

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 22 FEBRUARY 2018**

The meeting commenced at 1.00pm.

PRESENT

Cr D Palmer, Cr G Armstrong, Cr B Callow, Cr D McCann, Cr L McGlynn, Cr K Morris, Cr G Sinclair.

ALSO IN ATTENDANCE

Mr A Tonkin (General Manager), Mr I Graham (Corporate Services Manager) Mr G Veneris (Acting Engineering Manager), Mr T Goodyer (Operations Manager), Mr S Baldry (Acting Production and Services Manager), Mrs A Coleman (Executive Assistant).

1. LEAVE OF ABSENCE/APOLOGIES

18/001 RESOLVED on the motion of Crs Callow and McCann that leave of absence be granted to Cr M Stadtmiller.

2. 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.

3. PRESENTATIONS

Kim Bolitho was in attendance and raised concerns regarding the price of water and the quality of water.

Katherine Priest was in attendance and raised concerns regarding discoloured water.

Ms Bolitho and Mrs Priest left the meeting at 1.10pm.

18/002 RESOLVED on the motion of Crs McCann and Morris that Goldenfields Water staff prepare a detailed response to the matters raised by Mrs. Priest and Ms. Bolitho and that the response be sent to both speakers.

4. DECLARATION OF PECUNIARY INTERESTS

Nil

5. DECLARATION OF NON PECUNIARY INTERESTS

Nil

6. CONFIRMATION OF MINUTES OF MEETINGS HELD ON 16 NOVEMBER 2017

18/003 RESOLVED on the motion of Crs McCann and Callow that the minutes of the meetings held on the 22 December 2018 having been circulated and read by members be confirmed.

7. BUSINESS ARISING FROM MINUTES

Nil

8. ADMISSION OF LATE REPORTS

Nil

9. NOTICES OF MOTION / RESCISSION MOTIONS

Nil

10. CHAIRPERSON'S MINUTE

At the time of preparation of the Business Paper the Chairperson had not issued a report for publication.

11. PUBLIC PARTICIPATION CONFIDENTIAL SESSION – 1.19pm

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 public.

18/004 RESOLVED on the motion of Crs Sinclair and McCann that Council move into CONFIDENTIAL SESSION.

11.1 MATTERS SUBMITTED BY ACTING ENGINEERING MANAGER

11.1.1 SUPPLY OF CONCRETE RESERVOIRS FOR MANDAMAH SCHEME (G95400505)

18/005 RESOLVED on the motion of Crs McGlynn and Callow that the Tender for the supply of two (2) concrete reservoirs submitted by Hornick Constructions Pty Ltd be accepted for the tendered price of \$1,020,000 (ex GST)

Report prepared by Acting Engineering Manager

*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 nature that would if disclosed:
(i) prejudice the commercial position of the person who supplied it

18/006 RESOLVED on the motion of Crs McCann and Sinclair that Council revert back to Open Session and that the resolution made in Confidential Session be made public.

12. MATTERS TO BE SUBMITTED TO OPEN COUNCIL – 1.22pm

12.1 MATTERS SUBMITTED BY CORPORATE SERVICES MANAGER

12.1.1 COUNCIL INVESTMENTS (G35507005)

18/007 RESOLVED on the motion of Crs McGlynn and Armstrong that the report detailing Council Investments at 31 January 2018 be received and noted.

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Report prepared by Accountant

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 2005.

REPORT

Council's investment portfolio decreased by \$1,450,180 to \$46.45 million during December and January. The profile of Council's investments held at 31 January 2018 is detailed below:

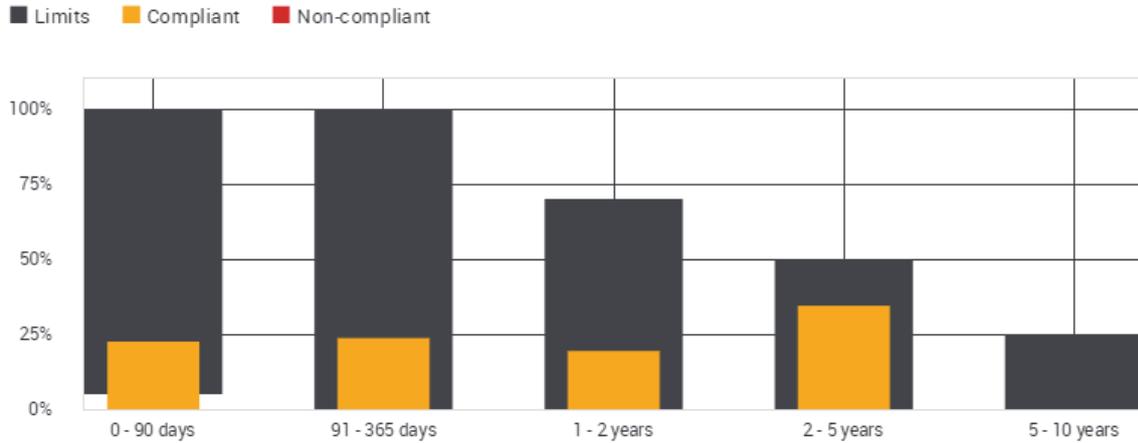
	Rating	Market Value (\$)	Term (days)	Rate	Purchase Date	Maturity Date
Long Term Deposits		40,000,000.00				
National Australia Bank	A1+	3,000,000.00	1,096	3.36%	12/02/15	12/02/18
CBA	A1+	3,000,000.00	1,096	3.11%	17/03/15	17/03/18
CBA	A1+	3,000,000.00	1,096	3.06%	20/04/15	20/04/18
Westpac Banking Corporation	A1+	3,000,000.00	1,097	3.04%	24/06/15	25/06/18
Bank of Queensland	A2	3,000,000.00	1,096	3.00%	29/10/15	29/10/18
ING Direct	A-	3,000,000.00	1,097	3.18%	18/03/16	20/03/19
Newcastle Permanent	BBB	2,000,000.00	1,096	3.08%	08/06/17	8/06/20
Westpac Banking Corporation	A1+	2,000,000.00	1,097	3.01%	12/07/17	13/07/20
Bank of Queensland	A2	2,000,000.00	1,462	3.45%	12/07/17	13/07/21
Westpac Banking Corporation	AA-	1,000,000.00	1,099	3.06%	25/09/17	28/09/20
Bank of Queensland	BBB+	3,000,000.00	1,098	3.00%	07/11/17	09/11/20
Rural Bank	BBB+	3,000,000.00	1,097	2.95%	06/12/17	07/12/20
ING Direct	A	3,000,000.00	728	2.91%	11/12/17	09/12/19
ING Direct	A	3,000,000.00	733	2.87%	20/12/17	23/12/19
Rural Bank	BBB+	3,000,000.00	1,098	3.10%	09/01/18	11/01/21
Short Term Deposits	A1+	6,000,000.00				
Australian Military Bank	NR	1,000,000.00	365	2.85%	28/03/17	28/03/18
Auswide Bank	A2	1,000,000.00	365	2.82%	20/06/17	20/06/18
Bank of Queensland	A2	1,000,000.00	365	2.70%	12/07/17	12/07/18
B & A Bank	A1-	1,000,000.00	365	2.57%	10/08/17	10/08/18
Auswide Bank	A2	1,000,000.00	365	2.70%	04/12/17	04/12/18
Members Equity	A2	1,000,000.00	183	2.65%	09/01/18	09/07/18
At Call Deposits		450,000.00				
Commonwealth Bank At Call A/c	N/A	450,000.00	At Call	1.45%	N/A	N/A
Total Value of Investment Funds		46,450,000.00				

For the months of December & January, the deposit portfolio provided a solid return of +0.25% (actual), outperforming the benchmark AusBond Bank Bill Index return of +0.16% (actual). The strong performance continues to be driven by those deposits still yielding above 3% p.a.

Over the past 12 months, the deposit portfolio returned +3.22% p.a., outperforming bank bills by 1.47% p.a. This has been very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 18 months.

TERM TO MATURITY

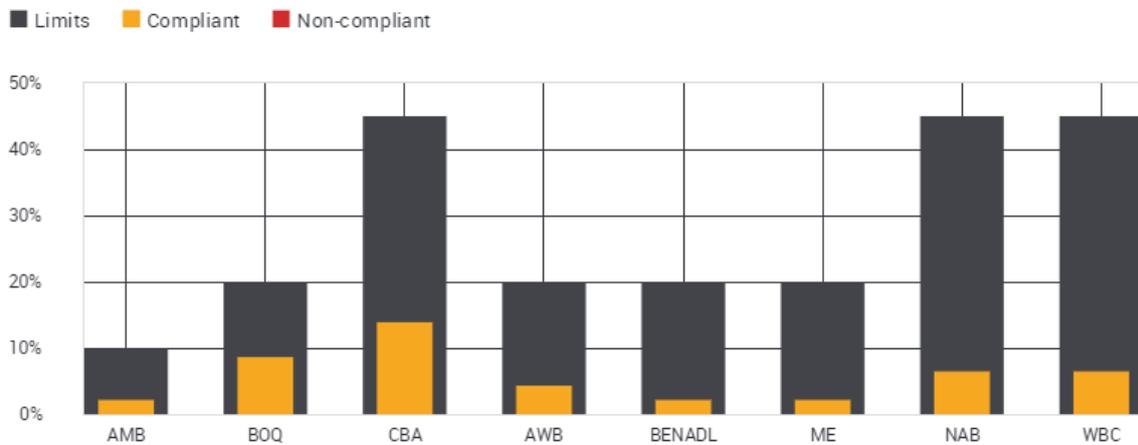
The percentage of investments maturing over the next ten years is detailed in the graph below.



COUNTER PARTY COMPLIANCE

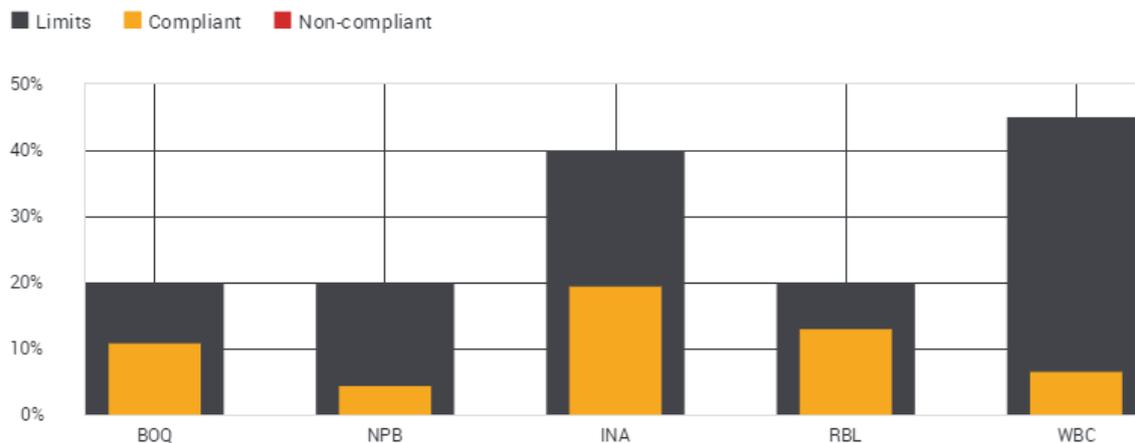
The below graphs compare investments with each financial institution to the limits included in Council’s Investment Policy.

Counterparty compliance: short-term holdings



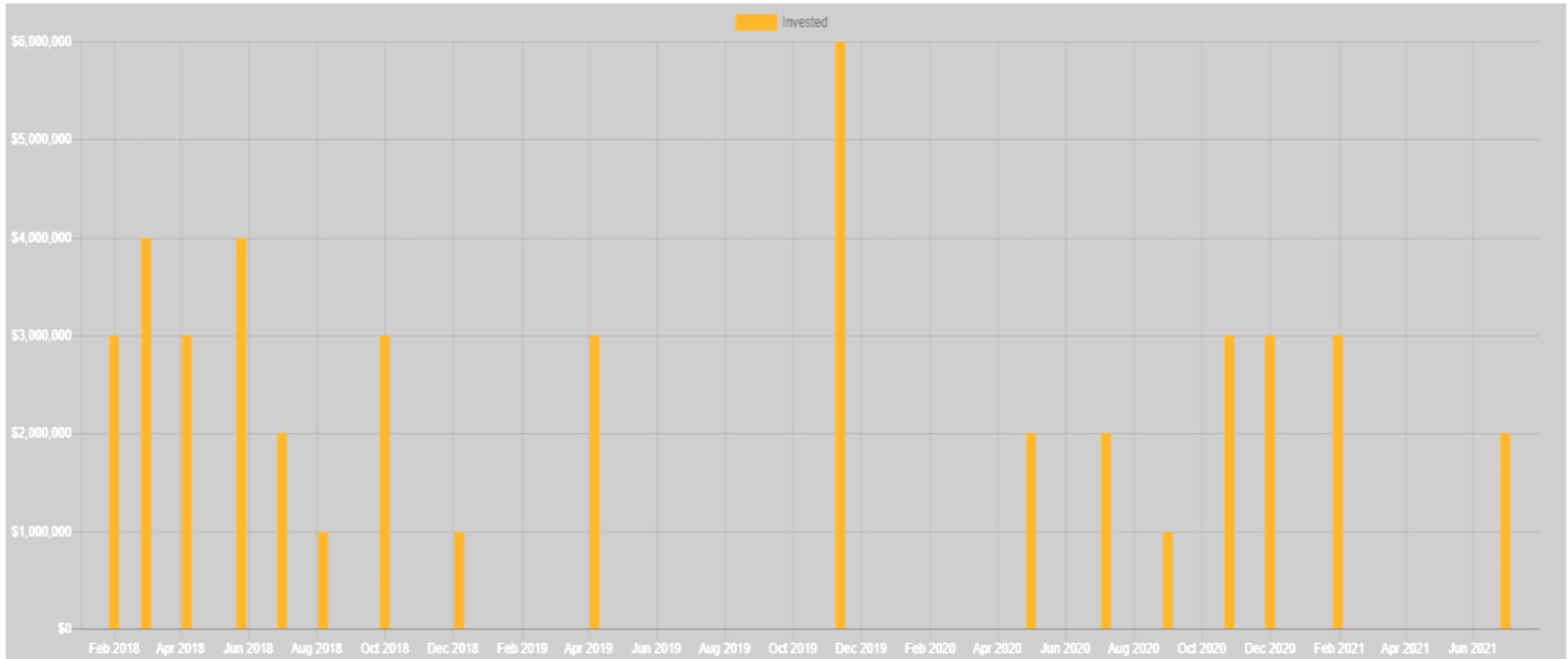
Counterparty compliance: long-term holdings

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CASHFLOW ANALYSIS - MATURITIES

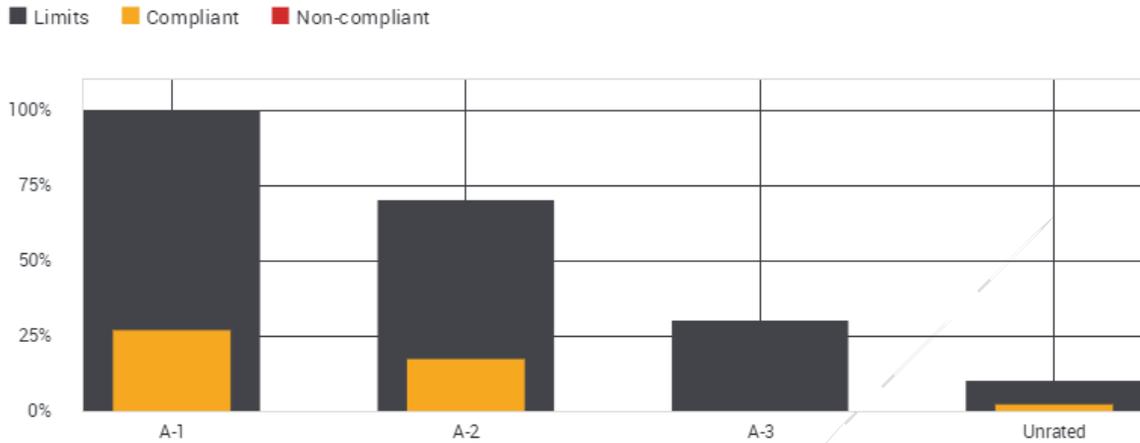
Investments maturities are detailed in the graph below.



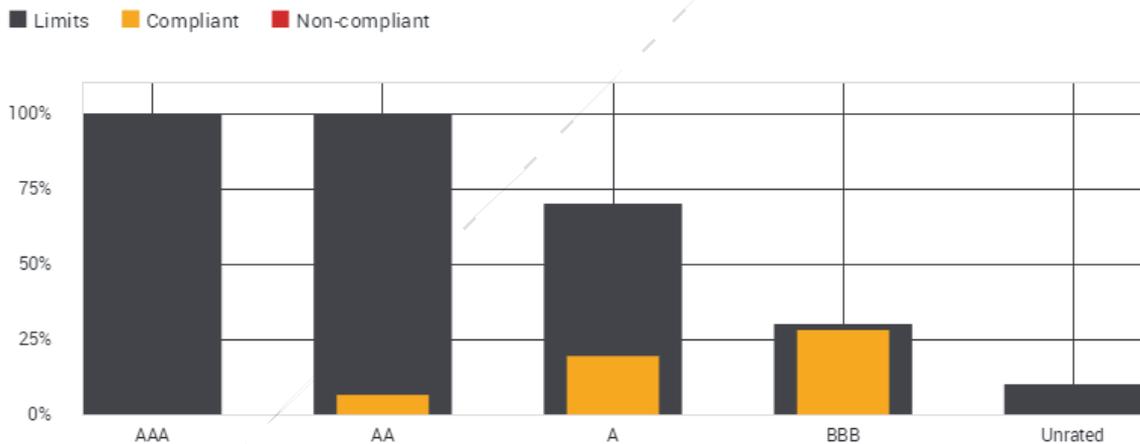
CREDIT QUALITY COMPLIANCE

The below graphs compare investments with each investment rating category to the limits included in Council’s Investment Policy.

Credit quality compliance: short-term holdings



Credit quality compliance: long-term holdings



Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

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12.1.2 CAPITAL WORKS PROGRESS (G35201005)

18/008 RESOLVED on the motion of Crs McCann and Morris that the report detailing Council's capital works program as at 31 December 2017 be received and noted.

Report prepared by Accountant

BACKGROUND

Capital Works represents an important part of Council's activities and expenditure. This report details progress year to date on programmed and emergent capital works. Water mains are a significant part of the annual program and are also reported in more detail.

REPORT

This report is presented for information on the progress of Council's Capital Works Program as at 31 December 2017.

Goldenfields Water County Council CAPITAL WORKS PROGRESS		2017/18 ESTIMATE	ACTUAL 31/12/2017	COMMITTED
CAPITAL INCOME				
Proceeds Funding				
Sale of Plant		630,000	428,545	-
Total Proceeds Funding		630,000	428,545	-
Total Income		630,000	428,545	-
CAPITAL EXPENDITURE				
New System Assets				
Plant & Equipment		755,000	1,290,220	-
Future Capital Project Investigations		100,000	1,095	-
Developer Paid Mains		40,000	65,205	-
Mains		220,000	21,010	-
Mandamah		3,590,000	344,272	-
Reservoirs		-	-	-
Pumping Stations		-	-	-
Treatment		62,000	33,195	-
Bores		170,000	30,440	-
Service Meters		200,000	200,404	-
Backflow Devices		750,000	350,581	-
Intangibles		944,500	452,114	127,386
Land & Buildings		280,000	272,259	-
Total New System Assets		7,111,500	3,060,795	127,386
Renewals				
Mains		810,500	131,402	157,731
Reservoirs		360,000	200,456	95,118
Pumping Stations		2,336,600	770,117	-
Treatment		40,000	127,803	-
Bores		-	136,804	-
Service Meters		145,000	68,114	-
Plant & Equipment			72,574	
Land & Buildings		85,000	62,936	-
Total New System Assets		3,777,100	1,570,206	252,849
Total Expenditure		10,888,600	4,631,001	380,235

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Goldenfields Water County Council			
CAPITAL WORKS PROGRESS			
		2017/18 ESTIMATE	ACTUAL 31/12/2017
NEW MAINS & RENEWALS			
Developer Paid			
Annual Budget		40,000	
<i>Developer Paid Design</i>			1,143
<i>Barellan Bendee Street</i>			7,040
<i>Temora Spitfire</i>			31,397
<i>Wyalong Wooten Street</i>			3,362
<i>Plemmings Subdivision</i>			21,386
<i>Junee Abatoirs</i>			877
			65,205
New System Asset Mains			
Annual Budget		220,000	
<i>Uley Lane Stage 2</i>			18,248
<i>Orr to Booth Street Coolamon</i>			2,762
			21,010
Mandamah			
Annual Budget		3,590,000	344,272
			344,272
Renewal Mains			
Annual Budget		810,500	
<i>Fishers Lane</i>			7,254
<i>Rosehill</i>			89,914
<i>Cootamundra Temora Road</i>			-
<i>Valve Replacement</i>			34,234
			131,402
Total Expenditure		4,660,500	561,889

Attachments: Nil.

Tabled Items: Nil.

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

12.1.3 DEBT RECOVERY UPDATE (G40350505)

18/009 RESOLVED on the motion of Crs Callow and Sinclair that the quarterly Budget Review Statement for the quarter 31 December 2017 be received and noted.

Report prepared by Corporate Services Manager

BACKGROUND

Council has been using the services of an external debt collection company, Outstanding Collections, since June 2017 to assist in the recovery of monies that are overdue for water related fees, charges and other debts in line with Council's Debt Recovery & Financial Hardship Policy.

REPORT

Since engaged, 320 accounts with a total debt of \$433,022 have been referred to Outstanding Collections for further recovery action. These customers exceeded the allowable Final Notice timeframe to make payment or put a payment arrangement in place.

At 31 January 2018 Council has recovered \$236,973. Furthermore, 48 customers with a total debt of \$124,942 have current payment arrangements in place with Council.

The overall result for Council is a debt recovery performance (debt either paid in full or under a payment plan) of 78% up to 31 January 2018.

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

12.1.4. QUARTERLY BUDGET REVIEW STATEMENT – DECEMBER 2017 (G35201005)

18/010 RESOLVED on the motion of Crs Callow and Armstrong that the Quarterly Budget Review Statement for the quarter ending 31 December 2017 be received and noted.

Report prepared by Accountant

BACKGROUND

The Quarterly Budget Review Statement is presented to Council to revise estimates of income and expenditure in accordance with clause 203 of the Local Government (General) Regulation 2005.

The review is for the quarter ending 31 December 2017 and is attached for Council's consideration.

REPORT

Income & Expenses Budget Review Statement

The anticipated Operating Result for the 2017/18 Financial Year is \$5,223,000. The Operating Result was originally budgeted for a surplus of \$5,188,000. Proposed December quarterly review adjustments relate to the following:

1. General Revenue

1.1 User Charges & Fees

As per Council resolution 17/009, Council officers have engaged external debt recovery agency, Outstanding Collections to recover outstanding monies. Associated legal costs in the recovery of outstanding debts is paid by Goldenfields Water and levied onto the customer accounts.

A budget increase of \$90,000 is required to account for the additional income council will receive. The corresponding costs of the debt recovery requires a budget increase of \$90,000 in Legal Costs.

Operating Revenue	User Charges & Fees	Fees	\$90,000
Operating Expenditure	Legal Expenses	Debt Recovery	(\$90,000)
		Impact on cash surplus	\$0

1.2 Grants & Contributions – Capital

Council was successful in securing grant funding of \$100,000 to invest in the development of a MyH2O mobile app to allow customers to access their water usage information.

A budget increase of \$100,000 is required to operational revenue to account for the additional income council will receive.

Operating Revenue	Grants & Contributions	Grant	\$100,000
		Impact on cash surplus	\$100,000

2. Operating Expenditure

2.1 Budget Reallocation

Further review of Council's operational expenditure has identified the misallocation of original budget between Employee Costs and Materials & Contracts.

A budget increase of \$1,200,000 is required to Materials and Contracts and a decrease of \$1,200,000 to Employee Costs.

Operating Expenditure	Materials & Contracts		\$1,200,000
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Operating Expenditure	Employee Costs		(\$1,200,000)
		Impact on cash surplus	\$0

2.2 Media & Communications

Additional funds are required to further engage external consultants for the delivery of Council's media and communications content.

A budget increase of \$40,000 is required to Materials & Contracts.

Operating Expenditure	Materials & Contracts	Media & Comms	\$40,000
		Impact on cash surplus	(\$40,000)

2.3 Legal Expenses

In addition to point 1.1, Council has incurred additional legal expenses in relation to the approved organisational restructure and investment review.

An additional budget increase of \$25,000 is required to Legal Expenses.

Operating Expenditure	Legal Expenses	General Legal	\$25,000
Operating Expenditure	Legal Expenses	Debt Recovery (1.1)	\$90,000
		Impact on cash surplus	(\$25,000)

Capital Budget Review Statement

The proposed capital budget for the 2017/18 Financial Year totals \$12,789,000. The original capital works budget was \$11,369,000. Proposed December quarterly review adjustments relate to the following:

3. Capital Expenditure

3.1 Plant & Equipment

Data Centre

With the implementation of the new corporate software, Civica, Council's existing data centre was near the end of its recommended useful life. It was advised Council should bring forward the purchase of a new data centre to meet the changing requirements of the new corporate software and records management. The change also included a standalone back up for disaster recovery. A budget increase of \$460,000 is required for the acquisition of the data centre.

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Capital Expenditure	Plant & Equipment		\$460,000
		Impact on cash surplus	(\$460,000)

Fleet Increase

As a result of the approved Council organisational restructure, a budget increase of \$250,000 is required to purchase additional council vehicles to meet the requirements of new staff.

Council also proposes the renewal of an existing large heavy rigid truck with inclusion of a crane. This requires a budget increase of \$300,000. It is proposed that this will be part funded from the sale of the existing truck.

Capital Expenditure	Plant & Equipment		\$250,000
Capital Expenditure	Plant & Equipment		\$300,000
Capital Funding	Plant & Equipment		(\$60,000)
		Impact on cash surplus	(\$490,000)

3.2 Intangibles

Water Outlook is Goldenfields Water's new water quality data base management system. It was a key project nominated in the delivery program not previously budgeted for.

A budget increase of \$100,000 is required to the capital budget.

Capital Expenditure	Intangibles		\$100,000
		Impact on cash surplus	(\$100,000)

3.3 Water Supply Infrastructure – Renewals

Management undertook a chlorine decay model in 2017, a recommendation from that report highlighted the potential benefits that reservoir mixers could provide Goldenfields Water in maintaining water quality. A \$200,000 budget increase is required for the installation of three mixers at the Cowangs Reservoirs.

In 2017 State Government released half a billion dollars under the Safe & Secure grant funding program. In order for Council to be prepared in submitting grant applications an estimated cost and liability for the demolition of the old Jugiong Water Treatment Plant needed to be identified. A budget increase of \$110,000 is required in order to obtain costs for the demolition.

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Capital Expenditure	Water Infrastructure		\$200,000
Capital Expenditure	Water Infrastructure		\$110,000
		Impact on cash surplus	(\$310,000)

Attachments: December Quarterly Budget Review Statement (01/10/2017 – 31/12/2017)

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

The recommendation results in a net decrease in cash surplus of \$1,325,000.

RECOMMENDATION

Recommendation made was adopted.

12.2. MATTERS SUBMITTED BY ACTING ENGINEERING MANAGER

12.2.1 BUSINESS CASE DEVELOPMENT – PROPOSED BOOROWA POTABLE WATER SUPPLY (G95259510)

18/011 RESOLVED on the motion of Crs McCann and Callow that Council;

1. Note the information provided within the report and its associated attachments
2. Proceed with the development of a business case for the Boorowa water supply scheme and associated grant submission.
3. Include the options for both bulk supply and reticulation as part of the business case.

Report prepared by Acting Engineering Manager

BACKGROUND

Hilltops Council has resolved to proceed with a joint submission with Goldenfields Water for grant funding under the Safe & Secure Water Program.

REPORT

Hilltops Council resolved at its 26 July 2017 Council meeting to:

1. Note the report;
2. Endorse staff working with Goldenfields Water County Council to review current service arrangements as part of the Integrated Water Cycle Management Plans being developed with a view to deliver optimised outcomes to customers and the community within Hilltops;
3. Write to Goldenfields Water County Council requesting they consider owning and operating a bulk water pipeline to service the Galong and Boorowa communities and authorise the General Manager to undertake negotiations on behalf of Council around potential arrangements with a view to bring a further report to Council pending negotiation outcomes; and

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4. Request a joint meeting with Goldenfields Water County Council and the Honourable Niall Blair to demonstrate to the minister a mutual commitment to addressing Boorowa's water security issue and delivering a safe and secure water supply across the Hilltops area.

Meetings and workshops have occurred with both Hilltops and Goldenfields Water staff to discuss Integrated Water Cycle Management and the potential supply services to Boorowa. Initial desktop hydraulic investigations and project concepts have been developed for further review and investigations.

Hilltops Council has since resolved at its 20 December 2017 meeting to:

1. Allocate an amount of up to \$100,000 towards the detailed business case development for a water pipeline connecting Boorowa to Goldenfields to be funded out of water reserves.
2. Lodge a grant application under the Safe & Secure Water Program requesting 50% funding for the business case phase of the project; and
3. Request 50% money contribution from GWCC towards the Business Case Development Costs.

Cost estimates have been sought from Public Works to undertake the development of a business case and submission for grant funding which has been estimated at the below costs:

- Preliminary environmental and planning overview – \$20,000
- Geotechnical investigation – \$70,000
- Survey – \$0 based upon potential option to use Lidar information
- Concept Design – \$100,000
- Business Case Submission – \$20,000

These costings include investigation and analysis from the Galong take-off to Boorowa. Hilltops has requested Goldenfields Water staff to take the lead with managing the project and any associated grant submissions which has been agreed to.

Goldenfields staff recommend to proceed with the business case development and allocate 50% of the costs as per Hilltops request. Funds will be available through existing 2017/18 budgets for engineering design/investigation works and therefore no impact should be seen on the budget if grant funding is successful.

All agreements, ownership of existing and potential new mains and the associated customers will be further discussed and developed as part of the completion of both the Hilltops and Goldenfields Water Integrated Water Cycle Management Plans.

Attachments: Hilltops Council reports from 26 July 2017 & 20 December 2017.

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position. All costs will be funded from 5013 – 050 future capital design investigations. Current budget allocation of \$100,000 with \$1,095 expended.

RECOMMENDATION

1. Note the information provided within the report and its associated attachments
2. Proceed with the development of a business case for the Boorowa water supply scheme and associated grant submission.

12.2.2 BUSINESS CASE DEVELOPMENT – PROPOSED NANGUS POTABLE WATER SUPPLY (G95151019)

18/012 RESOLVED on the motion of Crs McCann and Callow that Council;

1. Note the information provided within the report
2. Approve a budget provision of \$175,000
3. Proceed with the development of a business case for the Nangus water supply scheme and associated grant submission.

Report prepared by Acting Engineering Manager

BACKGROUND

Cootamundra Gundagai Regional Council (CGRC) has received numerous requests from Nangus residents for the provision of potable water services. CGRC have requested Goldenfields Water's involvement in the project to potentially design, build and operate.

REPORT

Goldenfields Staff have met with Cootamundra Gundagai Regional Council (CGRC) to discuss the potential for water supply provisions to the village of Nangus, with the ownership of the scheme under Goldenfields Water.

CGRC have advised that around \$680,000 of funding has been allocated to the project and they are seeking further funding avenues to cover the remaining requirements for the potential delivery of the scheme.

Goldenfields Water staff have advised that a full business case, investigations and detailed designs must be completed in order for the project to be fully assessed and deemed appropriate by Goldenfields Water to proceed.

A budget estimate of \$350,000 for the business case would be required to undertake the following:

- Project Management \$ 30,000
- Business case & Landholder investigation – \$ 70,000
- Stage 1 - Preliminary investigations \$ 30,000
- Stage 2 - Investigations and preliminary design \$ 100,000
- Stage 3 - Detailed design \$ 100,000
- Stage 4 - Construction tendering \$ 20,000

Total (incl. GST) \$ 350,000

Similar to the Boorowa water supply project request from Hilltops Council, CGRC has been requested to commence the business case and design stage with a request for 50% of the business case funding requirements provided by Goldenfields Water.

Goldenfields Water will manage the project and will submit a joint grant submission seeking 50% of the \$350,000, meaning that each Council may only need to provide \$87,500 each if successful. If unsuccessful each Council will meet the cost of \$175,000 each.

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

The recommendation requires a new budget allocation of \$175,000 in 2017/18 financial year. This funding will be allocated from the surplus result at year end. If the business case grant is successful this amount will be reduced to \$87,500.

RECOMMENDATION

Recommendation made was adopted.

12.2.3. MyH2O MOBILE APPLICATION (G55053020)

18/013 RESOLVED on the motion of Crs McGlynn and Callow

1. That Council note the information within this report
2. That Council authorise the General Manager to accept the offer of quotation from Tyeware Ltd Pty as per Section 55 (3)(i) of the Local Government Act 1993, given that Tyeware has access to the IP rights for the MiWater software.

Report prepared by Acting Engineering Manager

BACKGROUND

GWCC has recently been successful in receiving grant funding through the Commonwealth Government Smart Cities and Suburbs Program, for the development and implementation of a new MyH2O Mobile application

REPORT

GWCC has recently been successful in receiving \$100,000 in grant funding through the Commonwealth Government Smart Cities and Suburbs Program, for the development and implementation of a new MyH2O Mobile application.

In order for this project to be undertaken, GWCC must have Agreements in place with Mackay Council & Tyeware Pty Ltd for the utilisation of the Intellectual Property (IP) of MiWater, which is held by Mackay Council. GWCC must engage them and their contracted Software Managers, Tyeware, to develop the new application.

Tyeware are an Information Technology company whom have been engaged by Mackay Council to manage the Miwater software. Therefore GWCC have requested a direct quotation for Tyeware to undertake the development of the new GWCC MyH2O Application.

Quotations received from Tyeware have been estimated at \$141,624 + GST. Given the estimated price for the delivery of this project, GWCC will need to ensure its compliance with the NSW Local Government Act's relevant procurement conditions. As such staff are requesting approval from Council to proceed with this project in accordance with Section 55 (3)(i) of the Local Government Act 1993, which states an exemption from tendering can be accepted if:

(i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders,

Due to the fact that no other company has access to the IP rights for the Miwater software, GWCC have no other avenue for undertaking the development of this project and therefore a single quotation has been sought and will need to be accepted with Tyeware Pty Ltd.

The project will deliver the following to Customers:

- Access to MyH2O account through a mobile device (Android and iOS phone or tablet)
- Receive push notifications from GWCC regarding news, unplanned outages, water restrictions and other relevant information
- Customer reporting functionality that allows discoloured water issues and leaks to be reported to the Duty Officer through the App. The App will also forward customer details and location to the Duty Officer, improving response time to after hours call outs.

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Council's financial position. Council had a budget of \$150,000 allocated in 2017/18 financial year and have now been successful in receiving \$100,000 in grant funds.

RECOMMENDATION

Recommendation made was adopted.

12.2.4. RESERVOIR RECOATING PROGRAM (G95751025)

18/014 RESOLVED on the motion of Crs McGlynn and Sinclair that Council approve a total budget increase to the 2018/19 capital works budget for Reservoir Recoating to complete works at Wyalong and Junee.

Report prepared by Acting Engineering Manager

BACKGROUND

Council has allocated funding in the 17/18 and 18/19 budgets to replace internal coating systems of the steel reservoirs located at Junee and Wyalong. These reservoirs had been programmed for completion a number of years previous and were not undertaken for

various reasons. These two reservoirs have since been emptied and inspected revealing significant coating failure resulting in corrosion.

REPORT

Council has employed JK Quality Control Pty Ltd to prepare specifications, assess tenders, and manage site works for the replacement of the internal and external coatings of the Wyalong Balance tank, and internal coating of the Junee steel reservoir. Council has \$640,000 allocated for works over the 2017/18 & 2018/19 financial years. These budgets have not been reviewed nor indexed since a condition report was undertaken in 2009.

JK Quality Control Pty Ltd conducted inspections in September of 2017 in order to deliver staff an accurate scope of works and prepare specifications. The inspections revealed a number of issues resulting in anticipated cost increases. The most significant issue, being lead based paint used in the external coating system of the Wyalong balance tank. Lead paint is highly toxic and requires full encapsulation of areas requiring mechanical surface preparation and correct disposal. Also requiring extra attention are a number of structural issues including replacement of internal access ladders due to corrosion, replacing roof access hatches to stop ingress of vermin and untreated water, and upgrading of flashings to bird proof and stop ingress of untreated water.

In order to achieve economy of scale for the delivery of these two reservoirs, the aim is to advertise both projects at the same time and conduct works each side of financial years which is also during our low water consumption period.

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

Due to the aforementioned unforeseen circumstances, and given the fact that the original budget had not been indexed appropriately since a condition report was undertaken in 2009, estimated cost to complete the two reservoirs is now \$1,330,000. This requires an increase to the budget of \$680,000. The increase will be seen within the 2018/19 budget where a majority of the costs will be borne. The 2017/18 budget will remain at \$320,000 which should cover all costing requirements for this financial year.

The budget increase includes provisions for project/contract management costs for consultants and council, establishment/disestablishment plus coating costs, and contingency.

As these costings are significant they were compared to the reference rate for the construction of 2 new reservoirs. To avoid coating works in the future new concrete reservoirs were used as the comparison. The demolition and upfront construction cost of 2 new reservoirs would be \$4,265,860.

RECOMMENDATION

Recommendation made was adopted.

12.2.5. ADOPTION OF DRINKING WATER MANAGEMENT SYSTEM (G95871010)

18/015 RESOLVED on the motion of Crs Sinclair and Armstrong that Council note the information within this report and adopt attached Drinking Water Management System.

Report prepared by Acting Engineering Manager

BACKGROUND

Goldenfields Water has historically not completed a Drinking Water Management System (DWMS) which has obtained approval from NSW Public Health.

REPORT

It is a requirement for all Local Water Utilities that supply water for drinking water purposes, to develop and implement a Drinking Water Management System (DWMS). A DWMS consists of documents, procedures and other supporting information for the safe supply of drinking water.

The DWMS must address the elements of the Framework for Management of Drinking Water Quality (Australian Drinking Water Guidelines) relevant to the specific operations of Goldenfields Water's supply schemes. At the heart of the Framework are Critical Control Points (CCPs). A CCP is an activity, procedure or process that is critical to control a water quality hazard (for example chlorination and filtration/particle removal).

In 2016 Goldenfields Water was successful in obtaining funds from NSW Public Health to complete an approved DWMS. NSW Public Health provided access to an approved consultant (Atom Consulting) to help the facilitation and completion of a comprehensive DWMS.

Atom Consulting facilitated a review of water supply schemes, determined risks and recommended a list of actions/improvements and priorities to improve existing control measures.

The DWMS has now been completed and has received approval from NSW Public Health for adoption in early 2018.

Attachments: DWMS, Action & Improvement Plan

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

**12.2.6. SUPPLY OF CONCRETE RESERVOIRS FOR MANDAMAH SCHEME
(G95400505)**

Report prepared by Acting Engineering Manager

BACKGROUND

Tenders for supply of two (2) 10m dia. by 9m high concrete reservoirs have been called for the new Mandamah water supply scheme.

REPORT

Tenders for the supply of two (2) concrete reservoirs were called in accordance with the Local Government General Regulation 2005 – Section 7 Tendering

- Tenders advertised; 9 November 2017
- Mandatory meeting and site inspection; 23 November 2017
- Tenders closed; 16 January 2018
- Tenders received; Five (5)

Tenders were evaluated in accordance with the predetermined criteria and weighting in the Tender Evaluation Plan.

Summary of Tenders received;

Tenderer	Location
Hornick Constructions Pty Ltd	Coorparoo Qld
A1 Quality Concrete Tanks	Essendon Vic
Quay Civil	Kings Langley NSW
Gongues Constructions Pty Ltd	Cameron Park NSW
Precision Civil & Infrastructure Pty Ltd	Springwood NSW

The tender submitted by Hornick Constructions Pty Ltd is considered to provide the best value for money. Their submission scored well across all criteria.

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

LOCAL PREFERENCE

The local preference policy was not applied and would not have affected the outcome of the tender.

RECOMMENDATION

Refer to the resolution made in Confidential Session, which was made public.

12.3. MATTERS SUBMITTED BY THE GENERAL MANAGER

12.3.1. RELATED PARTY TRANSACTION NOTIFICATIONS (G40203005)

18/016 RESOLVED on the motion of Crs Armstrong and Callow that Council note the tabling of the Related Party Transaction Notifications.

Report prepared by General Manager

BACKGROUND

The Australian Accounting Standards Board (AASB) has determined that AASB 124 Related Party Disclosures apply to government entities, including local government.

Related parties include Council's key management personnel, their close family members, and any entities that they or any of their close family members control or jointly control. A related party transaction is any transaction (whether a transfer of resources, services or obligations) between the reporting local government and any of the related parties, whether monetary or not.

In the annual financial statements councils must disclose related party relationship, transactions and outstanding balances, including commitments.

REPORT

Key Management Personnel – elected members, the general manager, directors and managers are required to complete Related Party Transaction Notifications disclosing any existing or potential related party transaction to assist Council in compliance with its statutory obligations.

Related Party Transaction Notifications are tabled biannually to ensure the requirements are met.

Attachments: Nil

Tabled Items: Related Party Transactions

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

12.3.2. WORK HEALTH AND SAFETY POLICY (G40350505)

18/017 RESOLVED on the motion of Crs McGlynn and Sinclair that the updated PP013 WHS Policy be endorsed by Council.

Report prepared by WHS & Procurement Coordinator

BACKGROUND

The Work Health and Safety (WHS) Policy was adopted at the February 2017 Council meeting as resolution number 17/013.

REPORT

This update reflects the recent changes to the WHS Legislation, and inclusion of the Risk Management Policy as a related policy, together with update to text (GWCC to Goldenfields Water) throughout the document.

Attachments: PP013 WHS Policy

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

12.3.3. WORKPLACE SURVEILLANCE POLICY (G40350505)

18/018 RESOLVED on the motion of Crs Callow and Sinclair that Council endorses PP023 Workplace Surveillance Policy.

Report prepared by General Manager

BACKGROUND

The Workplace Surveillance Policy aims to set out the requirements for the management and use of workplace surveillance.

REPORT

A Workplace Surveillance Program promotes Goldenfields Waters duty of care under Work Health and Safety legislation. In addition, the program will help ensure the protection of our assets, budget management and operational management.

The Workplace Surveillance Policy forms part of the Workplace Surveillance Program.

The Workplace Surveillance Policy has been created in consultation with Goldenfields Water Consultative Committee.

Attachments: PP023 Workplace Surveillance Policy

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

**12.3.4. DELIVERY PROGRAM PROGRESS REPORT JUNE – DECEMBER 2017
(G05601005)**

18/019 RESOLVED on the motion of Crs McGlynn and Armstrong that Council's Delivery Program Progress Report July – December 2017 be received and noted.

Report prepared by General Manager

BACKGROUND

Section 404 of the Local Government Act 1993, requires Council to provide a delivery program progress report at least every 6 months.

REPORT

Council's July – December 2017 Delivery Program Progress Report has been included as an attached item.

Attachments: Delivery Program Progress Report July – December 2017.

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

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

RECOMMENDATION

Recommendation made was adopted.

13. NEXT MEETING

18/020 RESOLVED on the motion of Crs McCann and McGlynn that the next ordinary meeting of Council scheduled to be held on Thursday 26 April 2018 commence at the earlier time of 10.00am.

14. QUESTIONS AND STATEMENTS

Cr Armstrong sought information on the type of flushing performed and suggested a possible alternative that is useful for reducing the manganese build up in pipes. Mr Veneris agreed to reconsider this option.

Cr Sinclair queried the progress of the Mandamah Scheme. Mr Goodyer responded that it was on schedule.

Cr McCann requested the information being provided to Mrs Kath Priest and Ms Kim Bolitho highlight Goldenfields Waters strong health record.

Cr Callow stated that Council is doing the right thing by the public and for Goldenfields Water by answering the questions raised by Mrs Kath Priest and Ms Kim Bolitho.

Cr McGlynn stated that Councillors have gained credibility in their electorate and can talk to people about any issues that are raised.

Chairperson Palmer reminded Councillors to be mindful when responding on social media.

Mr Tonkin brought Councillors up to date with Joint Organisation matters, recruitment of the General Manager, and items to be considered at the next workshop to include the Traineeship Program.

There being no further business requiring the attention of Council the meeting closed at 2.15pm
