

The meeting commenced at 10.00am

PRESENT

Cr M Stadtmiller, Cr B Callow, Cr A McAlister, Cr L McGlynn, Cr K Morris (audio visual link), Cr G Sinclair, Cr A White.

ALSO IN ATTENDANCE

Mr A Drenovski (General Manager), Mr G Veneris (Production and Services Manager), Mr T Goodyer (Operations Manager), Miss S Jung (Engineering Manager), Mr J Chapman (Interim Corporate Service Manager), Mrs A Coleman (Executive Assistant).

1. LEAVE OF ABSENCE/APOLOGIES

BOARD RESOLUTION

22/065 RESOLVED on the motion of Crs Callow and White that leave of absence be granted to Cr John Piper.

2. ATTENDANCE OF COUNCILLORS BY AUDIO VISUAL LINK

BOARD RESOLUTION

22/066 RESOLVED on the motion of Crs McGlynn and White that Cr Morris be permitted to attend the meeting by audio visual link.

3. WEBCASTING OF COUNCIL MEETINGS

Attendees of this meeting are reminded that;

- a) The meeting is being recorded and made publicly available on Council's website, and
- b) Persons attending the meeting should refrain from making any defamatory statements.

4. STATEMENT OF ETHICAL OBLIGATIONS

Councillors are reminded of the oath or affirmation of office they have taken under section 233A of the Act.

The governing body of a county council is responsible for managing the affairs of the county council. Each councillor as a member of the governing body has a responsibility to make considered and well-informed decisions to ensure that the exercise of the functions of Goldenfields Water are performed to benefit the whole of the area of operations of Goldenfields Water.

In addition, Councillors are reminded of their obligations under council's code of conduct to disclose and appropriately manage conflicts of interest.

5. ACKNOWLEDGEMENT OF COUNTRY

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land. I would also like to pay respect to their people both past and present and extend that respect to other Aboriginal Australians who are present.

6. PRESENTATIONS

Nil

7. DECLARATION OF PECUNIARY INTERESTS

Nil

8. DECLARATION OF NON-PECUNIARY INTERESTS

Nil

9. CONFIRMATION OF MINUTES

BOARD RESOLUTION

22/067 RESOLVED on the motion of Crs McAlister and Sinclair that the minutes of the meeting held on the 23 June 2022, having been circulated and read by members be confirmed.

BOARD RESOLUTION

22/068 RESOLVED on the motion of Crs Sinclair and McAlister that the minutes of the Extraordinary meeting held 8 August 2022, having been circulated and read by members be confirmed.

10. BUSINESS ARISING FROM MINUTES

Nil

11. CORRESPONDENCE

Nil

12. MATTERS OF URGENCY

BOARD RESOLUTION

22/069 RESOLVED on the motion of Cr McGlynn and White that Council consider the late reports of REROC and Riverina JO - One Organisation and the Wyalong Water Reliability Project Update.

13. NOTICES OF MOTION/RESCISSION MOTIONS

Nil

14. CHAIRPERSONS MINUTE

Nil

15. PUBLIC PARTICIPATION – CONFIDENTIAL SESSION

In accordance with the Local Government Act 1993 and the Local Government (General) Regulations 2005, in the opinion of the General Manager the following business is of a kind as referred to in section 10A (2) of the Act and should be dealt with in part of the meeting closed to the media and the public.

Confidential Session commenced 10.05am

BOARD RESOLUTION

22/070 RESOLVED on the motion of Crs Callow and Sinclair that Council move into CONFIDENTIAL SESSION.

16. MATTERS TO BE SUBMITTED TO CONFIDENTIAL SESSION

16.1. MATTERS SUBMITTED BY OPERATIONS MANAGER

16.1.1. TENDER REPORT – SUPPLY OF VEHICLES 04/2022

This report is CONFIDENTIAL in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

- d) Commercial information of a confidential matter that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it,

BOARD RESOLUTION

22/071 RESOLVED on the motion of Crs McGlynn and McAlister that Tender 04/2022 Supply of six (6) Vehicles be awarded to Palmer Ford for the assessed price of \$335,767.62.

10.11am - Management and staff left the meeting for the consideration of the next report.

16.2. MATTERS SUBMITTED BY CHAIRPERSON

16.2.1. GENERAL MANAGERS PERFORMANCE REVIEW

This report is CONFIDENTIAL in accordance with 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 (other than councillors),

BOARD RESOLUTION

22/072 RESOLVED on the motion of Crs McAlister and McGlynn

- 1. That the Board note and adopt this Chairperson's Minute which includes the General Manager's Performance Review Panel's position following the Annual Review for 2021/22.**
- 2. The Panel in accordance with clause 8.3 of the General Manager's Contract of Employment has noted the Better than Satisfactory (a term referred to in the General Manager's Contract of Employment) performance and is recommending a 3.5% increase in the Total Remuneration Payment (excluding the SOORT increase).**
- 3. That in accordance with clause 9.8 of the General Manager's Contract of Employment Council grant 5 days 'special leave' in recognition of the additional hours worked.**
- 4. That Council delegate to the General Manager's Performance Review Panel authority to determine future adjustments to and components of the TRP.**

10.27am – Management and staff returned to the meeting.

BOARD RESOLUTION

22/073 RESOLVED on the motion of Crs Callow and White that there being no further confidential items that the Board revert back to Open Session, and that the resolutions made in Confidential Session be made public.

The General Manager read out the resolutions made in CONFIDENTIAL session.

17. MATTERS TO BE SUBMITTED TO THE OPEN COUNCIL

17.1. MATTERS SUBMITTED BY CORPORATE SERVICES MANAGER

17.1.1. COUNCIL CASH AND INVESTMENTS

BOARD RESOLUTION

22/074 RESOLVED on the motion of Crs Sinclair and Callow that the report detailing Council Cash and Investments as at 31 July 2022 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council Cash and Investments as at 31 July 2022 be received and noted.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 1 September 2022**

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

A report on Council's Investments is required to be presented for Council's consideration in accordance with Clause 212 of the Local Government (General) Regulation 2021.

REPORT

Council's cash and investment portfolio decreased by \$2,105,520 from \$45,867,131 as at 31st May 2022 to \$43,761,611 as at 31st July 2022.

Cash and Investment Portfolio

Type	Rating	SP Rating	Issuer	Frequency	Purchase	Maturity	Days	Rate	Benchmark*	Principal
TD	BBB-	A3	Judo Bank	Annual	16/03/2022	17/08/2022	154	0.83	1.81	\$2,000,000
TD	AA-	A1+	Westpac	Quarterly	5/08/2020	7/09/2022	763	0.90	1.81	\$3,000,000
TD	NR	NR	Illawarra Credit U	At Maturity	9/06/2022	8/09/2022	91	2.20	1.81	\$1,000,000
TD	BBB+	A2	ME Bank	At Maturity	9/06/2021	12/10/2022	490	0.48	1.81	\$1,000,000
TD	BBB-	A3	Judo Bank	At Maturity	29/10/2021	2/11/2022	369	1.01	1.81	\$2,000,000
TD	A+	A1	Macquarie Bank	At Maturity	29/10/2021	2/11/2022	369	0.55	1.81	\$1,000,000
TD	BBB	A2	AMP Bank	Annual	17/11/2021	17/11/2022	365	1.00	1.81	\$3,000,000
NOTICE	BBB	A2	AMP Bank	At Maturity	12/01/2021	5/12/2022	692	1.80	1.81	\$2,000,000
NOTICE	BBB	A2	AMP Bank	At Maturity	12/01/2021	5/12/2022	692	1.80	1.81	\$2,081,638
NOTICE	BBB	A2	AMP Bank	At Maturity	16/02/2021	5/12/2022	657	1.80	1.81	\$2,000,000
TD	BBB+	A2	BOQ	At Maturity	12/07/2022	12/01/2023	184	3.35	1.81	\$1,000,000
TD	BBB	A2	AMP Bank	At Maturity	14/07/2022	12/01/2023	182	3.60	1.81	\$2,000,000
TD	A+	A1	Macquarie Bank	At Maturity	16/03/2022	15/02/2023	336	1.15	1.81	\$3,000,000
TD	AA-	A1+	CBA	Half Year	20/07/2022	1/03/2023	224	3.82	1.81	\$1,000,000
TD	AA-	A1+	CBA	Half Year	28/04/2022	3/05/2023	370	2.73	1.81	\$4,000,000
TD	BBB+	A2	ME Bank	At Maturity	27/05/2022	1/06/2023	370	3.18	1.81	\$4,000,000
TD	BBB+	A2	BOQ	Annual	1/06/2022	5/07/2023	399	3.20	1.81	\$2,000,000
TD	AA-	A1+	NT Treasury	Annual	10/09/2020	15/12/2023	1191	1.00	1.81	\$2,000,000
TD	AA-	A1+	NT Treasury	Annual	28/09/2020	15/12/2024	1539	1.10	1.81	\$1,000,000
CASH	A+	A1	Macquarie Bank	Monthly				0.55	1.35	\$2,519,158
CASH	AA-	A1+	CBA	Monthly				0.20	1.35	\$1,500,000
CASH	AA-	A1+	CBA	N/A				0.00	1.35	\$660,815

TOTAL: **\$43,761,611.00**

*Benchmarks

On Call - RBA Cash

Floating Rate Deposit - 3m BBSW

Term Deposit - BBSW



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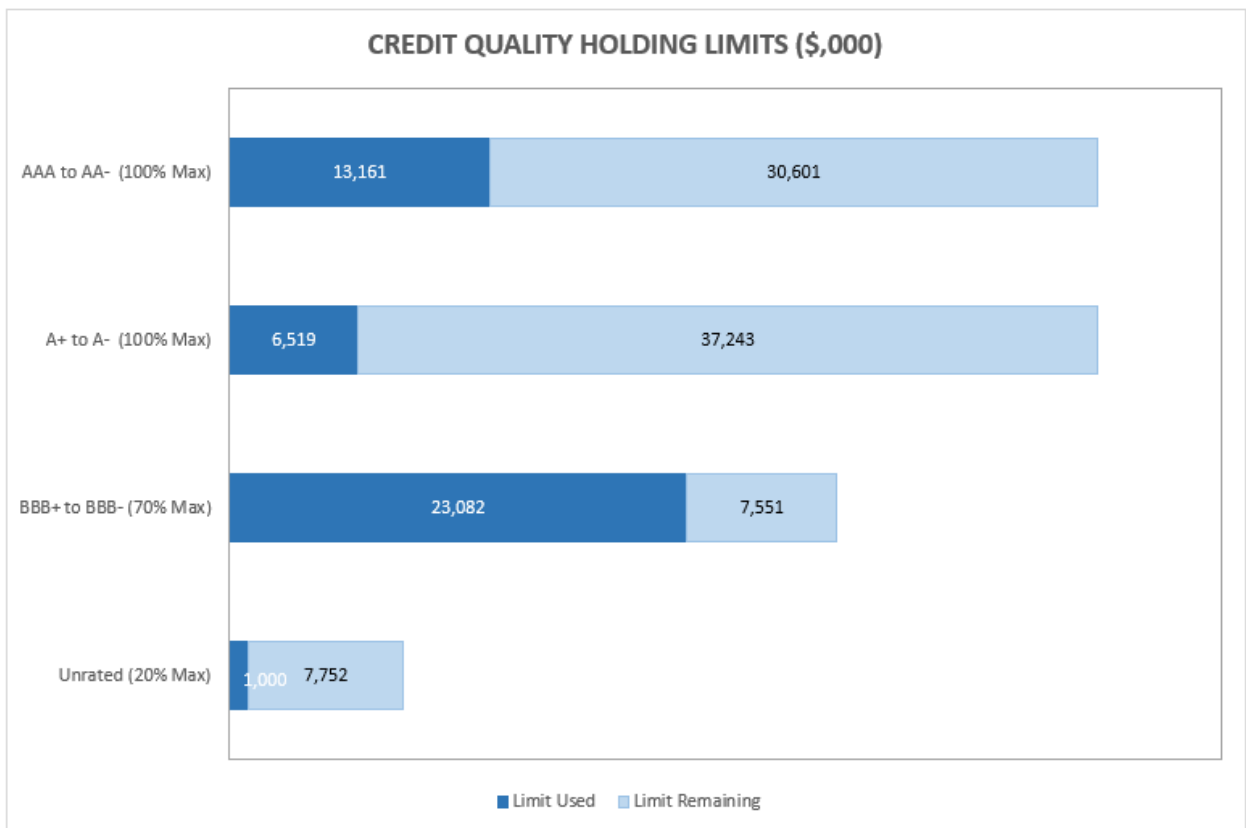
Performance

Goldenfields Water County Council’s investment portfolio yield was below the relevant BBSW Index benchmark by 0.34%. The average weighted yield for July was 1.74%, over an average weighted term of 157 days, with a benchmark of 1.75%. The portfolio is below the benchmark due to the rapidly changing interest rate increase and funds being locked in until later in 2022. Future investments will focus on the short term to ensure that the portfolio meets the benchmark.

Total Cost 43,761,611	Yearly Interest Received 61,529	Weighted Average Term 157 Days
Total Value 43,761,611	Monthly Interest Received 61,529	Weighted Average Yield 1.74%

Credit Quality Compliance

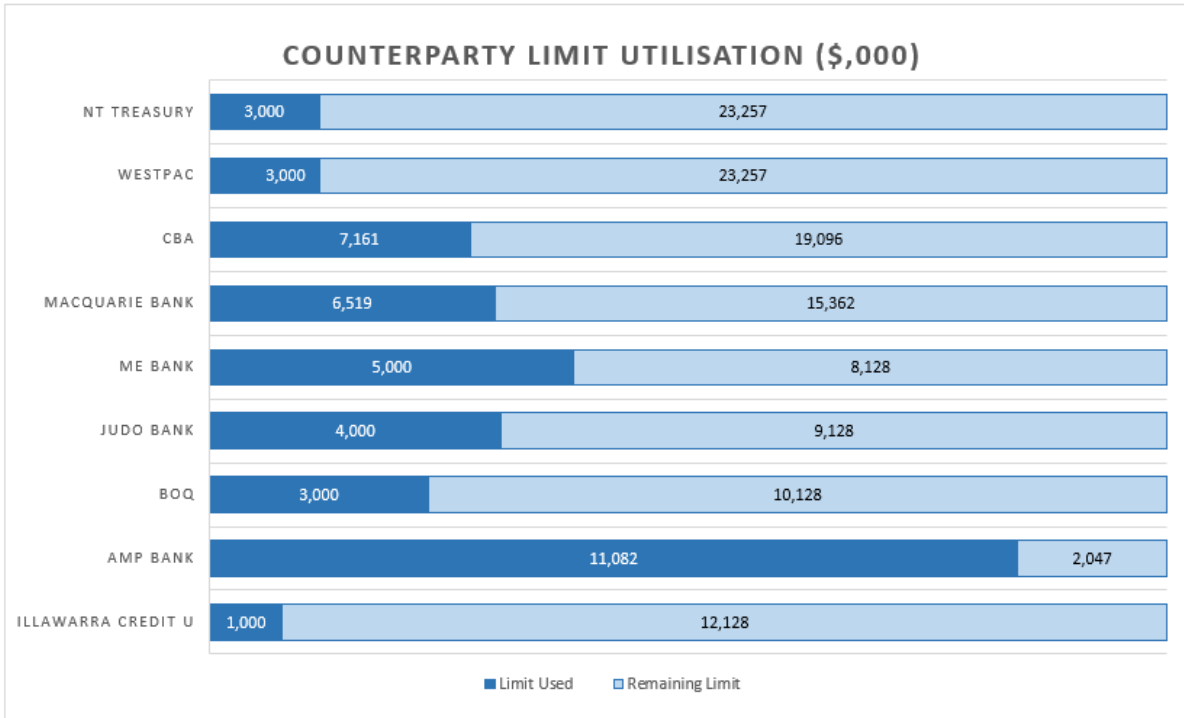
Council’s investment portfolio was compliant with policy in terms of S&P long term rating credit quality limits, as displayed below.



Counter Party Compliance

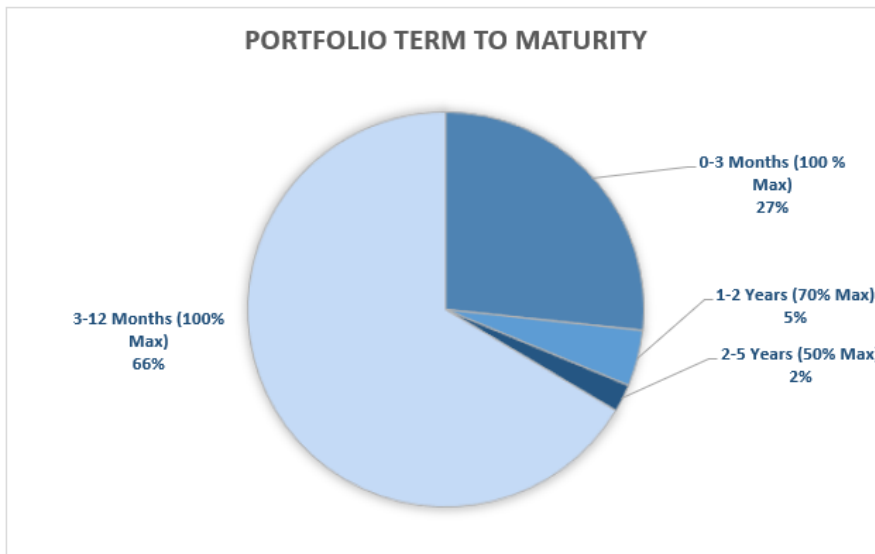
As at the end of July, Council was compliant with policy in terms of individual financial institution capacity limits. It is worth noting that capacity limits are affected by changes in the on-call account balance compared to the total portfolio balance.

Overall, the portfolio is diversified across a variety of credit ratings, including some exposure to unrated ADIs.



Term to Maturity

Council’s investment portfolio maturities shown graphically below were also compliant with policy requirements.



Application of Investment Funds

The table below details the allocation of cash balances in terms of restricted funds, noting restrictions are all internal rather than external.

Restricted Funds:	
Plant & Vehicle Replacement	2,465,953
Infrastructure Replacement	12,034,412
Employee Leave Entitlement	2,492,494
Sales Fluctuation Reserve	0
Property Reserve	0
Unrestricted Funds:	26,768,752
TOTAL	43,761,611

Declaration

I hereby certify that investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy PP004.

Signed



John Chapman
Responsible Accounting Officer

FINANCIAL IMPACT STATEMENT

Council's cash and investment portfolio decreased by \$2,105,520 from \$45,867,131 as at 31st May 2022 to \$43,761,611 as at 31st July 2022.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

17.1.2. PROGRESS REPORT CAPITAL EXPENDITURE

BOARD RESOLUTION

22/075 RESOLVED on the motion of Crs McGlynn and McAlister that the report detailing Council's Capital Works Program as at 31 July 2022 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council's Capital Works Program as at 31 July 2022 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Capital Works represents a significant part of Councils activities and expenditure. This report details progress year to date on programmed and emergent capital works.

REPORT

This report is presented for information on the Capital Works Program year to date progress as at 31 July 2022.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Capital Works Progress Report as at 31 July 2022

TABLED ITEMS: Nil.

17.1.3. 2021/2022 DRAFT FINANCIAL STATEMENTS

BOARD RESOLUTION

22/076 RESOLVED on the motion of Crs White and Sinclair that

1. The Financial Statements for the year ended 30th June 2022 be referred to Council's Auditor, Audit Office of New South Wales,
2. Council make a resolution in accordance with Section 413(2)(c) that the Financial Statements have been prepared in accordance with:
 - i. the Local Government Act 1993 (NSW) (as amended) and the Regulations made there under
 - ii. the Australian Accounting Standards and professional pronouncements
 - iii. the Local Government Code of Accounting Practice and Financial Reporting
 - iv. presents fairly the Council's operating results and financial position for the year

- v. accords with Council's accounting and other records
 - vi. that Council is not aware of any matter that would render these statements false or misleading in any way
3. That Council adopt the abovementioned Statement and that the Chairperson, Councillor, General Manager and Responsible Accounting Officer be authorised to sign the 'Statement by Councillors and Management' in relation to Council's 2021/22 Financial Statements and Special Purpose Financial Reports and be attached thereto.
 4. The General Manager be delegated the authority to issue the audited Financial Statements immediately upon receipt of the Auditor's Reports, subject to their being no material changes or audit issues.
 5. Council present the final audited Financial Statements and Auditor's Report to the public at its ordinary meeting to be held on 27th October 2022.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

1. The Financial Statements for the year ended 30th June 2022 be referred to Council's Auditor, Audit Office of New South Wales,
2. Council make a resolution in accordance with Section 413(2)(c) that the Financial Statements have been prepared in accordance with:
 - i. the *Local Government Act 1993* (NSW) (as amended) and the Regulations made there under
 - ii. the Australian Accounting Standards and professional pronouncements
 - iii. the *Local Government Code of Accounting Practice and Financial Reporting*
 - iv. presents fairly the Council's operating results and financial position for the year
 - v. accords with Council's accounting and other records
 - vi. that Council is not aware of any matter that would render these statements false or misleading in any way
3. That Council adopt the abovementioned Statement and that the Chairperson, Councillor, General Manager and Responsible Accounting Officer be authorised to sign the 'Statement by Councillors and Management' in relation to Council's 2021/22 Financial Statements and Special Purpose Financial Reports and be attached thereto.
4. The General Manager be delegated the authority to issue the audited Financial Statements immediately upon receipt of the Auditor's Reports, subject to their being no material changes or audit issues.
5. Council present the final audited Financial Statements and Auditor's Report to the public at its ordinary meeting to be held on 27th October 2022.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Under Section 413(1) of the Local Government Act 1993, Council is required to prepare financial reports and must refer them for audit.

REPORT

Council's draft Financial Statements for the year ended 30th June 2022 have been completed and are ready to be forwarded to Council's Auditors.

Under the provisions of Section 413(2)(c) of the Local Government Act 1993, the Financial Statements and Special Purpose Financial Statements shall be accompanied by a statement made in accordance with a resolution by Council, signed by two Councillors, General Manager and Responsible Accounting Officer.

Following receipt of the Auditor's Report, it will be necessary to give public notice for a period of at least seven (7) days prior to the adoption of the Financial Statements.

It is anticipated that the complete set of Financial Statements, including the Auditor's Report will be submitted to Council's Ordinary Meeting on 27th October 2022.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS:

2021/22 Draft Primary Financial Statements; GPFS Statement by Councillors and Management; SPFS Statement by Councillors and Management.

TABLED ITEMS: Nil.

17.1.4. 2021/2022 BUDGET REVOTES

BOARD RESOLUTION

22/077 RESOLVED on the motion of Crs Callow and McGlynn that the Board revotes expenditure totalling \$2,903,000 from 2021/22 for inclusion in the 2022/23 budget.

Report prepared by Interim Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board revotes expenditure totalling \$2,903,000 from 2021/22 for inclusion in the 2022/23 budget

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Clause 211 of the Local Government (General) Regulation 2005 requires Council to formally adopt the inclusion of unspent prior year budget expenditure into the next year's budget.

REPORT

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Annual approval is sought from the Board in relation to carrying forward budget allocations from the prior year into the current year. 2021/22 budgets items have been reviewed and management advises that the following listed items should be revoted into the 2022/23 budget to enable the completion of planned works.

Description	2021-2022 Budget	Spent to 30 June 2022	Unspent 30 June 2022	Revote Required 2022-2023 Budget
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CAPITAL EXPENDITURE:

New Temora Depot Building	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Coolamon Industrial Subdivision	\$ 111,000	\$ 54,683	\$ 56,317	\$ 40,000
Dustin Rose Estate	\$ 91,000	\$ 70,254	\$ 20,746	\$ 20,000
Bulk Customer Water Quality Panels - Harden Offtake	\$ 165,000	\$ 98,430	\$ 66,570	\$ 66,000
Oura WTP PRV to customer	\$ 20,000	\$ 11,543	\$ 8,457	\$ 5,000
Microwave link sites for Scada	\$ 1,080,000	\$ 646,340	\$ 433,660	\$ 430,000
Rural Meter & Taggle Renewals	\$ 180,000	\$ -	\$ 180,000	\$ 180,000
Rosehill Pump Station	\$ 250,000	\$ 96,691	\$ 153,309	\$ 150,000
Gantry Crane	\$ 75,000	\$ 15,462	\$ 59,538	\$ 59,000
Ariah Park Pump Station Investigation	\$ 85,000	\$ 60,827	\$ 24,173	\$ 20,000
Oura Bore 4 - Emergency Bore Reline	\$ 461,000	\$ 210,079	\$ 250,921	\$ 250,000
Jugiong Raw Water Pump #4 382(Large) Overhaul	\$ 60,000	\$ 18,431	\$ 41,569	\$ 40,000
Coolamon North HL Recoating	\$ 740,000	\$ 476,879	\$ 263,121	\$ 263,000
Oura Reservoirs and aerator	\$ 450,000	\$ 130,687	\$ 319,313	\$ 300,000

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Oura High Voltage	\$ 5,200,000	\$4,545,874	\$ 654,126	\$ 650,000
Jugiong High Voltage	\$ 2,000,000	\$1,664,287	\$ 335,713	\$ 330,000
Total Capital Expenditure	\$ 11,068,000	\$8,100,468	\$2,967,532	\$2,903,000

FINANCIAL IMPACT STATEMENT

The recommendation increases 2022/23 budgeted capital expenditure by \$2,903,000.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

17.1.5. CONCEALED LEAK POLICY APPLICATIONS

BOARD RESOLUTION

22/078 RESOLVED on the motion of Crs McGlynn and McAlister that

- 1. Rebate water account 44084276 \$5,967.57 for water charges incurred due to a concealed leak**
- 2. Rebate water account 44084805 \$16,056.51 for water charges incurred due to a concealed leak**

Report prepared by Interim Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

1. Rebate water account 44084276 \$5,967.57 for water charges incurred due to a concealed leak
2. Rebate water account 44084805 \$16,056.51 for water charges incurred due to a concealed leak

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Policy PP009 – Concealed Leak Detection was adopted 27 October 2016 and revised 27 June 2019. The policy was adopted to guide Council's decision making in relation to reducing customer water accounts, where property owners have received a high water account as a result of a concealed leak.

REPORT

Council received two applications in the last quarter under Policy PP009 – Concealed Leak Detection. Both customers are seeking relief from their water accounts due to an undetectable leak. Both customers have had a certified plumber inspect and repair their leaks as required under the policy.

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In accordance with the policy, actual water usage for the period has been determined utilising Taggle Meter data. Average 12 month usage has been calculated for corresponding prior periods during which a leak was not occurring. The recommended compensation is the difference between these two amounts. This in effect results in the customer being charged for their anticipated average usage, had the leak not occurred.

Details of each claim are outlined below:

Account: 44084276 (Temora Rural Property)

Application Date: 24 June 2022

Actual water charges: \$6,199.25

Average water charges based on previous water usage: \$231.68

Recommended compensation: \$5,967.57 (3,297KL reduction over 3 months)

Account: 44084805 (Stockinbingal Rural Residential Property)

Application Date: 5 July 2022

Actual water charges: \$17,833.93

Average water charges based on previous water usage: \$1,777.42

Recommended compensation: \$16,056.51 (8,871KL reduction over 6 months)

FINANCIAL IMPACT STATEMENT

The recommendation reduces Council's water sales income by \$22,023.28.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

17.1.6. CONCEALED LEAK DETECTION POLICY

BOARD RESOLUTION

22/079 RESOLVED on the motion of Crs Callow and Sinclair that

- 1. the amended Concealed Leak Detection Policy be approved; and**
- 2. authority be delegated to management to determine applications from property owners for reductions in usage charges under the Concealed Leak Detection Policy, up to a maximum reduction of \$3,000.**

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That:

1. the amended Concealed Leak Detection Policy be approved.; and
2. authority be delegated to management to determine applications from property owners for reductions in usage charges under the Concealed Leak Detection Policy, up to a maximum reduction of \$3,000.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Goldenfields developed a Concealed Leak Detection Policy in 2016, revised in 2019, to assist Councillors in their deliberations when customers request a reduction in water due to concealed leaks.

REPORT

While the Concealed Leak Detection Policy is not due for review until 2023, recent claims history (including two currently pending claims) has prompted management to bring forward the scheduled review. A listing of recent claims is summarised as follows:

Concealed Leak Applications

Date	Account	Locality	Amount	Year	Total Granted
6/07/2022	44097781	West Wyalong	\$713.16	2022-2023 to date	\$713.16
30/06/2022	44079995	Old Junee	\$1,194.48	2021-2022	\$11,969.47
28/03/2022	44077718	Junee	\$4,462.19	2020-2021	\$14,589.15
23/02/2022	44068196	Junee	\$877.72	2019-2020	\$7,762.18
19/01/2022	44097310	West Wyalong	\$2,625.84		\$35,033.96
9/12/2021	44118611	Junee	\$2,172.24		
2/09/2021	44100098	West Wyalong	\$637.00		
8/01/2021	44066315	Junee	\$4,808.28		
17/11/2020	44105089	West Wyalong	\$8,994.18		
7/09/2020	44084839	Stockinbingal	\$786.69		
30/06/2020	44021849	Temora	\$872.20		

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11/06/2020	44014448	Temora	\$1,680.55
1/06/2020	44076777	Junee	\$1,062.80
23/08/2019	44087394	Stockinbingal	\$2,099.80
23/08/2019	44077221	Junee	\$2,046.83
			\$35,033.96

Pending Applications

5/07/2022	44084276	Temora	\$5,967.57
6/07/2022	44084805	Stockinbingal	\$16,056.51

In reviewing the policy, management have considered the number and value of claims received in recent years and it is now recommended, to minimise the financial impact of future claims, that Clause 6.3 of the policy be amended to add:

- *Where a reduction is granted, the reduction will be calculated as follows:*
 - o *reductions of up to \$5,000: 75% of the calculated full reduction*
 - o *reductions in excess of \$5,000, and up to \$10,000: 50% of the calculated full reduction*
 - o *reductions in excess of \$10,000: 25% of the calculated full reduction*

Water bills are issued quarterly, any excessive water usage should be identified at least once within this time frame, allowing ample time for the leak to be located and restorative works to be completed. Goldenfields encourages customers to monitor their usage. The MyH2O technology is specifically designed to assist in active monitoring and it is considered that the policy should be amended also to add the following clause:

6.5 MyH2O App Download

The property owner is required, where practical, to download the MyH2O app after the initial leak in order to capture future issues with unusual consumption patterns.

During the review of the policy, management also observed the considerable time lapse in some cases between receipt of the application from the property owner and the date of the next Council meeting at which the application is determined. In order to minimise delays for

smaller claims, it is being recommended that authority be delegated to management to determine claims up to a maximum of \$3,000 per claim.

The Draft Amended Concealed Leak Policy, incorporating the recommended changes, is attached for consideration.

FINANCIAL IMPACT STATEMENT

The recommendation anticipates an improvement in Council's financial position.

ATTACHMENTS: Draft Concealed Leak Detection Policy

TABLED ITEMS: Nil

17.2. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER

17.2.1. WATER PRODUCTION REPORT

BOARD RESOLUTION

22/080 RESOLVED on the motion of Crs White and Sinclair that the Water Production Report be received and noted.

Report prepared by Production and Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Water Production Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 3 A Healthy Natural Environment

BACKGROUND

Goldenfields Water provides the essential water requirements of about 40,000 people spread over an area in excess of 20,000 square kilometres between the Lachlan & Murrumbidgee Rivers in the South West of NSW.

Goldenfields Waters' supply system consists of five separate water schemes, Jugiong, Oura, Mt Arthur, Mt Daylight and Hylands Bridge. Goldenfields Water carries out water supply functions within the Local Government areas of Bland, Coolamon, Cootamundra, Hilltops, Junee, Temora, and parts of Narrandera and Wagga Wagga.

Hilltops Shire Council, Cootamundra Gundagai Shire Council and Riverina Water County Council are retailers, who purchase bulk water from Goldenfields and supply the water to retail customers in their respective local government areas.

REPORT

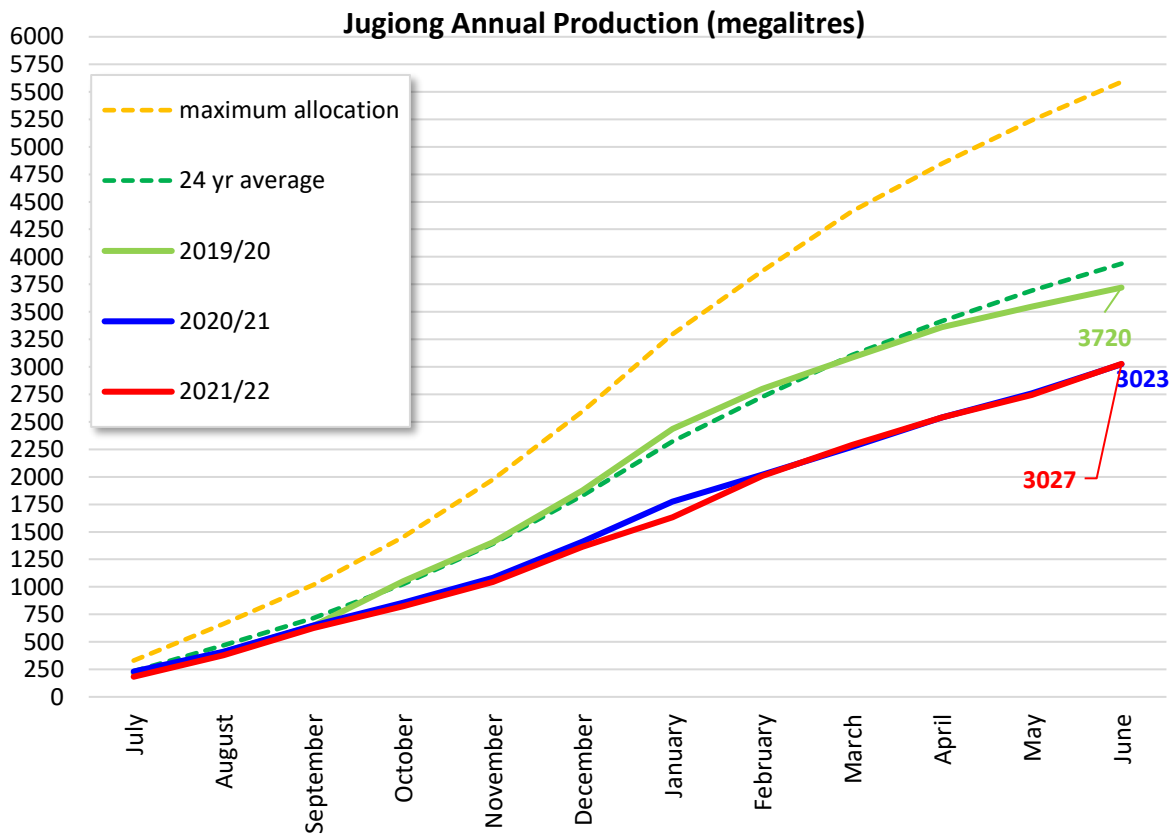
Jugiong drinking Water Scheme

The Jugiong drinking water scheme sources water from the Murrumbidgee River and has an extraction licence entitlement of 5590ML per annum. Water from the Murrumbidgee River is treated through a 40ML/day, conventional Water Treatment Plant that consists of: Coagulation, Flocculation, Clarification, Filtration, Disinfection and Fluoridation.

The Jugiong Scheme has 14 sets of reservoirs and 8 pumping stations. The Jugiong Scheme supplies bulk water to the Hilltops and Cootamundra-Gundagai Regional Councils for supply to the townships of Cootamundra, Harden and Young with a population of approximately 6800, 2200 and 8000 respectively.

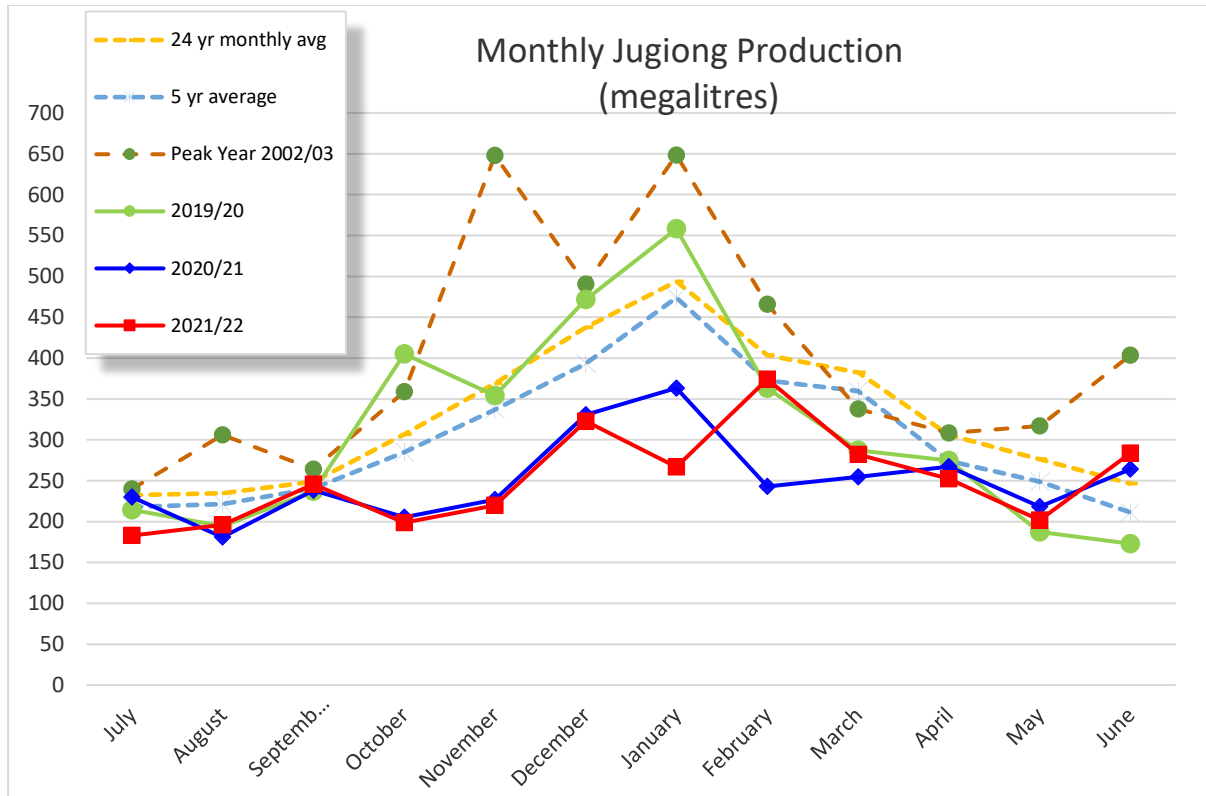
Goldenfields Water also provides additional retail supply to approximately 600 customers in the villages of Stockinbingal, Wallendbeen and Springdale.

For the 2021/22 financial year, 3027ML of water had been extracted from the Murrumbidgee River and processed at the Jugiong Water Treatment plant. This is slightly higher than the last FY where 3023ML was extracted. An increase of 4ML. This is illustrated in the graph below.



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Jugiong monthly production started slowly in July with only 183ML extracted and treated for the month. Production has followed a similar trend to the previous year until January 2022 where a decrease in production is evident. This is followed by a steep increase in production for the month of February 2022 before another decrease in March with further decreases in April and May before another increase in June. These inconsistencies can be attributed to unseasonal weather (number of wet days) during January before a return to hotter drier weather in February.

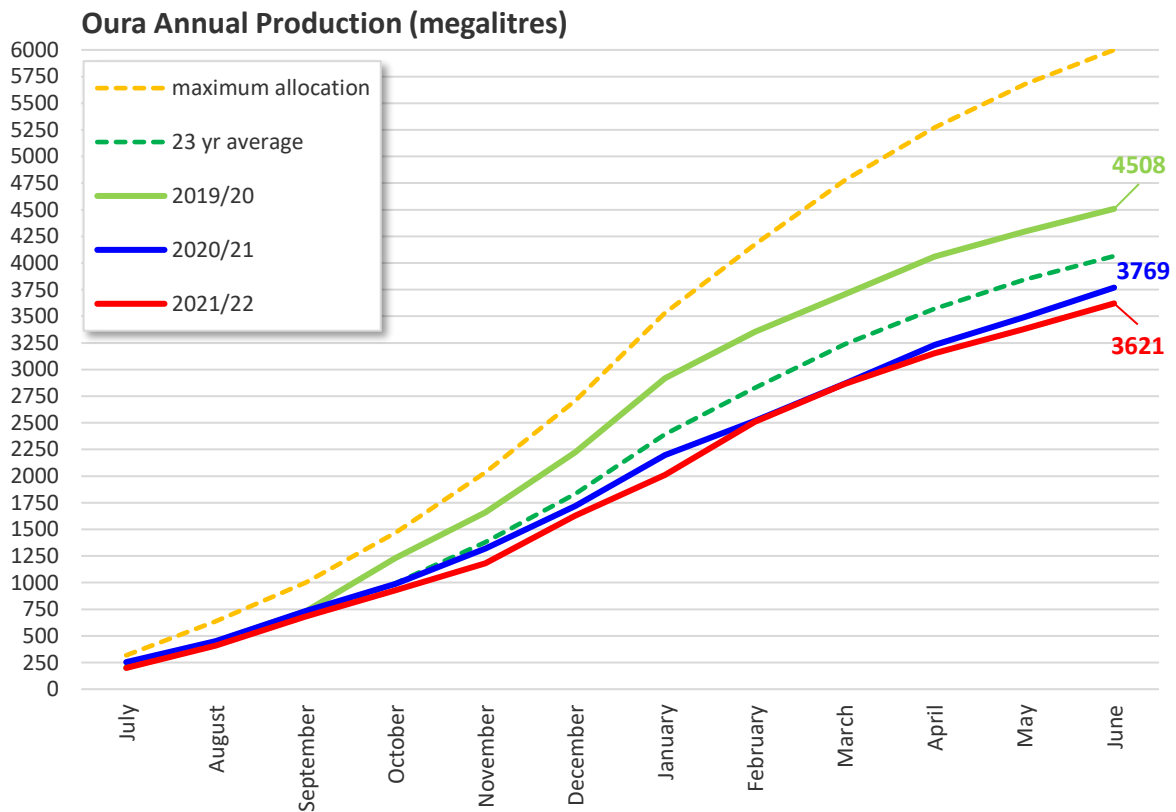


Oura Drinking Water Scheme

The water source at Oura is the Murrumbidgee inland alluvial aquifer, this water is extracted from 4 bores namely: Bores 2, 3, 4 and 6. The raw water then goes through a treatment process at the Oura Water Treatment Plant that includes Aeration, Disinfection and Fluoridation.

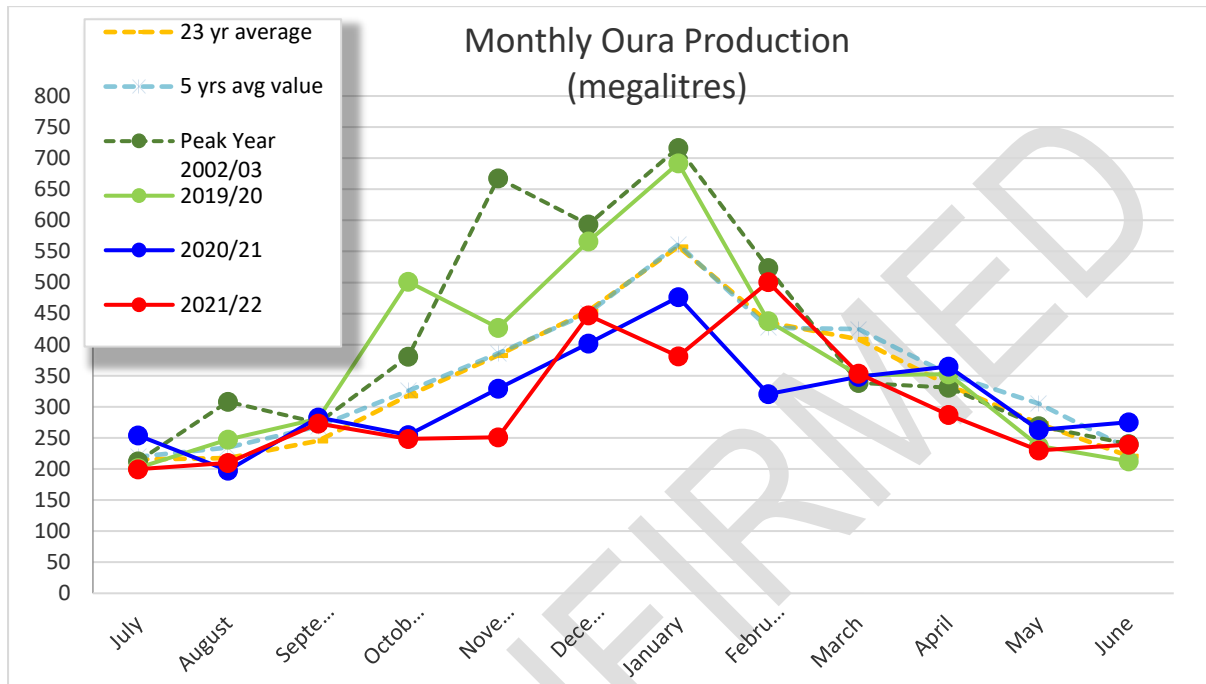
The Oura scheme has 33 sets of reservoirs and 19 pumping stations, produces drinking water for approximately 14,600 people in the Bland, Coolamon, Junee, Narrandera and Temora Shires. The Oura scheme can also supply water to the Northern side of the rural area of Wagga Wagga City when required.

For the 2021/22 financial year, 3621ML of water has been extracted from the Oura Borefield and processed at the Oura Water Treatment Plant. This is a decrease in production compared to last FY where 3769ML was extracted. A reduction in production of 148ML. This is depicted in the graph below.



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Oura monthly water production has started slowly due to the wet cold weather. For July 200ML was extracted from the Oura bores. Production trend has followed a similar trend to last FY before a decrease in production for November (251ML) and January (381ML) with a slight increase in production in December (447ML) compared to last FY. Production has increased in February (500ML) and decreased again in March (354ML), April (287ML) and May (230ML) with the early on set of cooler weather. There was a slight increase for June (239ML)

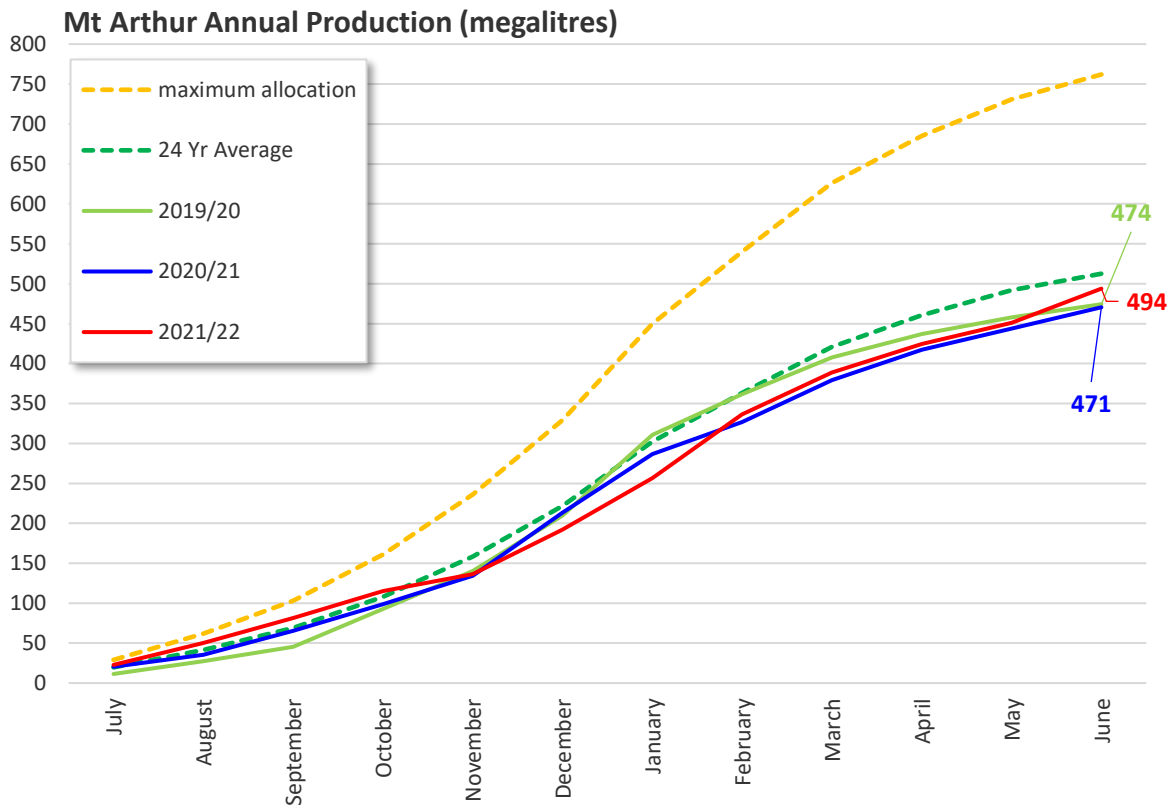


Mount Arthur Drinking Water Scheme

The Mount Arthur Water Source is from the Lachlan Fold belt Aquifer System. The water is extracted via two bores, bores 1 and 2 located in the Wagga Wagga City Council area South of Matong. The water is disinfected before distribution through 9 sets of reservoirs supplying approximately 2400 people with water in the Coolamon shire.

It should be noted that a new Bore 1 has been developed to replace the existing Bore 1 site and associated assets. Upon completion, testing and commissioning of the new Bore 1, the old bore has since been decommissioned and removed.

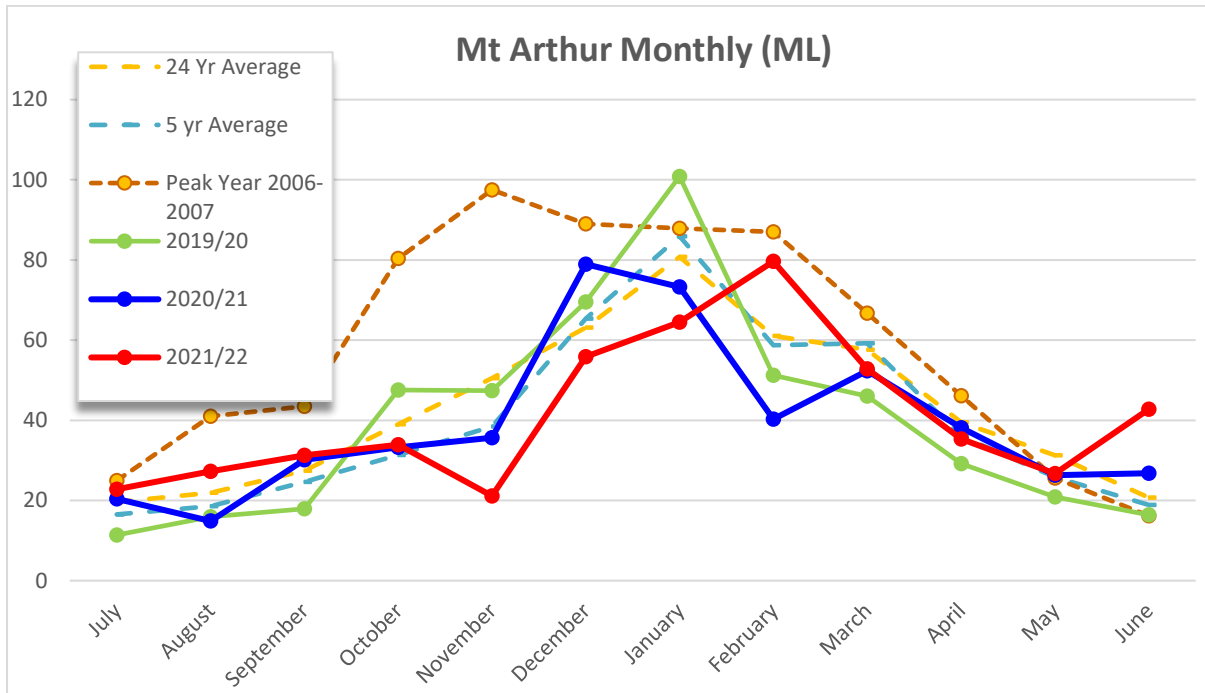
For the 2021/22 financial year, 494ML of water has been extracted from the Mt Arthur Borefield. This is an increase compared to last FY where 471ML was extracted from the Mt Arthur bores. An increase of 23ML. As can be seen in the graph below trending in a similar fashion to historical years.



Mt Arthur monthly water production for the 2021/22 financial year has been consistent with a gradual increase from month to month for the first 4 months as the weather warms up. For July (23ML) has been extracted, August seen a slight increase to (27ML) and September also seen a slight increase with (31ML) and October (34ML) being extracted from the Mt Arthur bores, prior to a wet November which seen a decrease in production to only (21ML) extracted. A further increase in production from the previous year is evident in February (80ML) before production decreased in March (53ML), April (35ML) and May (27ML). This is due to cooler climatic conditions as we move into winter. A steep increase is evident for June where (43ML) was extracted This increase could be attributed to the works being undertaken for the Coolamon Reservoir renewal project. We have limited storage until the reservoir is back online

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and thus an increase in pumping from bores has occurred to maintain the reticulate system, where historically we rely on storage to supply demand.



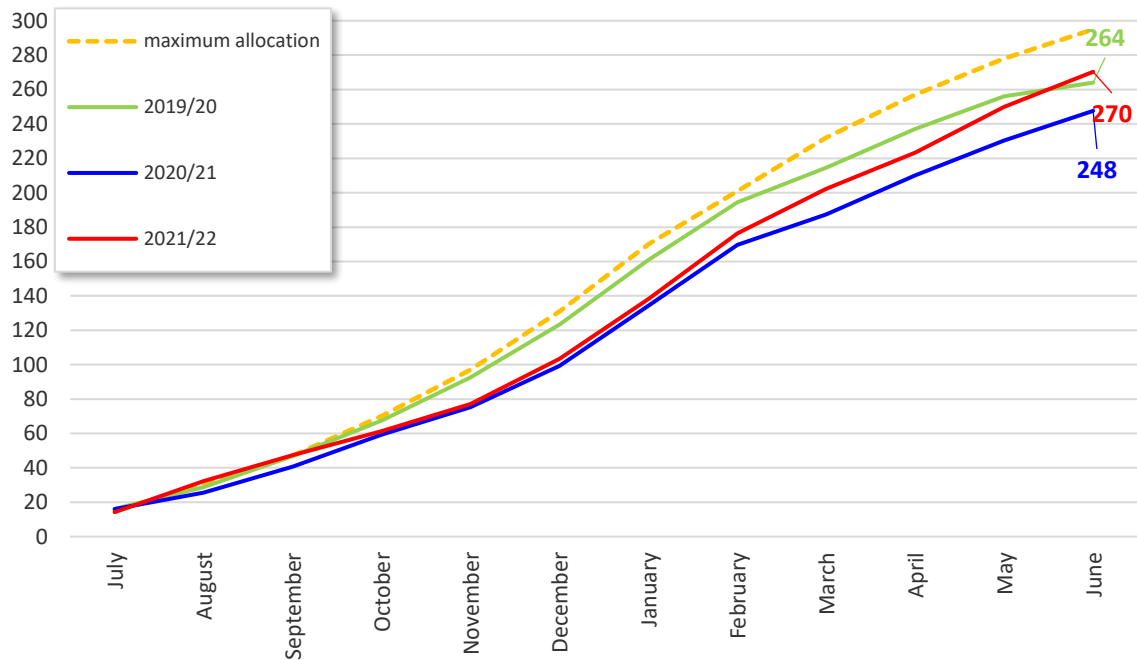
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Mount Daylight Drinking Water Scheme

The Mount Daylight water source is from the Lower Lachlan alluvium aquifer. The Mount Daylight bores are jointly operated with Carathool Shire Council. Carathool Shire Council is responsible for bore management. There are 7 sets of reservoirs in the Mt Daylight scheme. Mt Daylight supplies water to approximately 125 customers in the villages of Naradhan, Weethalle and Tallimba which are located within the Bland Shire.

For the 2021/22 financial year, 270ML of water has been extracted from the Mt Daylight Borefield. This is an increase in volume of 22ML compared to the 2020/21 FY where 248ML was produced. As can be seen in the graph below, the system is trending in a similar fashion to historical years.

Daylight Annual Volume (megalitres)

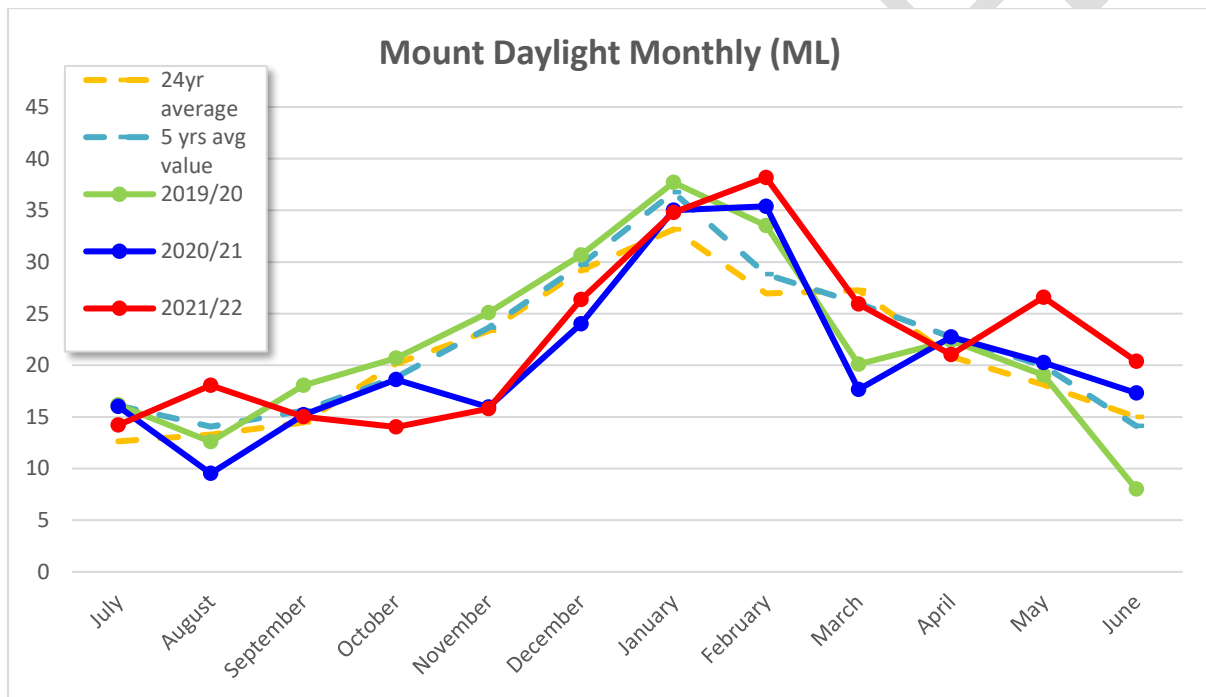


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The monthly extraction totals for the Mt Daylight bores are not consistent to previous years where an increase in March and May this can be seen from the graph below, July was a slow month with only (14ML) extracted from the Mt Daylight Bores before a slight increase in August where (18ML) was extracted before again reducing production for September to (15ML).

This decrease in production continued in October with (14ML) extracted, before a slight increase in November (16ML) extracted, production then increased as the weather became warmer in December (26ML) and January (35ML) a further increase is evident in February (38ML) before a decrease in March (26ML) and April (21ML) before an increase again in May (27ML) before once again decreasing in June (20ML).

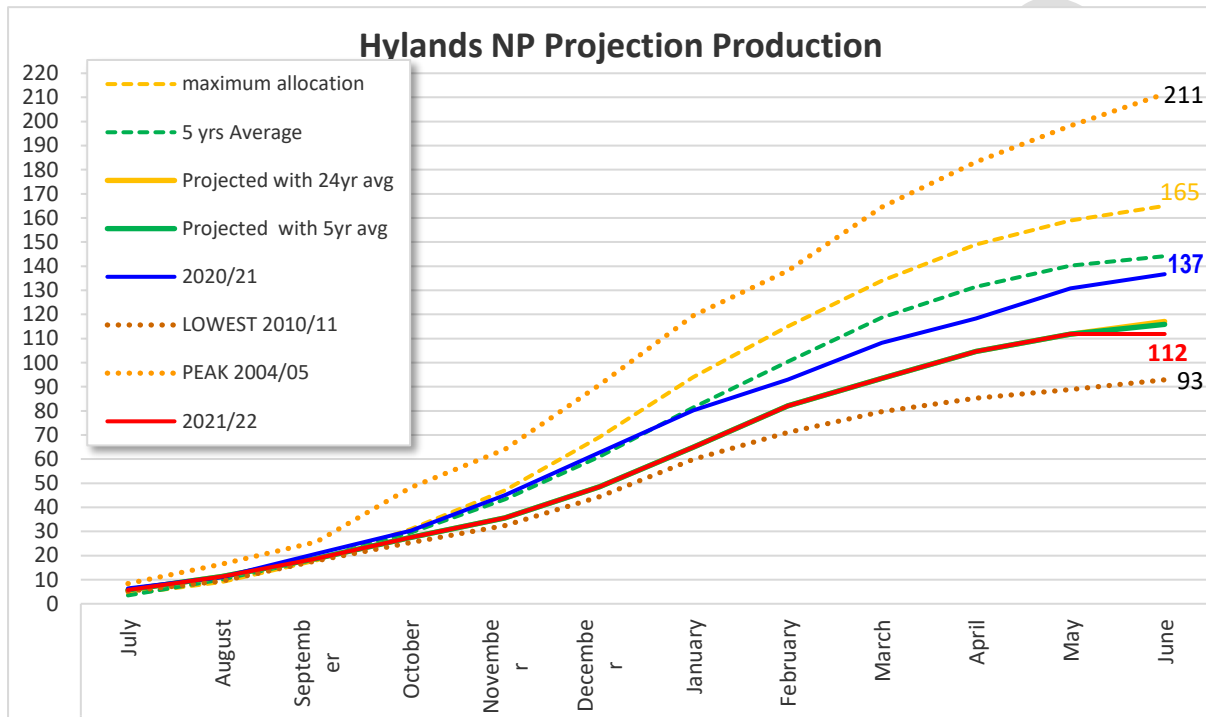
The increased usage during August correlates with some Bore yield studies being undertaken by Carrathool Shire which may have been the cause for this increased usage compared to previous years. It was also determined that a break in the line during this time added to the increase in production for August



Hylands Bridge - Non Potable

Hylands Bridge supplies Non-Potable water to Barellan and Binya. The water is sourced through the Murrumbidgee Irrigation Area where Goldenfields Water holds 165ML shareholding for water entitlement.

For the 2021/22 financial year, 112ML of water has been extracted from the Hylands Bridge Raw Water scheme. As can be seen in the graph below trending in a similar fashion to historical years. Hylands Bridge didn't produce any water for May and June as the irrigation channel has been closed for maintenance.



FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.2.2. OURA HIGH VOLTAGE CIVIL CONSTRUCTION PROJECT UPDATE

BOARD RESOLUTION

22/081 RESOLVED on the motion of Crs Callow and McGlynn that the Board accept the updated information relating to the Oura High Voltage Upgrade Project.

Report prepared by Manager Production & Services

COUNCIL OFFICER RECOMMENDATION

That the Board accept the updated information relating to the Oura High Voltage Upgrade Project.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

Council at its February 2021 Board meeting resolved on the motion of Crs Callow and McGlynn that the Board;

Award Tender 08/2020 to Gongues Construction Pty Ltd for the upper limit amount of \$3,028,000 (exc GST).

In addition to this contract, the Board, 25th October 2021 meeting, resolved on the motion of Crs Callow and Sinclair that the Board:

1. note the updated information within the report regarding the Oura High Voltage project
2. approve to award the contract (Tender 03/2021) for the electrical installation works for Oura water pump station to RIC Electrics Pty Ltd for \$862,596.95 (exc GST).

REPORT

The Oura High Voltage Upgrade project has been delivered via multiple contract arrangements. Thus far, Goldenfields staff have awarded four contracts for the delivery of works. Those being:

1. Design – inclusive of civil and electrical design requirements. Awarded to SMEC 24TH October 2019 for \$455,660. Complete.
2. Hardware purchasing contract – awarded to Schneider for the design, manufacture, supply and installation of Transformers, Variable Speed Drives (VSD) and Switching assets. Resolved on 27th August 2020 meeting. Contract Awarded for \$2,068,029 (GST Incl). 90% complete just awaiting commissioning phase.
3. Civil works – Awarded to Gongues Constructions for \$3,028,000 in February 2021. Practical Completion granted November 2021.
4. Electrical Installation – Awarded to RIC Electrics for \$862,596.95 in October 2021.

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An additional contract was awarded to JRC Electrics under contract 03/2020 for the design, manufacture and supply of the Low Voltage (LV) switchboard, Control Cabinet and metering cabinets for \$400k which 95% complete.

The Project has seen significant delays (6 months) throughout its delivery noting the peak of the pandemic, delays and re-work in Essential Energy approvals, and material lead times.

Commissioning is schedule from 19 September with Essential Energy through to 22 September for our internal cutover requirements. On the 22 September, it is expected that the new High Voltage System will be fully operational, and work will commence on the removal of the redundant equipment.

Tasks to complete:

1. AC design solution for HV Room – Mid August
2. GWCC HV Operator Training – First Week of September
3. Approval of Essential Energy of Operating Protocol – mid August
4. Appointment of HV Responsible Person – as per the NSW Service and Installation Rules – End of August
5. Finalisation of minor install and remedial work tasks – end of August
6. Commissioning and Cutover – 19 September to 22 September
7. Installation of supplementary AC in HV Room – end of October 2022
8. Removal of redundant equipment and finalisation of site works – end of November
9. Finalisation of As-built documentation - - mid December 2022.

FINANCIAL IMPACT STATEMENT

Original cost projections for the project in 2018/19, were estimated at around \$6.5m; However, throughout the delivery of works, the project scope has increased to cater for future infrastructure projects and land acquisition and development. Future projects being planned for include the two new reservoirs and aeration system that is set for release of tender in the current financial year.

An additional \$1.2m worth of works has been undertaken to facilitate the timely delivery of the next phase of Oura WTP projects which included the 750mm DICL pipeline installation at a cost of around \$400,000. This pipeline will connect to the new reservoirs and provide the ability for staff to cutover from the current pump station to the new pump station when it is constructed in 2024/25.

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The reservoir and aeration project are currently in the design phase with a tender expected to be released this financial year for the construction of two 4ML reservoirs and an aeration tower, which estimated at around \$5.7m. All costs are currently within forecasted budgetary projections. The forecast to complete the Oura HV component are as follows:

Forecast Cost to Complete

No.	Item	Cost
1	Costs to Date (including land purchase, new boundary fence, additional 750mm DICL Pipeline for future reservoirs etc)	\$7,209,633
	Forecast to Complete – Outstanding Costs	
2	Electrical Installation Costs - RIC	\$205,000
3	Schneider HV Equipment Supply	\$340,000
4	SafeGroup Integration	\$15,000
5	HV Supplementary Air Condition	\$180,000
6	Essential Energy New Point of Connection	\$55,000
7	GWCC Labor Costs and Operator Training	\$10,000
	TOTAL	\$8,014,633

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.2.3. JUGIONG HIGH VOLTAGE CIVIL CONSTRUCTION PROJECT UPDATE

BOARD RESOLUTION

22/082 RESOLVED on the motion of Crs Sinclair and McGlynn that the Board accept the updated information relating to the Jugiong High Voltage Upgrade Project.

Report prepared by Production & Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board accept the updated information relating to the Jugiong High Voltage Upgrade Project.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

Council at its October 2021 Board meeting resolved on the motion of Crs McCann and Morris that the Board;

1. Note the information detailed within the report
2. Approve to award the contract (Tender 04/2021) for the Design and Construction of civil works for the Jugiong High Voltage upgrade project to Van Mal Construction Pty Ltd for \$2,133,308 (exc GST).

REPORT

The Jugiong High Voltage Upgrade project will be delivered via multiple contract arrangements. Thus far, Goldenfields staff have awarded three contracts for the delivery of works. Those being:

1. Hardware purchasing contract – awarded to Schneider for the design, manufacture, supply and installation of Transformers, Variable Speed Drives (VSD) and Switching assets. Resolved on 24th June 2021 meeting. Contract Awarded for \$2,201,268.66.
2. GHD – Design of electrical services resolved on 24th February 2022 meeting. Approved budget \$295k.
3. Van Mal Constructions – Awarded the civil construction contract which includes a new High Voltage building, communications tower, stormwater, pavement and electrical pits, pipes and conduits.

The Project is currently tracking on schedule. To date the following has been achieved:

- The high voltage equipment has been ordered through Schneider and is due for delivery in Jan 2023;
- The contract for the design and construction of the new switch room building and associated pits and conduits has been awarded and work is well underway. The building basement has been completed already and the ground floor slab has been poured. The installation of pits and conduits has commenced. Completion for achieving Practical Completion is December 2022;
- The electrical integration design contract through GHD has been awarded and work is well underway – this is due for completion in October 2022; however, this is subject to Essential Energy connection approvals which have proven timely and difficult in the past on the Oura project.

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- A study on the long-term effects of using VSDs on older style electrical motors is underway to ensure the reliability of the existing Jugiong HV Clearwater Pump motors being supplied by VSD for medium to long term time frame
- The analysis of the Current Oura 680kw high flow pumps is being undertaken to assess their capability in being re-purposed to the Jugiong 1 and 2 pump stations. If this investigation proves successful, staff maybe able to defer the design and construction of two new pump stations for a number of years, until demand requires an upgrade in pump size. The current 680kw Oura pumps are undersized for the Oura scheme and will be replaced in around 2024. Whilst the assets will be still in reasonable condition, they are just not capable of providing our future demand requirements for the system.

Outstanding Tasks to be actioned include:

- Tendering and award for the supply and installation of electrical integration equipment and cabling.
- Tendering and award for supply of LV Main Switchboard, PLC Cabinet, Revenue Meter Boards, Generator Connection Boxes and other miscellaneous equipment.
- Purchase of DC system
- Purchase of Standby Low Voltage Generator and
- Purchase of Emergency Generator 415V Connection Leads

The Jugiong commissioning date is expected to occur in September 2023.

FINANCIAL IMPACT STATEMENT

All costs are currently within forecasted budgetary projections. The forecast to complete are as follows:

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BUDGET ESTIMATE		
No.	ITEM	ESTIMATE
1	GWCC Personnel and Internal Costs	\$350,000
2	Electrcial Design(inc ASP3 Essential Energy PoC)	\$212,122
	allowance for Essential ASP3 application costs and contingency	\$60,000
3	Design and Construct - Switch Room and Associated Civil Work	\$2,133,308
4	Supply and Installation of HV Equipment	\$2,100,000
5	Supply of LV Equipment	\$450,000
6	Balance of Electrcial Equipment Supply and Installation (inc ASP works)	\$1,100,000
7	SafeGroup - PLC / SCADA works	\$290,000
8	Contingency	\$690,000
9	TOTAL	\$7,385,430

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.2.4. PRODUCT IMPLEMENTATION – INNOVYZE EMAGINE AI

BOARD RESOLUTION

22/083 RESOLVED on the motion of Crs White and Sinclair that the Board approve an increase to the operational budget of \$135,000 to recommence the implementation of the Emagin product.

Report prepared by Production and Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board approve an increase to the operational budget of \$135,000 to recommence the implementation of the Emagin product.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

In 2020 Council staff began discussions with a software company Innovyze regarding an artificial intelligence product called Emagin. The Emagin product utilises available data inputs and outputs to first learn and to then prescribe optimal control actions based on real time data and forecasted conditions.

It is intended for the product to be used at Jugiong Water Treatment Plant, where once optimised parameters are determined the product would then be able to provide operators advisory commands that would optimise the plants efficiencies to meet those demands. Basically it would advise an operator when to run the pumps, how fast to control the treatment process and how much chemical should be used and when. The outcome will be greater efficiencies and cost reductions in chemical dosing, electrical costs etc. Additional expansion of the system could then occur to other areas.

The proposal required an initial cost of \$85,000. Subsequent annual costs for the system are then based off savings made from the system. In 2020 The proposal estimated around \$230,000 savings could be made annually from the system. This is expected to be higher now as a result of the increased costs in electricity. It is likely the annual fees will be between \$60,000 to \$90,000 (depending on actual savings) however this still provides a significant annual net benefit. If no savings are made, then Council would not incur any costs associated with the product and would only have to incur the installation costs.

At the August 2020 Council meeting the Board resolved to:

- a. Approve the General Manager or his delegate to proceed with the software as a service agreement pilot trial offer provided by Innovyze for the product Emagin.
- b. Approve an additional budget allocation of \$150,000 for the 2020/21 financial year.

REPORT

In 2020/21 financial year Goldenfields Water worked with Innovyze to begin the implementation of the Emagin product. A digital twin of the Jugiong water supply scheme was developed with all of Council's current Direct Memory Access (DMA) devices connected for live 15min feeds.

It was discovered and discussed with the contractor at the time that the system did not have enough interim flow data coming in from the distribution system. This basically provided a tolerance error of the system too great for the contractor to commit a contractual agreement with. Thus, the process incurred delays once it was determined that additional bulk metering data and treatment plant sensors were required. No costs were incurred by the contractor for the initial works and the budget was removed until further confirmation of the project being feasible could be made.

Goldenfields Water staff have since completed the required asset installation of additional flow metering DMA's with enough historical data being gathered to re-assess the projects viability.

The current financial year capital works program does not have an allocated budget for the works. Innovyze have not yet invoiced Goldenfields Water for the initial installation and only approximately \$15,000 has been spent to date against the original work order to facilitate initial data transfer. There is therefore approximately \$135,000 worth of works outstanding to try and achieve the project concept. Staff are requesting that the unspent original budget be drawn back into the current financial year.

FINANCIAL IMPACT STATEMENT

An increase to the current years operational budget of \$135,000.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.2.5. MICROWAVE COMMUNICATION SYSTEM – STAGE 2

BOARD RESOLUTION

22/084 RESOLVED on the motion of Crs McGlynn and McAlister that the Board resolves to increase the capital works budget by \$550,000 to enable the completion of the microwave network works.

Report prepared by Production and Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board resolves to increase the capital works budget by \$550,000 to enable the completion of the microwave network works

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

Goldenfields Water have been installing new and upgrading existing microwave communications assets to enable the completion of the telemetry system which allows Goldenfields Water to program scheme operations, analyse issues and change parameters for the operation of our networks remotely. This system also provides us with full independence from third party Telco's that have proven unreliable in the past for managing some of our critical systems.

REPORT

Stage 1 of the rollout was completed last financial year delivering 9 sites. A combination of sites requiring our own towers or via licence access agreement with NSWTA was required.

Stage 2 (the final stage) was projected to commence this financial year and staff were anticipating the full completion within 18 months. At the time of developing the 2022/23 financial budget, the final cost estimate for stage 2 had not been confirmed and a token amount of \$250,000 was attributed to allow some works to progress until a revised budget could be adopted by the Board.

The estimated costs to undertake the works for stage 2 is \$752,000; A budget increase to the capital works budget of \$550,000 is requested to enable the completion of the microwave network and to allow for some hardware contract contingencies, noting the volatility in material prices.

FINANCIAL IMPACT STATEMENT

Increase to the capital works budget of \$550,000

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.2.6. ENERGY MARKET UPDATE

BOARD RESOLUTION

22/085 RESOLVED on the motion of Crs McAlister and McGlynn that the Board

- 1. Pursuant to s55(3)(i) of the Local Government Act 1993, the Board considers that a satisfactory result would not be achieved by inviting tenders before entering into a contract for the purchase of energy, due to extenuating circumstances, being:**
 - a. current energy market volatility and significant risk in entering into a fixed agreement**
 - b. multiple options for purchasing energy, such as wholesale purchasing**
 - c. flexibility in purchasing processes is required for speed of acting on low price demands within the National Energy Market (NEM)**
- 2. authorise the General Manager or their delegate the delegation to negotiate the purchase of energy and enter into any such Agreements necessary to continue the efficient operations of Goldenfields Waters supply network.**

Report prepared by Production & Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board:

1. Pursuant to s55(3)(i) of the Local Government Act 1993, the Board considers that a satisfactory result would not be achieved by inviting tenders before entering into a contract for the purchase of energy, due to extenuating circumstances, being:
 - a. current energy market volatility and significant risk in entering into a fixed agreement
 - b. multiple options for purchasing energy, such as wholesale purchasing
 - c. flexibility in purchasing processes is required for speed of acting on low price demands within the National Energy Market (NEM)
2. authorise the General Manager or their delegate the delegation to negotiate the purchase of energy and enter into any such Agreements necessary to continue the efficient operations of Goldenfields Waters supply network.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

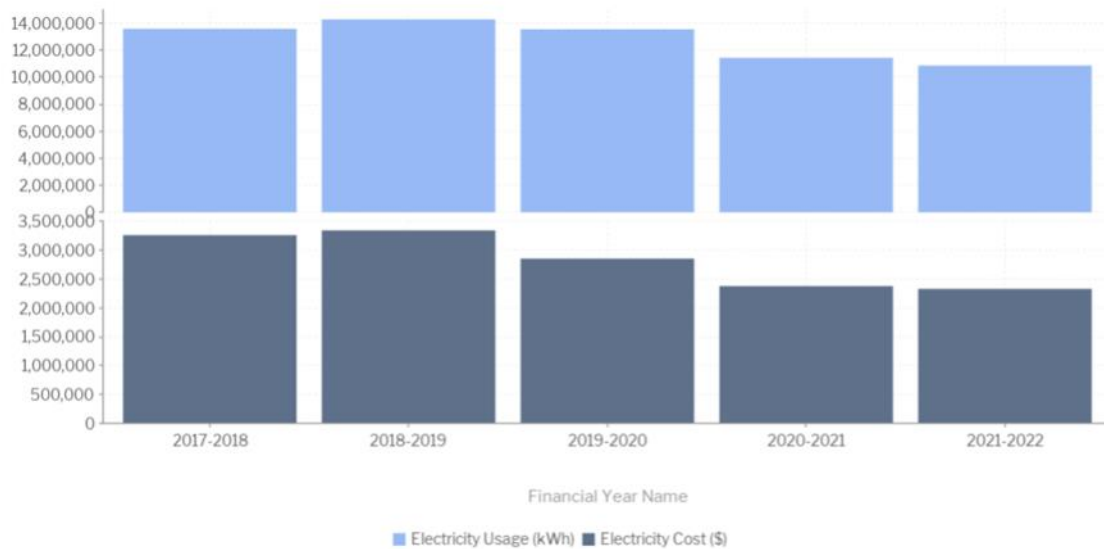
Council has historically undertaken the purchase of energy contracts via the Local Government Procurement panel process. Council has two current energy contracts relating to 53 small sites and 17 large sites. The small sites contract is currently with Next Business Energy and the Large sites contract with Origin Energy. These contracts will expire in December 2022.

Ninety-five (95) percent of Goldenfields Waters total energy costs are attributed to the 17 large sites. These sites consist of water treatment plants and large pump stations. Usage costs associated with these sites are currently only represented by 50% of the total cost, as 'network' charges make up the remainder.

REPORT

Goldenfields Water currently purchases its off-peak electricity at an average cost of around \$60MWh. The current purchase Agreement for Councils large sites was entered into via LGP contract – 319, from 1 January 2020 to 31 December 2022. The below graph provides an annual usage and cost trend for Councils electricity over the past 5 years. The downward trend of usage and cost is attributed to both a low contractual rate entered into in 2019, as well as significant lower demands of water production.

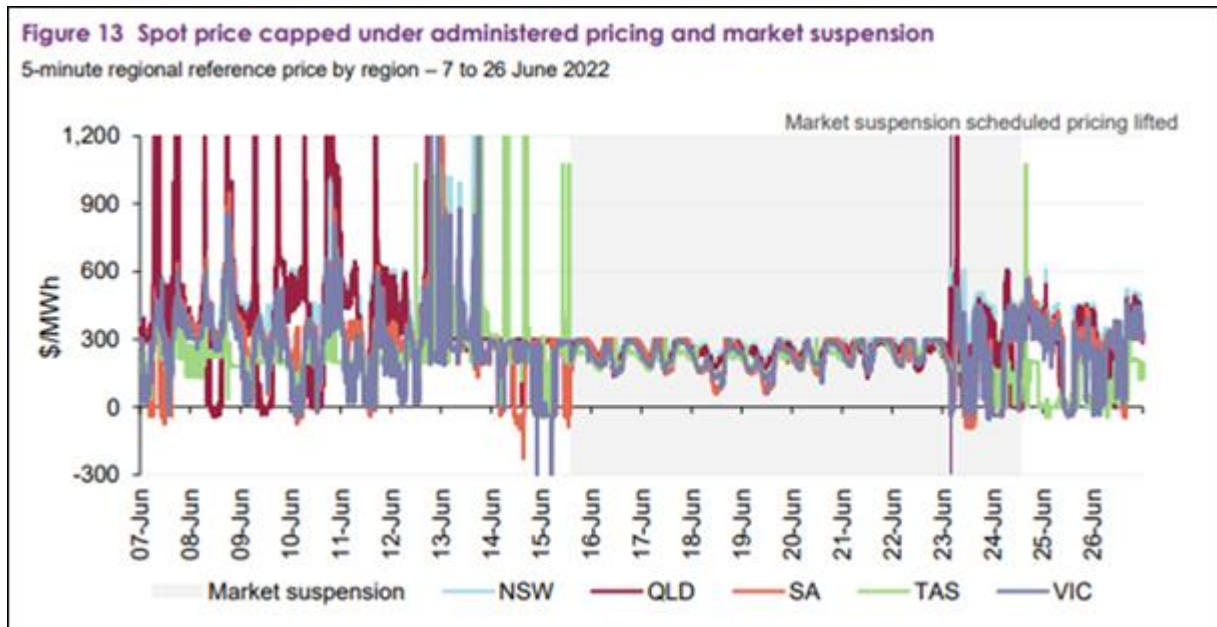
Annual Electricity Usage and Cost



The energy market has seen a dramatic increase in costs over the last year, climbing from some of the lowest prices in recent years to the highest prices on record. The most dramatic change has occurred since February this year, due to a number of compounding factors, not limited to the war between Russia and the Ukraine, closure of domestic power stations and the impact on networks from renewable energy projects.

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The below graph illustrates the recent peak market issues and volatility and why the Australian Energy Market Operator (AEMO) suspended the National Energy Market (NEM) for the first time in history which capped costs to \$300MWh.



Goldenfields Water is a large consumer of electricity, simply due to the fact of producing and transporting water very long distances and over elevated terrain. The below table provides a snapshot of the energy consumption and cost of the largest ten sites. Our annual consumption for all sites ranges between 11,000MWh and 14,500MWh

Asset Name	Rank of Energy Usage (GJ)	Energy Usage (GJ)	Rank of Energy Cost (\$)	Energy Cost (\$)
Gumly Pumping Station	1	13,779.55	1	\$760,155.00
Jugiong No 1 WTP	2	8,753.62	2	\$499,709.00
Jugiong No. 2 Booster Pumping Station	3	5,712.82	3	\$339,193.00
Demondrille Pumping Station	4	2,076.34	4	\$113,899.00
Dullah Rd (Ganmain Pumping Station)	5	1,055.88	5	\$66,843.00
Rosehill No 5 Booster	6	793.85	6	\$61,918.00
Deepwater Rd (Matong Bore Pump)	7	759.06	7	\$59,231.00
Mt Daylight No 1 Pumping Station	8	523.90	8	\$32,879.00
Eurolie Rd Pumping Station	9	496.76	9	\$29,099.00
Talbingo Lane PS	10	401.76	10	\$24,663.00

Noting that Councils energy Agreements expire in December 2022, staff are needing to commence the process for new or alternate options for supply of energy. As detailed above, the current market volatility provides a very negative outlook for any negotiations of new supply contracts and if Council were to enter a new one, the costs could be over 3 times the current costs of the existing contracts.

It is Staff's belief that Council should not enter into any Agreement in the current environment and may require Council to fall on default market purchasing prices and continue with the existing provider until an amicable price can be locked in.

There are other alternative purchasing arrangements, such as wholesale purchasing (30min price updated intervals) where council could seek to purchase monthly/quarterly prices at times the NEM is low. This option would require the engagement of a third party to manage this process for council; however, it could be an option to provide some considerable savings during this volatile time. It should also be note that a change in regulation has approved suppliers to now pass on any Unaccounted-for Energy (UFE) costs which can be up to around 8% of a total bill for some councils.

It is likely that staff will need to provide expressions of interests to the market multiple times for potential negotiation over the coming 18 months and may also require quick purchasing processes to undertake any wholesale arrangements. It is therefore recommended that the Board consider an exemption of tendering pursuant to s55(3)(i) of the Local Government Act 1993, where the Board considers that a satisfactory result would not be achieved by inviting tenders for the purchase of energy. Due to the extenuating circumstances, which is highlighted within the current energy market, it is a potential for the General Manager and/or their delegate to make multiple purchases through multiple suppliers and therefore a fixed tendering process is not possible.

It is also proposed that staff require the flexibility to quickly act on wholesale purchase pricing and any potential new agreement that could be gained within the market through negotiation with multiple suppliers. Therefore, it is also recommended that General Manager be provided the delegation to negotiate the purchase of energy and enter into any such agreements required to facilitate councils continued operation.

FINANCIAL IMPACT STATEMENT

Energy prices are expected to increase significantly after December 2022 when councils existing energy agreements expire.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17.3. MATTERS SUBMITTED BY THE GENERAL MANAGER

17.3.1. DISCLOSURE OF INTEREST RETURN

BOARD RESOLUTION

22/086 RESOLVED on the motion of Crs White and Sinclair that Council note the tabling of the Disclosures by Councillors and Designated Persons' Return described within the report.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council note the tabling of the Disclosures by Councillors and Designated Persons' Return described within the report.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 2 Customer Service Focus

BACKGROUND

Under section 6.21 of Goldenfields' Code of Conduct, councillors and designated persons must make and lodge with the general manager a return disclosing the councillor's or designated person's interests as specified in schedule 1 of the code within 3 months of the following:

- a) becoming a councillor or designated person, and*
- b) 30 June of each year, and*
- c) the councillor or designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).*

REPORT

Councillors and Designated Persons have now lodged a Disclosure Return with the General Manager under paragraph (b).

The returns are now tabled as per item 6.26 of Goldenfields' Code of Conduct.

Information contained in returns made and lodged under clause 6.21 is to be made publicly available in accordance with the requirements of the Government Information (Public Access) Act 2009, the Government Information (Public Access) Regulation 2009 and any guidelines issued by the Information Commissioner.

Councillors and staff are reminded that it is imperative their honesty and transparency is maintained at all times. A pecuniary interest return may be lodged at any time during the year should circumstances deem it necessary.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Disclosure Returns

17.3.2. DELIVERY PROGRAM PROGRESS REPORT JANUARY TO JUNE 2022

BOARD RESOLUTION

22/087 RESOLVED on the motion of Crs Sinclair and Callow that Council's January – June 2022 Delivery Program Progress Report be received and noted.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Council's January – June 2022 Delivery Program Progress Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Section 404 of the Local Government Act 1993 - *Delivery Program*, stipulates that regular progress reports (at least 6 monthly) be provided to Council to report on progress toward the principal activities detailed in the Delivery Program.

REPORT

Council's January to June 2022 Delivery Program Progress Report has been created, measuring the organisations progress toward the Delivery Program. The report is attached for Council's information.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Delivery Program Progress Report January to June 2022

TABLED ITEMS: Nil

17.3.3. LGNSW ANNUAL CONFERENCE

BOARD RESOLUTION

22/088 RESOLVED on the motion of Crs McGlynn and White that the Board:

1. Endorse the Chairperson as Goldenfields Water's voting delegate for the LGNSW Annual Conference
2. Approve the attendance of the General Manager, the Chairperson and the Deputy Chairperson.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That the Board:

1. Endorse the Chairperson as Goldenfields Water's voting delegate for the LGNSW Annual Conference
2. Approve the attendance of the General Manager and the Chairperson

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

The Local Government NSW Annual Conference is the annual policy making event for NSW Councils and where councillors come together to share ideas and debate issues that shape the way their councils are governed.

REPORT

The LGNSW Annual Conference will be held at the Crowne Plaza Hunter Valley from Sunday 23 October to Tuesday 25 October 2022.

Council is required to resolve upon the voting delegation being assigned to one of its members for the Annual Conference, and to endorse the attendance of that delegate and the General Manager.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: LGNSW Annual Conference Draft Program

TABLED ITEMS: Nil

17.3.4. REROC & RIVERINA JO – ONE ORGANISATION

BOARD RESOLUTION

22/089 RESOLVED on the motion of Crs McGlynn and McAlister that the Board supports:

Option 1: REROC as a stand-alone organisation, the JO folds and

Option 4: REROC as a stand-alone organisation, the JO goes into hiatus.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

For the consideration of the Board.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 2 Customer Service Focus

BACKGROUND

REROC and the Riverina JO Boards have requested that each of the member Councils consider their preferred options by 30 September regarding the adoption of a single organisation for local government collaboration in the eastern Riverina Region.

REPORT

As per the attached letter from the Chairman of REROC and Riverina JO there has been several reviews and a number of options put forward regarding one organisation going forward.

There are four options presented for the Board's consideration:

- 1. REROC as a stand-alone organisation, the JO Folds**
- 2. JO as a stand-alone organisation , REROC does not fold but goes into hiatus –** the reasoning for REROC going into hiatus is that the boards of both organisations agree that the likelihood of councils gaining permission from a Local Government Minister to establish a separately incorporated organisation like REROC is slim, Consequently, it would not be in the best interests of Members for REROC to wind-up.
- 3. REROC as a stand-alone organisation, the JO is operated by Wagga Wagga City Council –** Wagga Wagga City Council has offered to operate the JO separately from REROC for a period of 2 years, free of charge. The JO's activities would be restricted to the three core activities. After the initial 2 years Members would decide on the future arrangements. The details of the Wagga Wagga offer are contained in the attachments to this letter.
- 4. REROC as a stand-alone organisation, the JO goes into hiatus –** this option would basically put the JO into hibernation, with the ability for Members to awaken it if it was in the interest of Members to do so.

Attached is a copy of a letter from the Wagga Mayor providing information about the option for Wagga Wagga City Council operating the JO. Furthermore, a number of previous reviews have been tabled for information for the Board to review when considering the above mentioned options.

The Board need to determine their preferred 2 preferences and provide advice back to REROC and Riverina JO.

FINANCIAL IMPACT STATEMENT

Our current annual membership fees are: REROC \$13,182 & JO \$10,685. With a one organisation model the membership fees will be less than the combined.

ATTACHMENTS:

Letter from REROC and Riverina JO Chairman re: The Way forward: One organisation

Letter from Wagga Mayor re: One Organisation Discussions

TABLED ITEMS:

Moving Forward: One Organisation Options' Paper

Joint Organisations Review

Review of operations of REROC and the Riverina Joint Organisation

17.3.5. WYALONG WATER RELIABILITY PROJECT UPDATE

BOARD RESOLUTION

22/090 RESOLVED on the motion of Crs Callow and Sinclair that the Board note the information provided within the report.

Report prepared by Engineering Manager

COUNCIL OFFICER RECOMMENDATION

That the Board note the information provided within the report

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

Priority 1 High Quality, Secure and Efficient Water Supplies

BACKGROUND

The West Wyalong Water Reliability Project will provide increased and consistent pressure to the townships of Wyalong and West Wyalong supporting economical and residential growth in the area. The project consists of:

- The construction of a new bypass trunk main (approx. 7km)
- Replacement of the existing reticulation supply mains (approx. 5km)
- Construction of a 2.5MI (12m diameter, 24.6m high) concrete standpipe reservoir, and
- Construction of a new transfer pump station to pump from existing terminal reservoir into the new standpipe reservoir

The project is being joint funded through:

- The National Water Grid fund (federal funding) for \$4,500,000 ex GST
- Resources for Regions funds (state funding) for \$2,652,317 ex GST
- Bland Shire Council for up to \$800,000 ex GST
- Goldenfields Water for the remainder required estimated at \$5,250,000 ex GST

REPORT

Goldenfields Water have now completed the required tender and subsequent contract negotiation processes and have engaged contractors to undertake the works as follows:

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 1 September 2022**

- Quay Civil Pty Ltd to construct the standpipe reservoir and ancillary items for \$3,986,142.19 ex GST
- Killard Infrastructure Pty Ltd to construct the new bypass and replacement of existing reticulation main for \$6,209,037.95 exGST

Goldenfields Water internal staff will be responsible for completion of the pump station construction at a cost estimate of \$800,000 ex GST.

The above figures do not include provisions for project management and contingency costs.

Construction is due to commence in September is anticipated to be completed and operational by August 2023.

Goldenfields Water will keep the community updated in regard to the progress of the project via media and website information. Killard Infrastructure Pty Ltd will be responsible for providing customers with notification of works occurring that may impact their home or business.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

18. NEXT MEETING

The next ordinary meeting of Council is scheduled to be held Thursday 27 October at 10.00am.

Cr Allan White requested a leave of absence for the October meeting.

BOARD RESOLUTION

22/091 RESOLVED on the motion of Crs Callow and McAlister that a leave of absence be granted to Allan White for the October Council Meeting.

19. CLOSE OF BUSINESS

There being no further business requiring the attention of council the meeting was declared closed at 11.25 am.