09/041 RESOLVED on the motion of Crs. Palmer and Mangelsdorf that the information be noted.

4. STATUTORY REPORTING REQUIREMENTS (Paul Wearne)

Council will be aware of the statutory requirement to periodically report to the Minister for Water on the relative efficiencies and economies of the reticulation and distribution of water by Goldenfields and its Bulk Council customers. Such a review is required during 2009.

The last review was carried out in 2006 and submitted to the Minister in April 2007. A response from the Minister (copy attached) was received on 14 January 2008 stating (in part) the following:-

“... However, in view of the recently announced review of the water industry in non-Metropolitan NSW, I have decided to not vary the present arrangements at this stage.

Council’s report will be considered in the course of this review of the water industry in non-metropolitan NSW.....”

Council has received from Young Shire Council (YSC) a copy of correspondence it has forwarded to the Minister for Water regarding the periodical reporting requirements. A copy of this correspondence is also attached. In brief, YSC is reiterating its previous submissions with respect to the LWU Inquiry and Report and is also requesting the Minister takes action to remove the requirement for GWCC to prepare the “three yearly review”.

Taking the above into consideration the following points are raised for the consideration of Council:-

- The reply (dated 14/01/08) from the Minister to the Report submitted by GWCC in April 2007 defers the matter until the conclusion of the Inquiry into Local Water Utilities in Non-Metropolitan NSW.
- The LWU Inquiry has not yet been concluded.
- The correspondence from YSC to the Minister is predominantly not in conflict with the position taken by GWCC apart from which organisation is most appropriate to be the retail supplier within Young Shire Council area.
- GWCC agrees with the position taken by YSC regarding the requirement to undertake three yearly reviews.
- Given that the LWU Inquiry is not expected to be concluded until late in 2009, GWCC seek approval from the Minister to not undertake the statutory review in 2009.

Recommendation

1. That the correspondence from Young Shire Council dated 30 March 2009 be noted.
2. That Council write to the Minister for Water requesting that until the conclusion of the LWU Inquiry the requirement to undertake periodical reviews as set down in clause 16 of the Proclamation Establishing Goldenfields Water County Council be set aside.

09/042 RESOLVED on the motion of Crs. Manchester and Palmer

1. That the correspondence from Young Shire Council dated 30 March 2009 be noted.
2. That Council write to the Minister for Water requesting that until the conclusion of the LWU Inquiry the requirement to undertake periodical reviews as set down in clause 16 of the Proclamation Establishing Goldenfields Water County Council be set aside.

5. REVIEW OF STRATEGIC BUSINESS PLAN (*Paul Wearne*)

At the time of writing the Draft Strategic Business Plan has not yet been received from the Consultants. It is anticipated that it will be available prior to the council meeting and a supplementary report will be prepared and forwarded to Councillors prior to the meeting.

Recommendation

That the information be noted.

09/043 RESOLVED on the motion of Crs. McGregor and Mangelsdorf that the information be noted and that the supplementary report be received.

5. REVIEW OF STRATEGIC BUSINESS PLAN – SUPPLEMENTARY REPORT (*Paul Wearne*)

Council is now in receipt of the report titled Best-Practice Retail Pricing prepared by HydroScience Consulting. A copy is attached for the information of Councillors.

The report applies Best-Practice Pricing Principles as recommended by the Department of Water and Energy to generate the required income (\$12.49M) from water charges and sales to fund Council's operational expenditure during the 2009/10 Financial Year.

Of the four options provided in the report, the consultants have recommended that Option 2 be adopted by Council. It is on this premise and in accordance with Minutes 09/025 and 09/026 that the Draft Management Plan for 2009/10 has been prepared.

The Draft Strategic Business Plan is progressing however advice from the consultants is that it will not be available for consideration at this meeting. Given the time between Council meetings and the expectation that the document is placed on display for public comment, it will not be able to come into effect from 1 July 2009.

Recommendation

1. That the report titled Best-Practice Retail Pricing prepared by HydroScience Consulting and dated 15 April 2009 be received.
2. That Council adopt Option 2 from the abovementioned report as its pricing structure for Retail and Bulk Council customers to apply for the financial year commencing 1 July 2009.

It was MOVED on the motion of Crs. Mangelsdorf and Morris

1. That the report titled Best-Practice Retail Pricing prepared by HydroScience Consulting and dated 15 April 2009 be received.
2. That Council adopt Option 2 from the abovementioned report as its pricing structure for Retail and Bulk Council customers to apply for the financial year commencing 1 July 2009.

An AMENDMENT was moved on the motion of Crs. O'Brien and McGregor

1. That the report titled Best-Practice Retail Pricing prepared by HydroScience Consulting and dated 15 April 2009 be received.
2. That Council adopt Option 3 from the abovementioned report as its pricing structure for Retail and Bulk Council customers to apply for the financial year commencing 1 July 2009.

09/044 The amendment was put and was CARRIED. It became the motion and was CARRIED.

09/045 RESOLVED on the motion of Crs. Manchester and Palmer that Council write to HydroScience Consulting and seek clarification and additional information relating to the inconsistency in the data used in reports prepared for Council; these being the Review of Pricing, February 2009 and the Best-Practice Retail Pricing, April 2009.

6. 2009/2010 DRAFT MANAGEMENT PLAN (*Paul Wearne*)

At the time of writing the 2009/10 Draft Management Plan has not been finalised due to the delay in receiving the Review of the Pricing Structure report from the Consultants. It is anticipated that it will be available prior to the council meeting thus allowing staff to finalise the Draft Management Plan. A supplementary report and copy of the Plan will be provided to Councillors before the meeting.

Recommendation

That the information be noted.

6. 2009/2010 DRAFT MANAGEMENT PLAN – SUPPLEMENTARY REPORT (*Paul Wearne*)

The Draft Management Plan and Budget for the 2009/10 Financial Year is attached. The plan is generically similar to previous year 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* – The Plan has been prepared in accordance with Minutes 09/025 and 09/026 of the March 2009 meeting. By applying Best Practice Pricing (BPP) principles the percentage of revenue from Availability and Usage charges alters and the effect on individual customers is dependent on their usage patterns. An overall increase in revenue from Availability and Usage charges of 9% has been budgeted. This is made up of a reduction of 44% in revenue from Availability charges and an increase of 28% in revenue from Usage charges.

GOLDENFIELDS WATER COUNTY COUNCIL – APRIL 2009

The following table shows the variation in charges for 2008/09 and 2009/10 in general terms.

Charge	2008/09	2009/10
Retail Availability Charge for 20mm Residential Connection per annum	\$204.00	\$96.00
Retail Availability Charge for 20mm Non-Residential Connection per annum	\$204.00	96.00
Retail Residential Consumption Charge per kL – 1 to 600 kL per year	\$1.20	\$1.60
Retail Residential Consumption Charge per kL – 601 plus kL per year	\$1.20	\$2.50
Retail Non-Residential Consumption Charge per kL – 1 to 600 kL per year	\$1.20	\$1.60
Retail Non-Residential Consumption Charge per kL – 601 plus kL per year	\$1.20	\$1.60
Bulk Council Customers Availability Charge per annum (multiplied by the number of connections)	\$116.28	\$65.28
Bulk Council Customers Consumption charge per kL (irrespective of kL consumed)	\$0.6840	\$1.09

Retail customers (both residential and non-residential) with meter sizes larger than 20mm will pay different Availability charges. These differences can be seen on page 27 of the Plan. Larger volume retail customers will pay more as Usage Step 2 becomes applicable.

- *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 2008/09 Program may not be fully completed by June 30 and unexpended votes at the end of the year will be carried forward into the 2009/10 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.
- *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 2007/08 water consumption resulting in an anticipated increase in total revenue on that of the revised current year of 7.09%.

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 4.27% from those of the revised current year. It is expected that current levels of service can be maintained.

The projected operating result for 2009/10 is viewed as “break even”. A slight deficit has been estimated in 2010/11 returning to a slight surplus in 2011/12. 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 2009/2010 year at its June Meeting.

09/046 RESOLVED on the motion of Crs. Mangelsdorf and McGregor that the Draft Management Plan, as amended, be adopted and exhibited, and that Council make a final Management Plan for the 2009/2010 year at its June Meeting.

7. REINSTATEMENT OF DISCONNECTED RURAL SERVICE

(Paul Wearne)

Council recently received a service call from a rural landholder on the outskirts of Junee advising he had “no water”. Subsequent investigation, discussions and on-site meetings with the landholder have revealed:-

- GWCC has no record of the landholder being a customer.
- Water was being supplied from Council’s trunk main.
- The “House” service pipe was in very poor condition and in urgent need of replacement.
- The landholder stated that he had paid a “considerable amount to ‘the Council’ some 40 to 50 years ago” for the connection (he is 89 years of age).

- He stated that he had not received a bill for over 20 years and did not think anything of it because he thought he was within his allowance (referring to previous billing methods use by councils prior to 1993).
- Council staff exposed the Tapping at the main to reveal an old meter which had been bypassed some time ago and then buried.
- The service was immediately Temporarily Disconnected and the landholder was advised that he would (in the first instance) have to make formal application for a connection, which he has now done.

It should be noted that during this process the landholder has been very cooperative with Council staff and forthright with providing information.

The issues for consideration of Council in determining whether to approve the application or not are:-

- Council currently has a moratorium on new connections to Rural/Trunk mains.
- Is this a “New” or “Existing” (albeit Illegal) connection given that the connection will not impact on existing demand.
- Should the payment of Headworks Contributions apply given that current policy requires the payment of headworks after 10 years of non-connection?
- Forgone revenue from sales and an appropriate method of retrospective calculation without any consumption history would be difficult to estimate.

After considering the above the following recommendation is made.

Recommendation

That in this instance, Council approves the Application for Connection to Lot 139 DP 751399 subject to all conditions associated with new rural connections being met by the applicant including the payment of Headworks Contributions and plumbing requirements.

09/047 RESOLVED on the motion of Crs. Manchester and Palmer that in this instance, Council approves the Application for Connection to Lot 139 DP 751399 subject to all conditions associated with new rural connections being met by the applicant including the payment of Headworks Contributions and plumbing requirements.

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

The 2009 Shires Association of NSW Annual Conference will be held at the Sofitel Wentworth Sydney from 1 – 3 June. So that registrations forms can be submitted and accommodation arranged, I seek an indication from Council who will be attending on behalf of Goldenfields and who will be its 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 2009 Shires Association Annual Conference.
2. That Council nominates an observer(s) for the 2009 Shires Association Annual Conference.

09/048 RESOLVED on the motion of Crs. Manchester and McGregor that Council be represented at the 2009 Shires Association Conference by Cr Macaulay and the General Manager and that Cr Macaulay be the Voting Delegate. It was further RESOLVED that any other Councillor wishing to attend be authorised to do so.

9. NEXT MEETING (*Paul Wearne*)

The next Ordinary Meeting of Council will be held on Thursday 25 June 2009 at Council's Temora Office commencing at 1.00pm.

For the information of Councillors.

10. LATE ITEMS

The General Manager provided information on a potential development in the Temora area that has expressed an interest in purchasing water from Council. Discussions between Council and the company have commenced and a report will be submitted to a future Council Meeting.

The Chairman advised Council that he will be unable to attend the next REROC meeting scheduled for 29 April 2009 and asked if any Councillor wished to attend could they please liaise with the General Manager.

The General Manager informed Council that the Manager Administration had advised of his intention to retire and had tendered his resignation effective 10 July 2009.

I. QUESTIONS AND STATEMENTS

Nil.

There being no further business requiring the attention of the Council, the Meeting closed at 4.17pm.
