

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at  
TEMORA OFFICE on 02 May 2019**

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The meeting commenced at 10.00am.

**PRESENT**

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

**ALSO IN ATTENDANCE**

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

**1. LEAVE OF ABSENCE/APOLOGIES**

**BOARD RESOLUTION**

**19/022 RESOLVED on the motion of Crs McGlynn and Sinclair that leave of absence be granted to Cr B Callow and 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**

Nil.

**4. DECLARATION OF PECUNIARY INTERESTS**

Nil.

**5. DECLARATION OF NON PECUNIARY INTERESTS**

Nil.

**6. CONFIRMATION OF MINUTES OF MEETINGS HELD ON 28 February 2019 and 11  
March 2019**

**BOARD RESOLUTION**

**19/023 RESOLVED on the motion of Crs Armstrong and Sinclair that the minutes of the meetings held on the 28 February 2019 and 11 March 2019, having been circulated and read by members be confirmed.**

**7. BUSINESS ARISING FROM MINUTES**

Nil.

**8. CORRESPONDENCE**

Nil.

**9. ADMISSION OF LATE REPORTS**

Nil.

**10. NOTICES OF MOTION / RESCISSION MOTIONS**

Nil.

**11. CHAIRPERSON'S MINUTE**

Nil.

**12. 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 public.

**BOARD RESOLUTION**

**19/024 RESOLVED** on the motion of Crs McCann and McGlynn that Council move into Confidential Session.

**13. MATTERS TO BE SUBMITTED TO CONFIDENTIAL SESSION**

**13.1. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER**

**13.1.1. OURA STRATEGIC PLAN AND ASSOCIATED WORKS**

*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**

**19/025 RESOLVED** on the motion of Crs McCann and McGlynn

- 1. Note the information and recommended potential upgrade requirements for the Oura Water Treatment Plant in future years.**
- 2. Note the High Voltage (HV) electrical asset upgrade project to be reported to Council in 2019 for resolution of tendered contract.**

3. Approve the General Manager or his delegate to commence negotiations for required land purchase.

### 13.2. MATTERS SUBMITTED BY ENGINEERING MANAGER

#### 13.2.1. MANDAMAH STAGE 2-4 DETAILED DESIGN CONSULTANCY

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:

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

#### BOARD RESOLUTION

19/026 RESOLVED on the motion of Crs McGlynn and McCann that the Board approves the engagement of KBR to complete the detailed design and Review of Environmental Factors (REF) for Mandamah Stages 2-4.

#### BOARD RESOLUTION

19/027 RESOLVED on the motion of Crs McCann and Morris that Council revert back to open session and the resolutions made in Confidential Session be made public.

### 14. MATTERS TO BE SUBMITTED TO OPEN COUNCIL

#### 14.1. MATTERS SUBMITTED BY COPORATE SERVICES MANAGER

##### 14.1.1. COUNCIL INVESTMENTS

#### BOARD RESOLUTION

19/028 RESOLVED on the motion of Crs Sinclair and McCann that the report detailing Council Investments as at 31st March 2019 be received and noted.

Report prepared by Accountant

#### COUNCIL OFFICER RECOMMENDATION

That the report detailing Council Investments as at 31<sup>st</sup> March 2019 be received and noted.

#### 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 2005.

**REPORT**

This report is presented for information on Council Investments as at 31<sup>st</sup> March 2019.

Council's investment portfolio increased by \$1,750,000.00 from \$47,000,000.00 as at 31<sup>st</sup> January 2019 to \$48,750,000.00 as at 31<sup>st</sup> March 2019.

For the month of March, the deposit portfolio provided a solid return of +0.25% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.09% (actual). The strong performance continues to be driven by those deposits still yielding above 3% p.a. However, some of these deposits are fast maturing and may be reinvested at lower prevailing rates unless a longer duration is maintained.

Over the past year, the deposit portfolio returned +3.04% p.a., strongly outperforming bank bills by 1.02% p.a., and more than double the official cash rate. This is considered very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 2½ years.

As at the end of March 2019, Council's deposit portfolio was yielding 3.03% p.a. (down 1bp from the previous month), with an average duration of around 542 days (~1.5 years).

With an expected increase in Capital Expenditure, the portfolio will see an increase in short term investments, generally of 12 months at \$1,000,000. The intent is to have these investments maturing on a monthly basis.

**FINANCIAL IMPACT STATEMENT**

Council's investment portfolio increased by \$1,750,000.00 from \$47,000,000.00 as at 31<sup>st</sup> January 2019 to \$48,750,000.00 as at 31<sup>st</sup> March 2019.

**ATTACHMENTS:** Council Investments Report as at 31<sup>st</sup> March 2019.

**TABLED ITEMS:** Nil.

**14.1.2. PROGRESS REPORT – CAPITAL WORKS EXPENDITURE**

**BOARD RESOLUTION**

**19/029 RESOLVED** on the motion of Crs Sinclair and Armstrong that the Capital Works Progress Report as at 31<sup>st</sup> March 2019 be received and noted.

**Report prepared by Acting Corporate Services Manager**

**COUNCIL OFFICER RECOMMENDATION**

That the Capital Works Progress Report as at 31<sup>st</sup> March 2019 be received and noted.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

09 Financially Sustainable

**BACKGROUND**

Capital Works represents an important part of Councils activities and expenditure. This report details expenditure and progress for the year to date on programmed and emergent capital works.

**REPORT**

This report is presented for information on the expenditure and progress of Council's Capital Works Program as at 31<sup>st</sup> March 2019.

**FINANCIAL IMPACT STATEMENT**

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

**ATTACHMENTS:** Capital Works Progress Report as at 31<sup>st</sup> March 2019.

**TABLED ITEMS:** Nil.

**14.1.3. QUARTERLY BUDGET REVIEW**

**BOARD RESOLUTION**

**19/030 RESOLVED** on the motion of Crs McGlynn and McCann that the Board:

- 1. Adopt the changes to the 2018/19 Budget as detailed below**
- 2. Receive and note the Responsible Accounting Officers Statement**
- 3. Receive and note the Mandatory Quarterly Budget Review document.**

**Report prepared by Acting Corporate Services Manager**

**COUNCIL OFFICER RECOMMENDATION**

That the Board:

1. Adopt the changes to the 2018/19 Budget as detailed below
2. Receive and note the Responsible Accounting Officers Statement
3. Receive and note the Mandatory Quarterly Budget Review document.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

09 Financially Sustainable

**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 Act (General Regulations) 2005.

The review is for the Quarter ending 31<sup>st</sup> March 2019 is attached for Council's consideration.

**REPORT**

The Annual Budget for 2018/19 was prepared based on knowledge and assumptions at that time.

The 2018/19 Annual Budget estimated that the net result from continuing operations would be a surplus of \$4.111m. Based on the December 2018 quarterly review, the projected operating result decreased by \$1.219m to a net surplus of \$2.882m.

Following a review of the 2018/19 actual results to 31<sup>st</sup> March 2019, the projected operating result has now been amended to \$4.195m. The following amendments have been incorporated into the revised Budget for the year ending 30 June 2019:

**Operating Statement:**

**1. Rates and Annual Charges:**

A comprehensive review of the Rates and Annual Charges (Access Charges) has been completed revealing an additional \$200k is Access Charges for the 2018-2019 year. An adjustment of \$200k to income has been made.

**2. User Charges and Fees: Materials & Contracts and Other Expenses:**

There had already been an adjustment of \$1.039m to the original Usage Charges (Water Sales) estimate of \$14.742m in the first quarterly review.

The overall lack of rainfall in Goldenfields Water's supply area has seen a significant increase in Usage Charges (Water Sales) for the three quarters to the end of March 2019. This together with a forecast for the final quarter similar to the final 2017-2018 quarter sees an anticipated \$17.284m in Usage Charges. An adjustment of \$1.513m has been made.

**3. Materials & Contracts and Other Expenses:**

It's anticipated that there will be an increase in Other Expenses, particularly Energy Charges with an increase of \$400k included in this quarterly review.

**Mandatory Quarterly Review Report:**

Attached is the mandatory Quarterly Review which incorporates the above amendments.

**FINANCIAL IMPACT STATEMENT**

The result for the March Quarter is a \$1.313m increase in the projected year-end operating surplus from the amended budget of \$2.882m to \$4.195m.

**ATTACHMENTS:** Mandatory March QBR including RAO statement.

**TABLED ITEMS:** Nil.

**14.1.4. DEBT RECOVERY UPDATE**

**BOARD RESOLUTION**

**19/031 RESOLVED on the motion of Crs McCann and Sinclair that the update on Goldenfields Water's debt recovery be received and noted.**

*Cr Morris enquired on behalf of a rate payer as to why when a payment plan had been entered into a letter of demand was still issues. Mr Carr took the question on notice.*

**Report prepared by Acting Corporate Services Manager**

**COUNCIL OFFICER RECOMMENDATION**

That the update on Goldenfields Water's debt recovery be received and noted.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

09 Financially Sustainable

**BACKGROUND**

Goldenfields Water has been using Outstanding Collections to assist in the recovery of overdue monies in line with Council's Debt Recovery & Financial Hardship Policy. Legal action through our external debt collection agency is still utilised in a vacant property situation.

**REPORT**

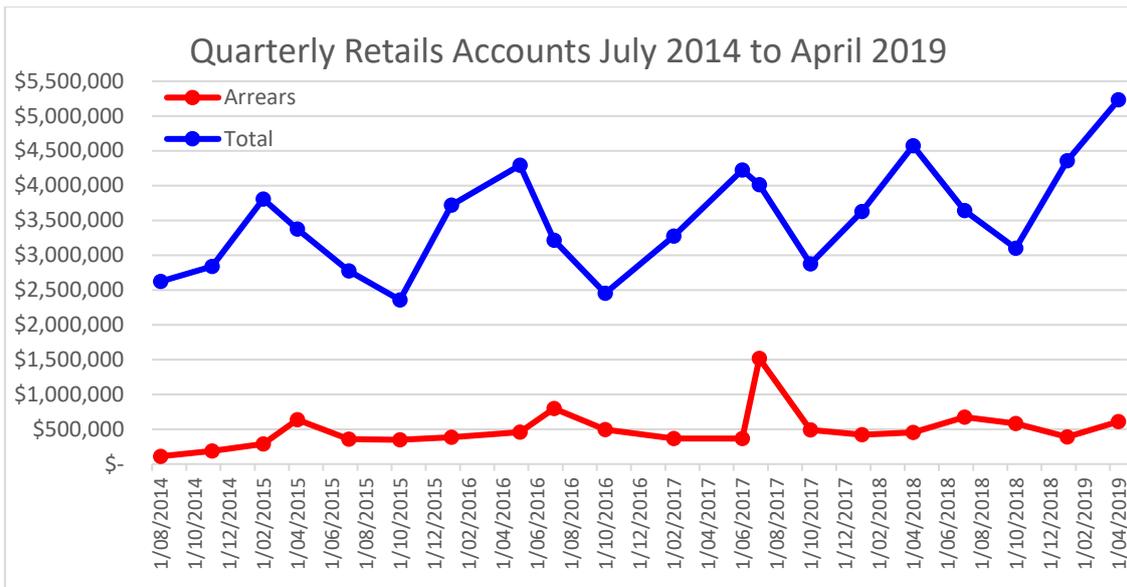
Debt recovery has been hampered by the implementation delays of Civica Authority – Utility Billing module. Like all Financial Modules, the migration of the existing 2000 Plus Water Billing Accounts to Civica Authority has been achieved without additional resources. With Utility Billing finally operational (15 April 2019) the associated Debt Recovery Module training is now programmed for early May 2019 (previously September 2018, then February 2019).

For the first time this will give Goldenfields Water the ability to operate debt recovery Direct Debit facilities with scheduled repayment plans together with consolidated reporting. A departure from its former entirely manual processes.

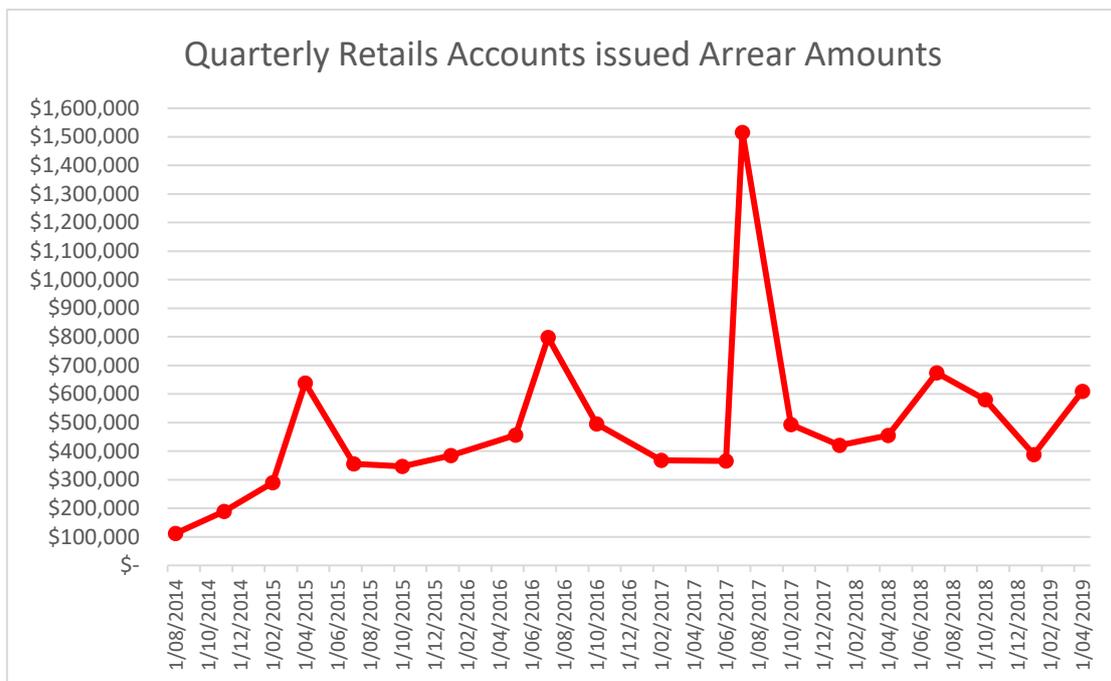
Second Quarter Final Notices were issued, however further efforts in the way of Restrictors have not eventuated. Work is continuing within Utility Billing in preparation for Reminder Notices in mid May and Final Notices issue towards the end of May. After which Customers with outstanding debts will come within the Debt Recovery Module.

The following will give some perspective on Outstanding Debt when compared to Quarterly Retail Accounts from July 2014 to the present.

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Arrears in detail, (note: that July 2017 was an anomaly caused by a late February second quarter and a June third quarter 2017 billing).



**FINANCIAL IMPACT STATEMENT**

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

**ATTACHMENTS:** Nil.

**TABLED ITEMS:** Nil.

## 14.2. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER

### 14.2.1. ELECTRICITY USAGE AND COST PROJECTIONS

#### BOARD RESOLUTION

19/032 RESOLVED on the motion of Crs Sinclair and Armstrong That the Board note the information provided within this report

Report prepared by Production & Services Manager

#### COUNCIL OFFICER RECOMMENDATION

That the Board note the information provided within this report

#### ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

- 01 Excellence in Service Provision
- 02 Maximising Regional Water Supply
- 03 Strategic Water Management
- 04 Best Practice Pricing
- 07 Efficient Operations
- 09 Financially Sustainable

#### BACKGROUND

Goldenfields Water has historically been a large consumer of energy. This is specifically related to its water supply infrastructure that is required to transport water throughout a significant water distribution network covering around 22,500 square kilometres.

#### REPORT

Goldenfields Water has previously contracted its energy supply through Local Government Procurement. The sourcing of energy suppliers is obtained on behalf of local government entities and discounted pricing is potentially gained through a large conglomerate of local councils.

The following table illustrates Councils previous annual usage and costs associated with its operations.

Financial Year Name	Energy Usage (GJ)	Energy Cost (\$)	Cost per GJ
2013-2014	45,457.71	\$2,122,535.00	\$46.69
2014-2015	45,756.98	\$2,242,312.00	\$49.00
2015-2016	47,448.50	\$2,012,680.00	\$42.42
2016-2017	43,252.01	\$2,097,648.00	\$48.50
2017-2018	48,811.41	\$3,251,660.00	\$66.62
2018-2019	39,714.47	\$2,677,821.00	\$67.43

As presented in the table above, a significant change occurred in costs associated with energy consumption costs between the financial years 2016/17 to 2017/18. These cost increases were strictly attributed to the change in contractual prices at the time. During this period of

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time the energy market has seen significant cost increases due to the known closure of coal related production facilities.

Goldenfields Staff were advised toward the end of 2018 that the energy market will see a decline in prices in the coming years, and rather than lock in a long term contract, a 12 month extension would be appropriate until such a time. Therefore staff sought a 12 month extension of contract which saw a market evaluation price, offering around a 13% discount from the previous contract prices.

Due to the contract being provided over multiple financial years, only part savings will be seen during 2018/19 and 2019/20 financial years. The table above only provides the first three quarters of energy usage and costs associated with the current financial year. The below provides the current quarterly break down of consumption and costs for the previous three quarters.

Financial Quarter and Year Name	Energy Usage (GJ)	Energy Cost (\$)	Cost per GJ
FY 2018-2019 Q1	8,996.89	\$648,032.00	\$72.03
FY 2018-2019 Q2	14,609.42	\$973,526.00	\$66.64
FY 2018-2019 Q3	16,108.17	\$1,056,263.00	\$65.57

If the final period of consumption is similar to the previous financial year's quarter four, which was around 11,000GJ, it is expected that the final quarter costs are expected to reach around \$726,000. This will make our annual energy consumption 50,700GJ and the estimated cost for the 2018/19 financial year \$3.4m.

As has been previously reported, whilst energy costs may increase where demand has been significant, so too does the organisations income. As previously reported in the production data, Council had the highest demand period for the Oura scheme on record for the period of January 2019.

**FINANCIAL IMPACT STATEMENT**

The information provided within this report provides that a projection of costs will be higher than previously budgeted. No change will be undertake for budget adjustments at this stage and will be consolidated at year end.

**ATTACHMENTS:** Nil

**TABLED ITEMS:** Nil

**14.2.2. PUMP STATION MAJOR MAINTENANCE AND RENEWAL CAPITAL WORKS**

**BOARD RESOLUTION**

**19/033 RESOLVED** on the motion of Crs McGlynn and Armstrong that the Board note the information provided within the report regarding pump station major maintenance and renewals.

**Report prepared by Production & Services Manager**

**COUNCIL OFFICER RECOMMENDATION**

That the Board note the information provided within the report regarding pump station major maintenance and renewals.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

01 Excellence in Service Provision

**BACKGROUND**

Council provides annual budget estimates for Pump Major Maintenance and Pump Station Renewals of \$250,000 and \$500,000 respectively.

**REPORT**

The Mechanical and Electrical major maintenance and renewal projects for pump stations have been allocated \$250,000 and \$500,000 for the 2018/19 financial year. These budgets have historically been allocated based upon pre-planned and renewal works.

The planning for the renewal and major maintenance components for these pump stations are managed and monitored through Councils existing asset register where age is a trigger and/or a monitored pump set database that monitors hours of run time between service schedules.

The pre-planned renewal works generally remain in budget from year to year; however recent events due to premature failures may cause an increase in budget provision.

This report is to provide the Board members with an insight into recent events for the Jugiong Water Treatment Plant number 1 pump station.

In late March 2019, preventative maintenance checks established that considerable vibration and noise was emanating from number 1 pump. This pump was due for major service in the 2020/21 financial year; however upon further inspection and investigation the pump and motor was nearing full failure.

Additionally, number 2 pump was also checked and considerable bearing movement was also noticed. Staff switched over to winter mode early to run on the newly renewed pump 3 whilst further works can be undertaken for pump 1 and 2.

Pump 2 being a critical failure, was sent immediately to FITT resources for breaking down, investigation and overhaul. The motor was issued to Sulzer for review and overhaul. This premature failure of pump 1 will cost an estimated \$150,000 for both pump and motor overhaul which was not allocated within the existing budget constraints.

Current available budget from existing allocations provides a remaining \$200,000 until year end; however those costs are also being absorbed into the existing works being undertaken from the pre-planned renewals established for the current financial year.

Therefore staff are predicting a foreseeable over expenditure in capital renewal budget for pump station renewals within the current financial year.

**FINANCIAL IMPACT STATEMENT**

An over expenditure is predicted to occur for the current financial year which will be adjusted and covered through Council's available at call funds. These adjustments will be undertaken at year end.

**ATTACHMENTS:** Nil

**TABLED ITEMS:** Nil

**14.2.3. WATER PRODUCTION REPORT**

**BOARD RESOLUTION**

**19/034 RESOLVED on the motion of Crs McCann and McGlynn 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**

03 Strategic Water Management

**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 part of Narrandera.

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

**REPORT**

**Jugiong drinking Water Scheme**

The Jugiong drinking water scheme sources water from the Murrumbidgee River and has an extraction licence of 40ML per day. Water from the Murrumbidgee River is treated through a conventional Water Treatment Plant that consists of: Coagulation, Flocculation, Clarification, Filtration, Disinfection and Fluoridation. The Jugiong Scheme has 14 sets of reservoirs. The Jugiong Scheme supplies bulk water to the Cootamundra-Gundagai Regional Council for supply to the township of Cootamundra with a population of approximately 6800. Bulk water

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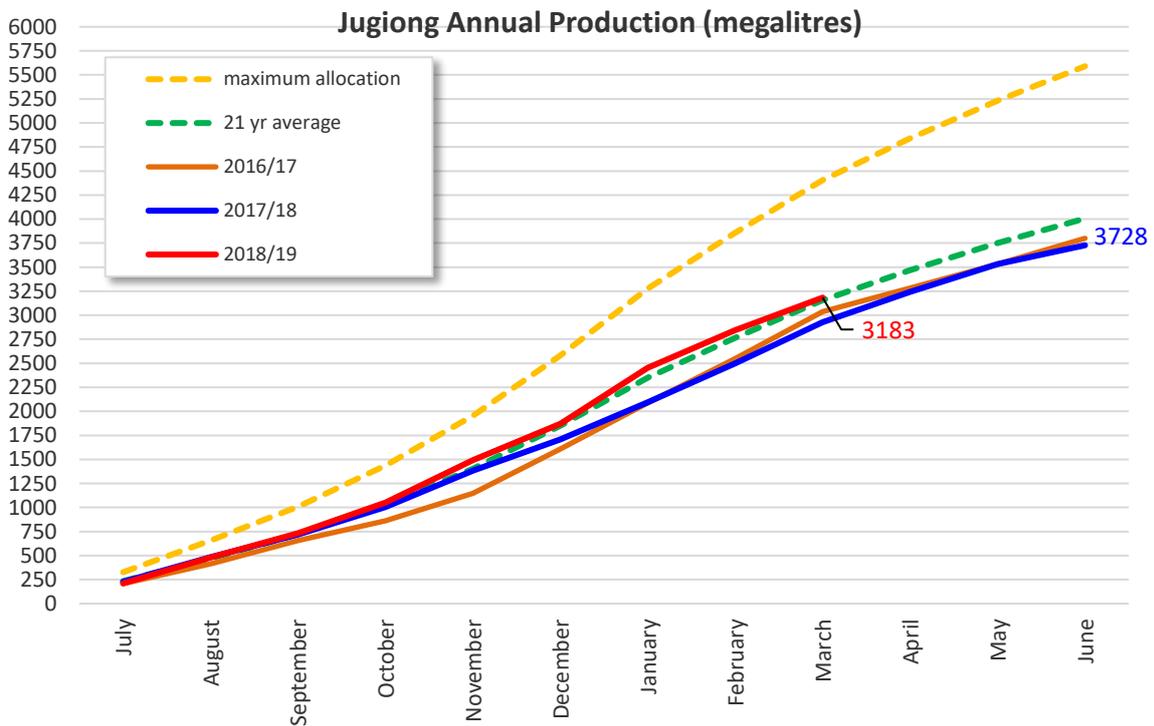
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is also supplied to the Hilltops Council for the town of Harden with a population of approximately 2200, and the town of Young with a population of approximately 8000.

Retail supply to approximately 600 people in the villages of Stockinbingal, Wallendbeen and Springdale.

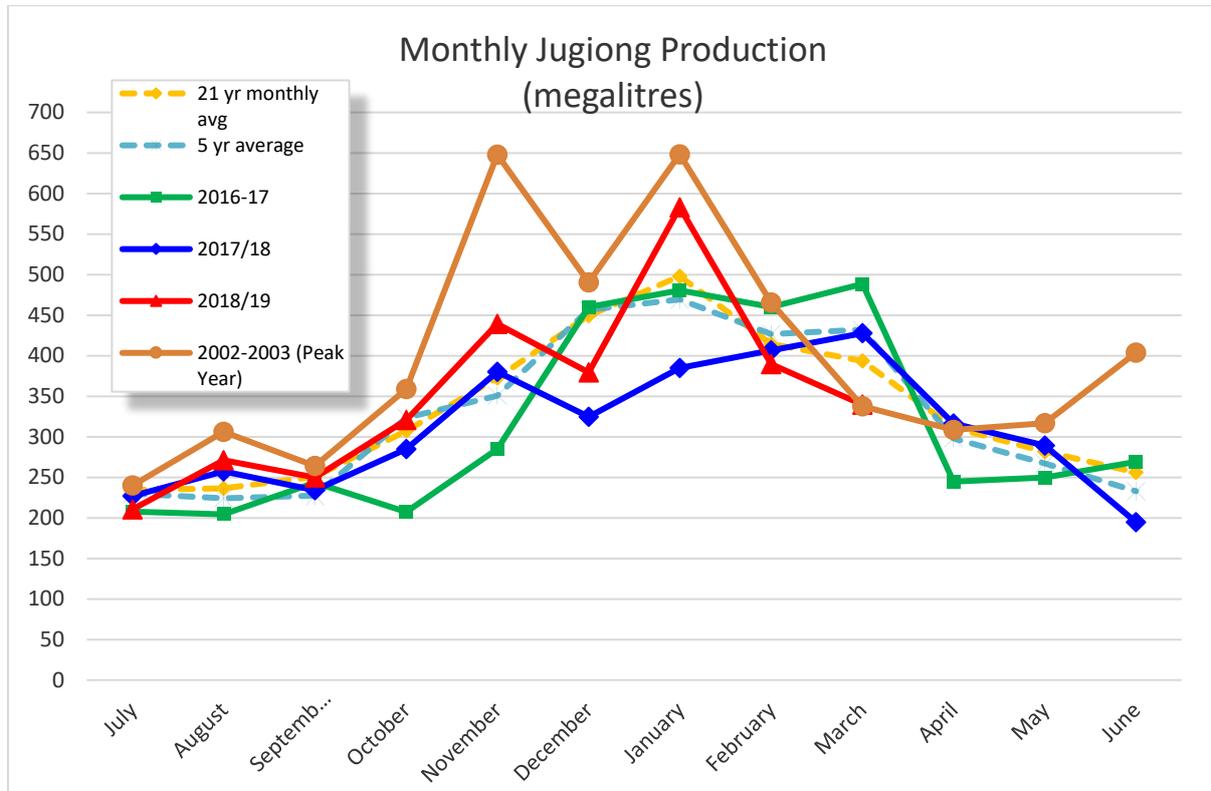
Jugiong annual water production is trending in a similar fashion to previous years.

Up until March 31<sup>st</sup> 2019. Water production was 3183 ML, this is much higher, 256 ML, than for the same period last year which was 2927ML. An increase of 13.76%. Mainly due to the extremely hot weather that has been experienced over this period.



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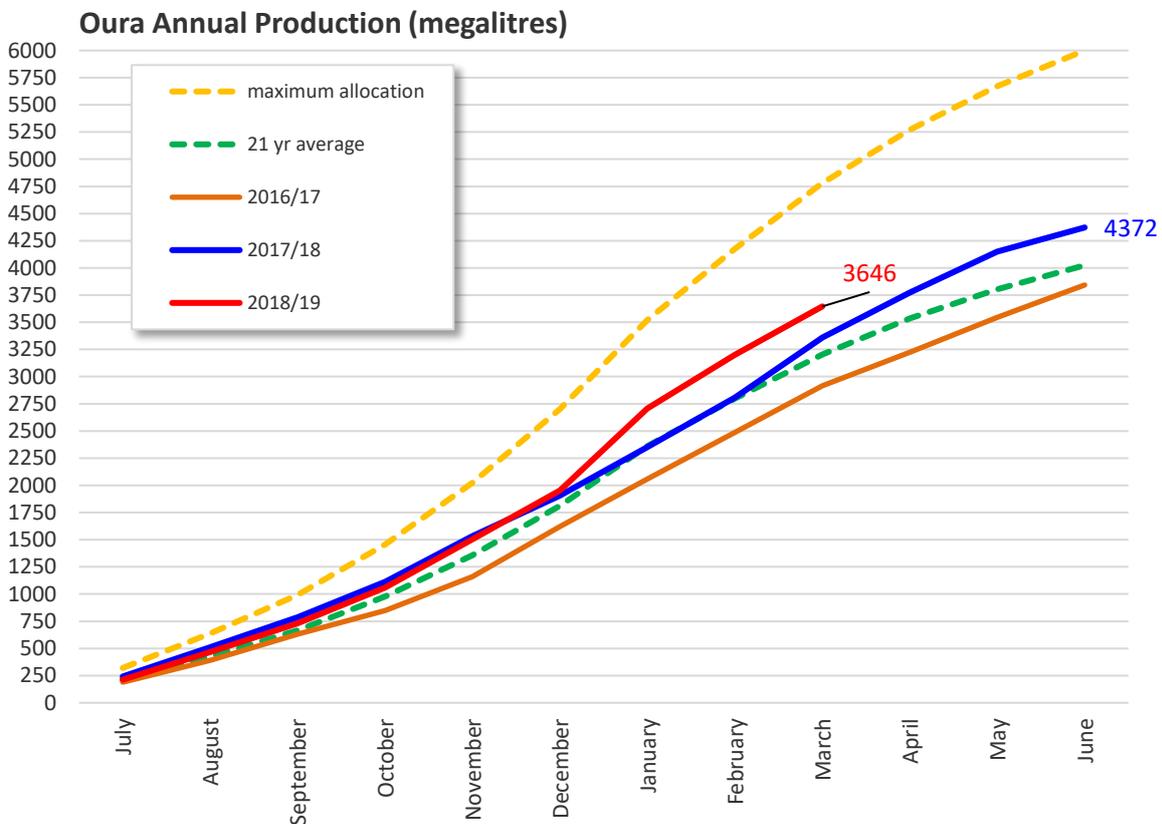
Jugiong monthly water production for February and March 2019. Was 389 ML for February and 339ML for March a total of 729ML for the 2 month period. This indicates a decrease of 105 ML compared to the same period last year (834ML).



**Oura Drinking Water Scheme**

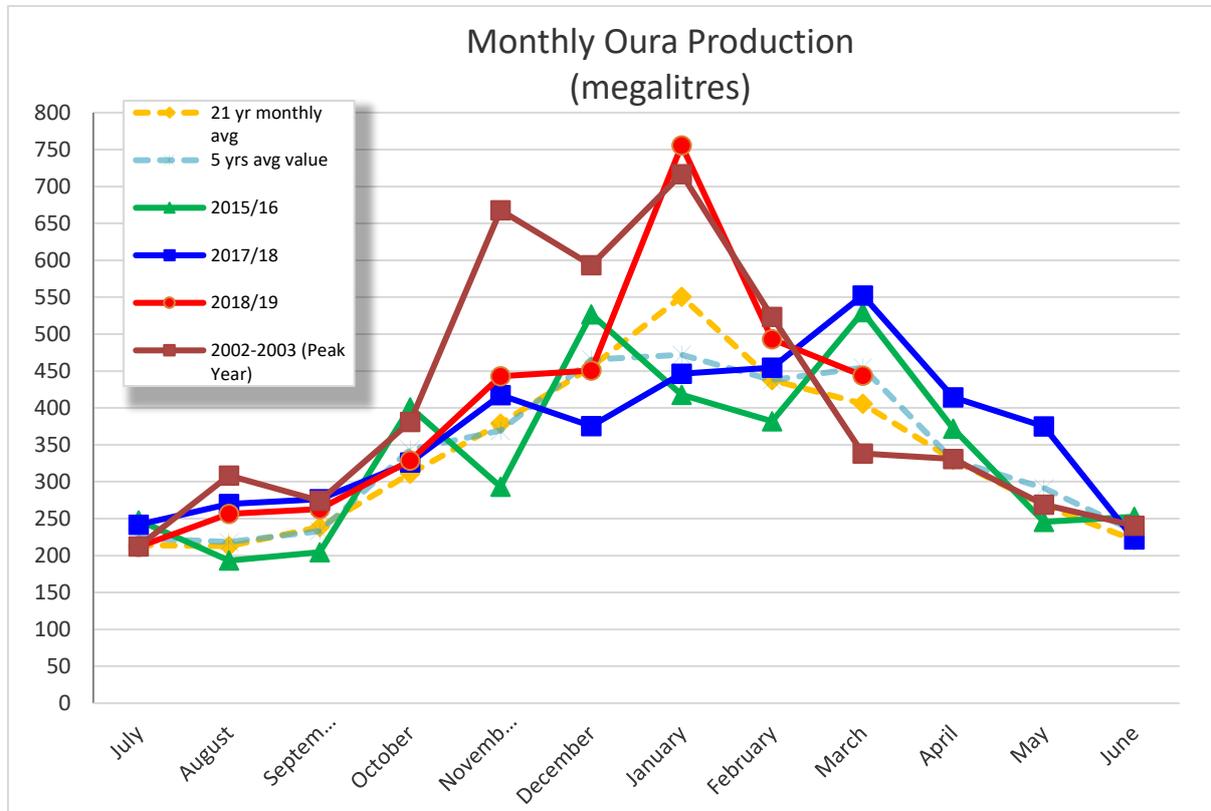
The water source at Oura is the Murrumbidgee inland alluvial aquifer, this water is extracted from 3 bores namely: Bores 3, 4 and 6. The raw water then goes through a treatment process at the Oura Water Treatment Plant that includes Aeration, Disinfection and Fluoridation. The Oura scheme has 33 sets of reservoirs and 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.

Up until the 31<sup>st</sup> March 2019. Water production from the Oura bores was 3646 ML, this is much higher, 285 ML, than for the same period last year which was 3361ML. An increase of 14.01%. Mainly due to the extremely hot weather that has been experienced over this period.



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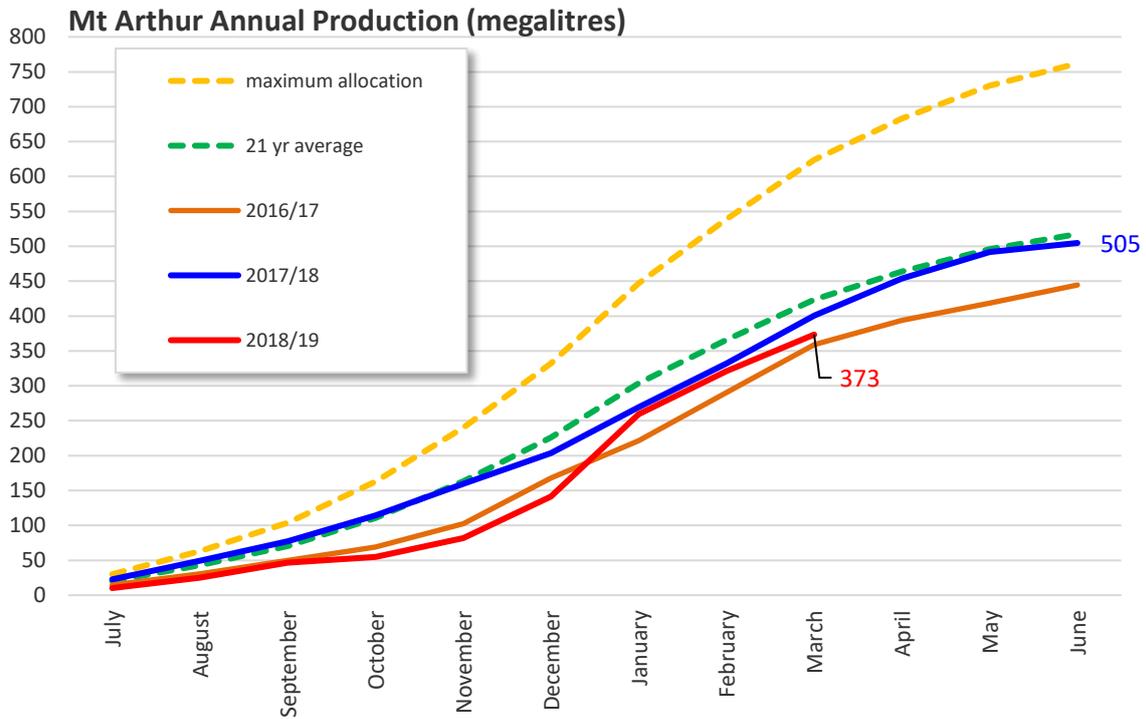
Oura monthly water production for the period 1<sup>st</sup> February to 31<sup>st</sup> March 2019. Production for February was 492.89ML and for March was 443.83ML a total of 936.72 ML a decrease of 370.46ML as compared to the period (Feb, March) in 2018 where production was 1007.18ML.



**Mount Arthur Drinking Water Scheme**

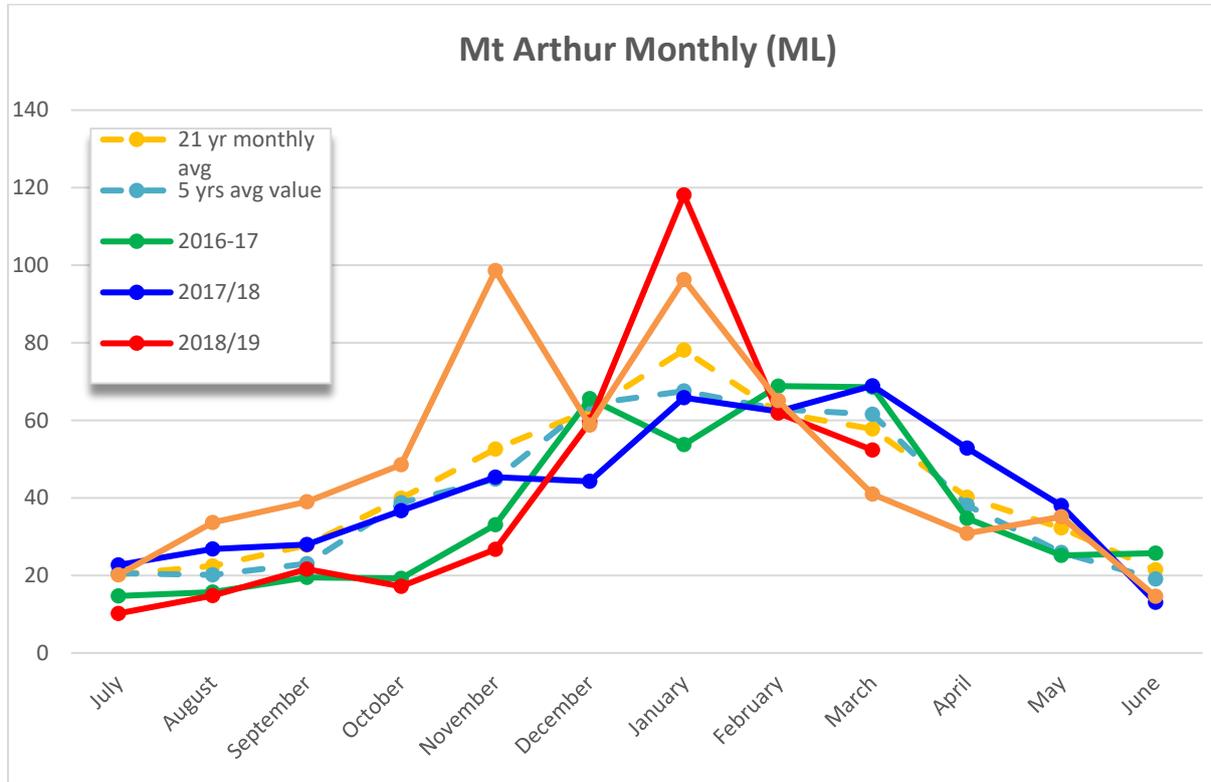
The Mount Arthur Water Source is from the Lachlan Fold belt Aquifer System. The water is extracted via two bores, bores 1 and 2 located in the Wagga Wagga City Council area South of Matong. The water is disinfected before distribution through 9 sets of reservoirs supplying approximately 2400 people with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

To the end of March 2019, 373ML of water has been extracted from the Mt Arthur Bores this is fractionally lower than for the same period in 2017/18 (401ML).



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Mount Arthur monthly water production for the period February and March 2019. Production for the February was 61.88ML and March was 52.33ML a total of 114.21ML as compared to the same period (Feb – March) in 2018 where production was 131.21ML. A decrease of 17ML.

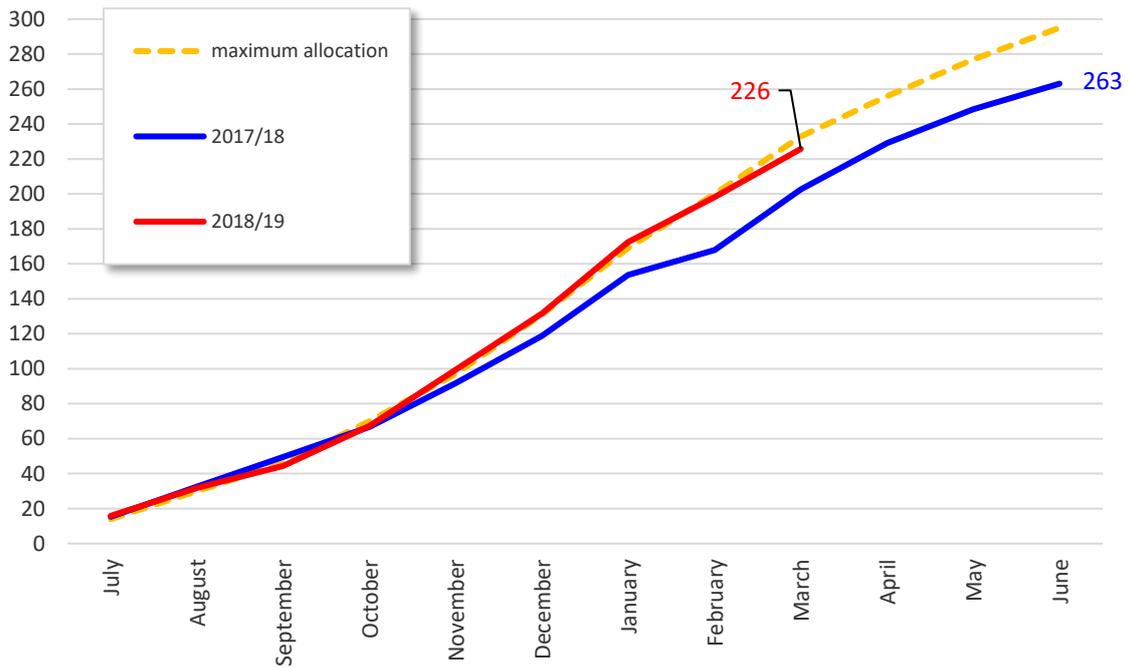


**Mount Daylight Drinking Water Scheme**

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 people in the villages of Naradhan Weethalle and Tallimba in the Bland Shire Council

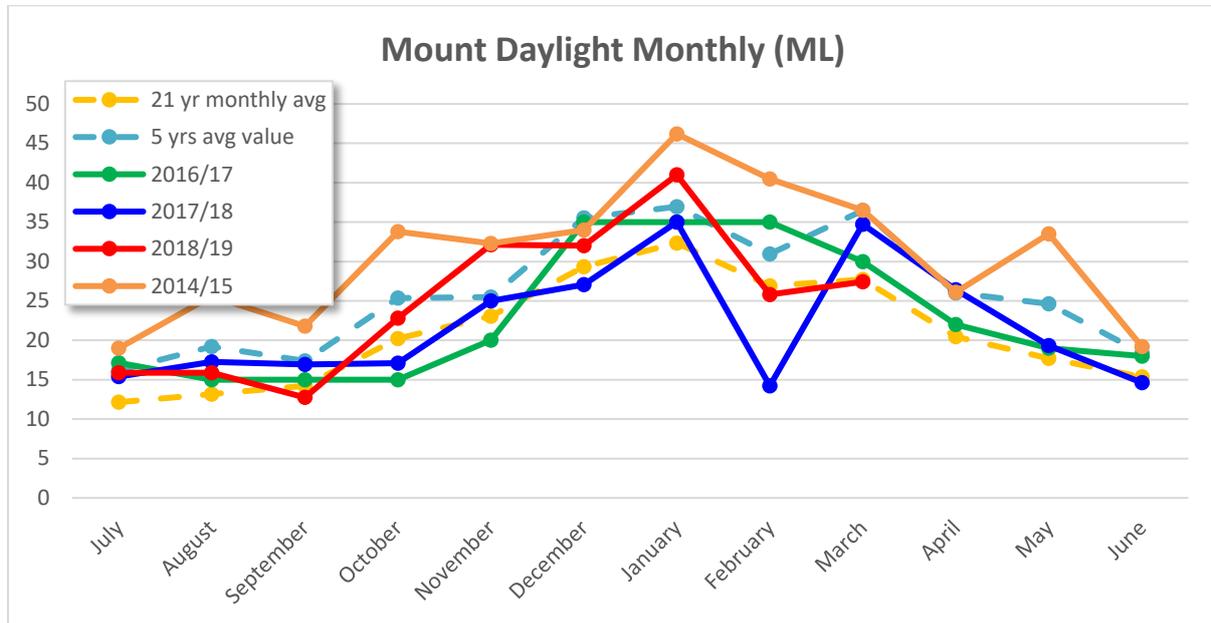
To the end of March 2019, 226ML of water has been extracted from the Mt Daylight Bores this is higher than for the same period in 2017/18 (203ML). Indicating an increase of 23ML.

**Daylight Annual Volume (megalitres)**



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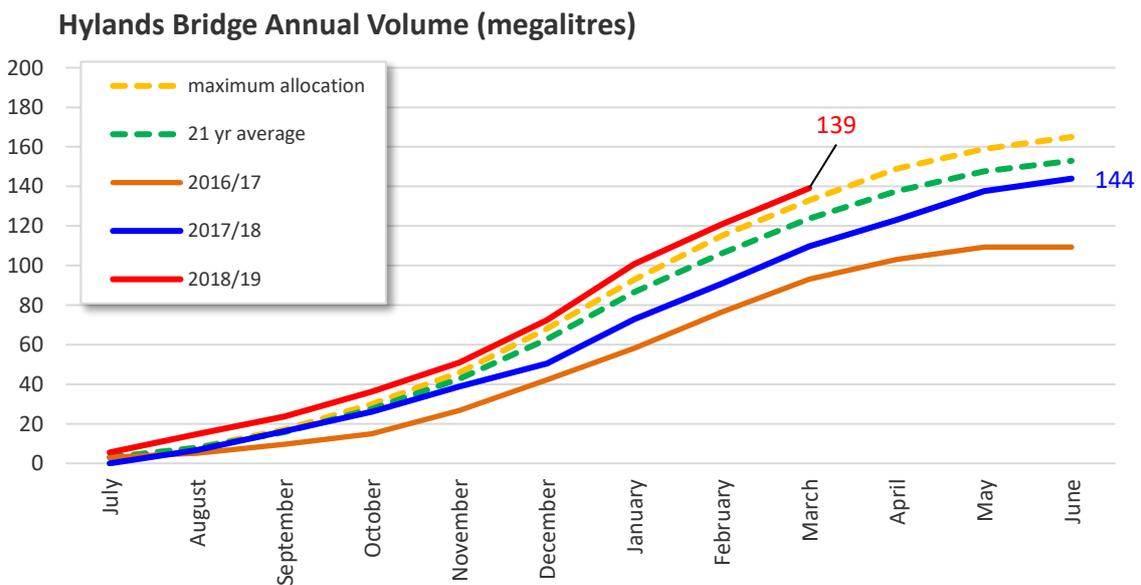
Mount Daylight monthly water production for February was 26ML and March was 27ML. Production for the period was 53ML and increase of 4ML as compared to the same period in 2018 where production was 49ML.



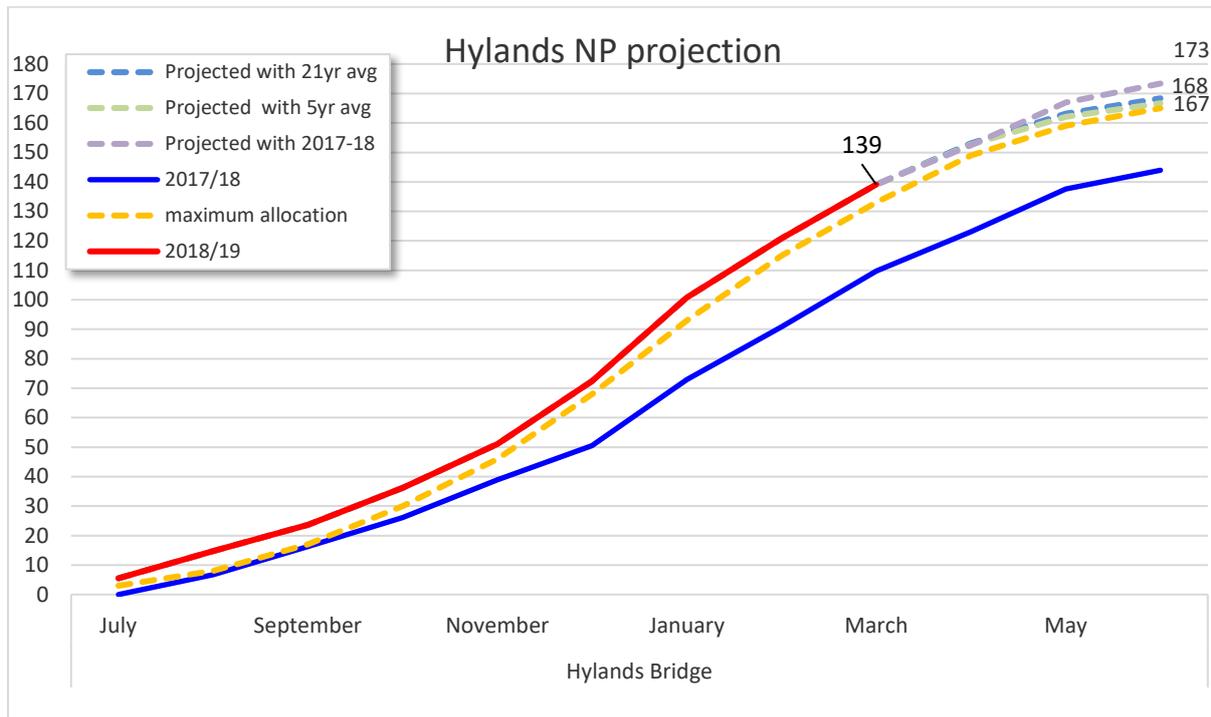
**Hylands Bridge - Non Potable**

Hylands Bridge supplies Non Potable water to Barellan and Binya.

For the period February and March 2019, 139ML of water has been extracted from Hylands Bridge scheme, this is higher than for the same period in 2017/18 (110ML). An increase in production of 29ML compared to the same period last year.



Hylands Bridge Projections are as per the graph below.



**FINANCIAL IMPACT STATEMENT**

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

**ATTACHMENTS:** Nil.

**TABLED ITEMS:** Nil.

**14.3. MATTERS SUBMITTED BY ENGINEERING MANAGER**

**14.3.1. BUSSENSCHUTTS MAINS REPLACEMENT**

**BOARD RESOLUTION**

**19/035 RESOLVED** on the motion of Crs Morris and McCann that the Board approve the re-allocation of funding as described within this report to facilitate the necessary renewal works to proceed within the current financial year.

Report prepared by Engineering Manager

**COUNCIL OFFICER RECOMMENDATION**

That the Board approve the re-allocation of funding as described within this report to facilitate the necessary renewal works to proceed within the current financial year.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

- 01 Excellence in Service Provision
- 07 Efficient Operations

**BACKGROUND**

The Bussenschutts main renewal is high on Council's priority list due to the poor pipe condition. In 2018 there were 30 reported bursts equating to 6.5 bursts/km which is significantly higher than other problematic pipelines in our system.

The pipeline in this area runs through private property, notably crop land. The frequent bursts have become a problem for the farmers in the previous years, with compensation for the loss of crops being paid. The amount compensated was \$2,252.80 paid in the 2018/19 financial year.

**REPORT**

Preference is to complete the main renewal this financial year due to the following reasons:

- To minimise the time between cropping and renewing the main to reduce the risk of further compensation requirements
- To improve service to customers who have been experiencing frequent bursts for numerous years impacting their yield
- There are currently staff and plant available for the job, and
- The job can be completed using existing funding sources from this financial year which will otherwise not be expended for reasons noted below in the financial impact statement

The Bussenschutts main renewal would consist of replacing a total 5.4 km made up of 2.4 km of PVC100 and 3.4 km of PE63 main. A cost estimate for the works including a 10% contingency is \$370,000 and an estimated timeframe of 4 weeks, weather permitting.

**FINANCIAL IMPACT STATEMENT**

The works are proposed to be funded by journaling from the following amounts from budgets which will not be utilised otherwise:

- \$100,000 from the reservoir recoating project. This project was completed within budget. As of 12 April 2019 there is \$147,000 remaining in this budget. All costs have been paid with the exception of a final diver inspection and return of security due to occur January 2020 at a value of \$38,000.
- \$100,000 from the Thanowring Road project. The quotes for the initial stage of the works for Thanowring Road came in significantly less than originally allocated due to the staging of the project investigation and design phase. Additional budget allocation will be included in the 2019/20 financial year to complete the remaining design phases.
- \$170,000 from the Rosehill Project. As per February's Council meeting report regarding this project, the construction phase of the project is not due to start until next financial year. The remaining budget is sufficient to cover the cost of consultants to finalise their works as well as approximately \$200,000 available for reallocation

The budget required for the works allowing 10% contingency is \$370,000. Any variation to the delivery of this project will be further reallocated from the Rosehill project.

**ATTACHMENTS:** Nil

**TABLED ITEMS:** Nil

**14.3.2. 2019/2020 INFRASTRUCTURE CAPITAL WORKS PROGRAM**

**BOARD RESOLUTION**

**19/036 RESOLVED** on the motion of Crs Morris and Sinclair that the Board note the attached 2019-2020 financial year draft capital works budget.

**Report prepared by Engineering Manager**

**COUNCIL OFFICER RECOMMENDATION**

That the Board note the attached 2019-2020 financial year draft capital works budget.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

09 Financially Sustainable

**BACKGROUND**

Staff have previously workshopped the 2019-2020 financial year infrastructure capital works program with the Board.

**REPORT**

This report highlights the changes made to the 2019-2020 financial year infrastructure capital works program since the workshop and provides a copy of the current 2019-2020 financial year draft capital works budget (see attached).

<b>Project</b>	<b>Reason</b>	<b>Change</b>
<b>SCADA</b>	The budget has been increased to allow for the sub-projects noted in the breakdown	\$100,000
<b>Future Capital Works Investigation</b>	The budget has been increased to allow for the estimated cost of completing the Jugiong Strategic Asset Plan and to include investigation into improving the water quality in the Mt Arthur Scheme	\$125,000
<b>Thanowring Road Pipeline</b>	The budget has been reduced upon reviewing the estimated cost for completing detailed design	(\$200,000)
<b>Rosehill Pipeline Renewal</b>	The budget has been reduced due to the unknown timing of construction commencing (GWCC are currently awaiting approvals from external parties). Once the tender has been completed staff will know the anticipated cash flow for the financial year and a budget adjustment can be made at that time if required.	(\$3,000,000)
<b>Mains renewals</b>	The budget has been increased to allow for the renewal of two high priority pipelines	\$400,000
<b>Mt Arthur trunk scouring</b>	Additional budget added to replace valves and sections of pipe necessary to allow for scouring of the trunk mains	\$100,000

**FINANCIAL IMPACT STATEMENT**

Change of (\$2,475,000) to the 2019-20 FY infrastructure capital works program.

A total of \$12,886,000 has been allocated to the 2019-2020 FY draft capital works budget.

**ATTACHMENTS:** 2019-2020 financial year capital works budget

**TABLED ITEMS:** Nil

**14.4. MATTERS SUBMITTED BY THE GENERAL MANAGER**

**14.4.1. RELATED PARTY TRANSACTION NOTIFICATIONS AND PECUNIARY  
INTEREST RETURN**

**BOARD RESOLUTION**

**19/037 RESOLVED** on the motion of Crs McCann and Armstrong that Council note the tabling of the Related Party Transaction Notifications and Pecuniary Interest Return.

**Report prepared by General Manager**

**COUNCIL OFFICER RECOMMENDATION**

That Council note the tabling of the Related Party Transaction Notifications and Pecuniary Interest Return.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

07 Efficient Operations

**BACKGROUND**

**Related Party Transaction Notifications**

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.

**Pecuniary Interest Returns**

Under section 450A of the Local Government Act 1993 and the Local Government (General) Regulation 2005, councillors and designated persons (staff) must provide a declaration of pecuniary interest as contained in the prescribed form.

**REPORT**

**Related Party Transaction Notifications**

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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.

**Pecuniary Interest Returns**

Declaration of Pecuniary interest returns must be completed and lodged with the General Manager within three (3) months after becoming a councillor or designated person, or alternatively a councillor or designated person holding that position at 30 June is required to lodge their pecuniary interest return with the General Manager by 30 September each year.

Returns must be tabled at the first meeting held after the required lodgement date.

**FINANCIAL IMPACT STATEMENT**

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

**ATTACHMENTS:** Nil

**TABLED ITEMS:**

Pecuniary Interest Return – Samantha Jung

Related Party Transaction Notifications – Samantha Jung, Graham Sinclair, David McCann.

**14.4.2. OFFICE CLOSURE**

**BOARD RESOLUTION**

**19/038 RESOLVED on the motion of Crs Sinclair and McCann that Council endorse the office to be closed from:**

- **3.00pm on Thursday 30 May 2019; and**
- **12.00pm on Friday 19 July 2019.**

**Report prepared by General Manager**

**COUNCIL OFFICER RECOMMENDATION**

That Council endorse the office to be closed from:

- 3.00pm on Thursday 30 May 2019; and
- 12.00pm on Friday 19 July 2019.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

08 Highly Skilled and Energetic Workforce

**BACKGROUND**

Improving the workplace culture of Goldenfields Water is an area that both the Board and the Management team have indicated they would like to see improved over the next twelve (12)

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months. This concept was also heavily highlighted as an opportunity for development in the recent staff survey.

**REPORT**

It is proposed that we run two (2) team building events in the coming months with the aim of breaking down relationship barriers within our organisation and fostering a positive, productive and motivated workplace culture. Small periods of office closure are required to facilitate these events.

The office closure is proposed to be for two time periods being from:

- 3.00pm on Thursday 30 May 2019; and
- 12.00pm on Friday 19 July 2019.

Rostered staff will be on call to attend to operational issues (water breaks, breakdowns etc) and for major emergencies key staff will be recalled.

Customers can pay accounts through Australia Post and Bpay facilities.

Notification of the office closure period would be advertised via social media and local papers.

**FINANCIAL IMPACT STATEMENT**

Budget has been allowed for from Human Resources budget.

**ATTACHMENTS:** Nil

**TABLED ITEMS:** Nil

**14.4.3. DRAFT OPERATIONAL PLAN 2019/2020**

**BOARD RESOLUTION**

**19/039 RESOLVED on the motion of Crs Sinclair and Morris that Council endorses the draft Operational Plan 2019-2020 incorporating the 2019-2020 budget and annual fees and charges to be placed on public display for a period of 28 days.**

*Cr Armstrong questioned item 7.3.1.1 of the plan, requesting confirmation that Goldenfields has already implemented a risk management framework. Mr Drenovski took the question on notice.*

**Report prepared by General Manager**

**COUNCIL OFFICER RECOMMENDATION**

That Council endorses the draft Operational Plan 2019-2020 incorporating the 2019-2020 budget and annual fees and charges to be placed on public display for a period of 28 days.

**ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN**

07 Efficient Operations

**BACKGROUND**

The 2017-2021 Delivery Program was adopted by Council in June 2017 in accordance with Section 404 of the Local Government Act 1993.

Section 405 of the Local Government Act 1993 requires an Operational Plan including an annual budget and annual fees and charges to be adopted before the beginning of each financial year and for the draft documents to be placed on public exhibition for a period of 28 days.

The 2019-2020 Operational Plan is the third annual subset of the 2017-2021 Delivery Program

**REPORT**

In accordance with legislative requirements the 2019-2020 Operational Plan incorporating the 2019-2020 budget and annual fees and charges are now presented in draft for Council's consideration prior to being placed on public exhibition.

The 2019-2020 Operational Plan estimates an operating result of \$722,000 before capital items.

**FINANCIAL IMPACT STATEMENT**

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

**ATTACHMENTS:** Draft 2019-2020 Operational Plan

**TABLED ITEMS:** Nil

**15. NEXT MEETING**

The next ordinary meeting of council is due to be held Thursday 27 June 2019 at 10.00am

Mr Drenovski suggested a 9.00am Workshop prior to the meeting to provide further information regarding the Oura strategic plan and associated works.

**16. QUESTIONS AND STATEMENTS**

Cr McGlynn thanked staff for the explanations within the Agenda.

Cr McGlynn suggested with the upcoming completion of Mandamah Stage 1 that advertising of the event be considered.

Mr Drenovski advised this would best be scheduled to be held at the end of June.

Cr McCann complimented staff on the success of the project thus far with stage 1 on track to be within time and budget.

Cr Morris enquired if a quick fill standpipe will be considered for the Tallimba area in the future.

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Cr Morris enquired if the raw water from the channel will supply enough water to maintain the system at Barellan. Gerard responded and referred to the information on page 54 of the Agenda. Goldenfields may need to consider an increase to our allowance.

Cr McCann noted that Coolamon Shire Council have just received drought funding. Cr McCann has suggested trying to secure funding to install quick fills in the area.

Cr Armstrong noted the occurrences of discoloured water at Harden. While he realises it is reticulated by Harden not Goldenfields Water, he noted the high level of complaints on Social Media. Cr Armstrong suggested Goldenfields consider the social media strategy on managing misinformation.

Cr Sinclair asked the Board to consider supporting the Red Shield Appeal on behalf of Mayor Rick Firman. The Board congratulated Mayor Firman on his involvement, however the request for donation falls outside Goldenfields current policy.

**17. CLOSE OF BUSINESS**

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There being no further items requiring the attention of Council the meeting was declared closed at 11.37 am.

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