

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 25 October 2018**

The meeting commenced at 10.00am.

PRESENT

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

ALSO IN ATTENDANCE

Mr D Hancock (General Manager), Mr C Breen (Acting Production and Services Manager), Mr T Goodyer (Operations Manager), Ian Graham (Corporate Services Manager), Mrs A Coleman (Executive Assistant).

1. LEAVE OF ABSENCE/APOLOGIES

BOARD RESOLUTION

18/075 RESOLVED on the motion of Crs Stadtmiller and Sinclair that the Board note and accept the apology of Cr B Callow.

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 23 AUGUST 2018 and 8 OCTOBER 2018.

BOARD RESOLUTION

18/076 RESOLVED on the motion of Crs Armstrong and McCann that the minutes of the meetings held on the 23 August 2018 and 8 October 2018, having been circulated and read by members be confirmed.

7. BUSINESS ARISING FROM MINUTES

The Chairperson noted that the minutes from the extraordinary meeting held 8 October stated that 'the General Manager will populate an organisation structure chart with changes as per the discussion in the meeting and provide to the Board at the 25 October meeting'. The Chairperson and the Deputy Chairperson met with the General Manager to discuss and it was decided that more time was needed to consider the proposed structure.

BOARD RESOLUTION

18/077 RESOLVED on the motion of Crs Armstrong and McCann that the business arising be received and noted.

8. CORRESPONDENCE

Nil

9. ADMISSION OF LATE REPORTS

BOARD RESOLUTION

18/078 RESOLVED on the motion of Crs McCann and Armstrong that the late report of General Managers Performance review be included as a late report.

GENERAL MANAGER PERFORMANCE ASSESSMENT PROCESS

BOARD RESOLUTION

18/079 RESOLVED on the motion of Crs McGlynn and Armstrong that:

- 1. The Chairperson, Deputy and Cr G Armstrong form the Performance Appraisal Committee.**
- 2. The role of the Performance Appraisal Committee is to finalise the General Manager Performance Agreement, and undertake a review of the General Manager's performance in accordance with the guidelines set out in Clause 7 of the Standard Contract of Employment General Managers of Local Councils in New South Wales**

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

- 1 The Board of Goldenfields Water establish a Performance Appraisal Committee consisting of the Chair, the Deputy Chair and other members to be determined by the Board.
- 2 The role of the Performance Appraisal Committee is to finalise the General Manager Performance Agreement, and undertake a review of the General Manager's performance in accordance with the guidelines set out in Clause 7 of the Standard Contract of Employment General Managers of Local Councils in New South Wales.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

- 01 Excellence in Service Provision
- 07 Efficient Operations
- 09 Financially Sustainable

BACKGROUND

Clause 7 (Performance agreement and review), of the Standard Contract of Employment General Managers of Local Councils in New South Wales, requires the following:

- 7.1 Within 3 months after the commencement date, the employee and Council will sign a performance agreement setting out agreed performance criteria.
- 7.2 In the event that the employee and Council are unable to agree on the performance criteria, Council will determine such performance criteria that are reasonable and consistent with the employee's duties and functions under clause 6 and in Schedule B.
- 7.3 The performance agreement may be varied from time to time during the term of this contract by agreement between the employee and Council, such agreement not to be unreasonably withheld.
- 7.4 Within 2 months after signing or varying the performance agreement, the employee will prepare and submit to Council an action plan which sets out how the performance criteria are to be met.
- 7.5 Council will ensure that the employee's performance is reviewed (and, where appropriate, the performance agreement varied) at least annually. Any such review is to have regard to the performance criteria.

Note: Council may review the employee's performance every 6 months or more frequently if necessary.

- 7.6 The employee will give Council 21 days' written notice that an annual performance review in accordance with subclause 7.5 is due.
- 7.7 Council will give the employee at least 10 days' notice in writing that any performance review is to be conducted.
- 7.8 The structure and process of the performance review is at the discretion of Council following consultation with the employee.
- 7.9 The employee may prepare and submit to Council an assessment of the employee's own performance prior to a performance review.
- 7.10 Within 6 weeks from the conclusion of a performance review, Council will prepare and send to the employee a written statement that sets out:
 - a) Council's conclusions about the employee's performance during the performance review period,
 - (b) Any proposal by Council to vary the performance criteria as a consequence of a performance review, and
 - (c) any directions or recommendations made by Council to the employee in relation to the employee's future performance of the duties of the position.
- 7.11 The employee and Council will, as soon as possible after the employee receives the written statement referred to in subclause 7.10, attempt to come to agreement on any proposal by Council to vary the performance criteria and on any recommendations by Council as to the future performance of the duties of the position by the employee.
- 7.12 Subject to the employee being available and willing to attend a performance review, Council undertakes that if a performance review is not held in accordance with this

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clause, this will not operate to the prejudice of the employee unless the employee is responsible for the failure to hold the performance review.

REPORT

The contracted agreement with Local Government NSW Management Solutions for the recruitment of the general manager included their involvement in establishing the performance agreement between Council and the General Manager.

The General Manager of Goldenfields Water commenced on April 23.

Local Government NSW Management Solutions have forwarded a copy of the 2018-19 General Manager agreement template. The document is in two separate parts.

A Performance Appraisal Committee, comprising of member of the Board of Goldenfields Water is to be established. The role of the committee is in two parts:

- 1 Finalise the General Manager Performance Agreement, based on the Local Government NSW Management Solutions 2018-19 General Manager agreement template.
 - a. Part one of the agreement template reflects the managerial objectives/responsibilities as defined in the General Managers position description.
 - b. Part two of the agreement template are Council's strategic objectives in moving the organisation forward. This includes 6-10 key activities which should be progressed or accomplished in the coming 12 months, including clear indicators to measure performance
 - Usually, these should be found in Council's Community Strategic Plan, Delivery Plan or Operational Plan.
 - As projects may be spread over 2, 3 or 4 years and may roll straight from one year to another, it is important to use realistic time frames and performance measures against those projects e.g. (Specific, Measurable, Achievable, Realistic and Timely).
- 2 Conduct the review of the General Manager's performance
 - a. in accordance with the guidelines set out in Clause 7 of the Standard Contract of Employment General Managers of Local Councils in New South Wales.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Goldenfields Water's financial position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

10. NOTICES OF MOTION / RESCISSION MOTIONS

Nil

11. CHAIRPERSON'S MINUTE

Nil

12. ELECTION OF CHAIRPERSON

10.10am Chairperson Palmer vacated the Chair to the General Manager.

The General Manager to conduct the elections for the Chairperson and Deputy Chairperson.

A duly signed nomination form for the position of Chairperson was received for Cr D Palmer.

Cr D Palmer was declared elected as Chairperson for the ensuing 12 months.

BOARD RESOLUTION

18/080 RESOLVED on the motion of Crs McGlynn and Armstrong that Cr D Palmer is declared elected as Chair for the ensuing 12 months.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That nomination for the position of Chairperson is called and that if necessary, voting be by ordinary ballot.

BACKGROUND

In accordance with section 391 of the Local Government Act (1993) the position of Chairperson becomes vacant at this meeting and an election is required to elect a person from within the members of the council to fill this position. The Chairperson holds office for one year.

REPORT

The Local Government (General) Regulations 2005 clause 395, Schedule 8 provides the following:

- The General Manager (or person appointed by the General Manager) is the Returning Officer
- A Member of a county council may be nominated without notice for election as Chairperson of the county council
- The nomination is to be made in writing by two or more Members of the county council (one of whom may be the nominee)
- The nomination is not valid unless the nominee has indicated consent to the nomination in writing
- The nomination is to be delivered or sent to the Returning Officer
- The Returning Officer is to announce the names of the nominees at the county council meeting at which the election is to be held
- If only one member of the county council is nominated, that Member is elected
- If more than one Member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary or by open voting
- The election is to be held at the county council meeting at which the county council resolves on the method of voting.

Appropriate nomination forms have been circulated to all Councillors.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Nil

TABLED ITEMS: Nil

13. ELECTION OF DEPUTY CHAIRPERSON

A duly signed nomination form for the position of Deputy Chairperson was received for Cr D McCann.

BOARD RESOLUTION

18/081 RESOLVED on the motion of Crs McGlynn and Armstrong that Cr D McCann is declared elected as Deputy Chairperson for the ensuing 12 months.

The Chairperson resumed the Chair.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That nomination for the position of Deputy Chairperson is called and that if necessary, voting be by ordinary ballot. That the person with the most votes apart from the Chairperson and Deputy be called on when these are unavailable for engagements.

BACKGROUND

In accordance with section 231 of the Local Government Act (1993) Councillors may elect a person from within their number to be the Deputy Chairperson.

REPORT

The position of Deputy Chairperson is an optional position. The Deputy Chairperson may exercise any function of the Chairperson at the request of the Chairperson or if the Chairperson is prevented by illness, absence or otherwise, from exercising the function or if there is a casual vacancy in the office of Chairperson.

Council has traditionally elected such a person and the election procedures are the same as for the Chairperson.

Appropriate nomination forms have been circulated to all Councillors with their Business Papers.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Nil

TABLED ITEMS: Nil

14. 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

18/082 RESOLVED on the motion of Crs Stadtmiller and McCann that Council move into Confidential Session.

15. MATTERS TO BE SUBMITTED TO CONFIDENTIAL SESSION

15.1. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER

15.1.1. EXCEEDANCE OF TENDER THRESHOLD

*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.*

BOARD RESOLUTION

18/083 RESOLVED on the motion of Crs Morris and Sinclair that the Board:

- a. Note that a contract was entered into with FITT Resources Pty Ltd for a total cost of \$108,911.**
- b. Note that an additional \$46,403.50 in variations were required as part of the works which therefore exceeded the tendering threshold for contracts as per Section 55 of the Local Government Act 1993**
- c. Note and approve the reasoning provided within this report for not tendering the Jugiong Pump 3 works.**

BOARD RESOLUTION

18/084 RESOLVED on the motion of Crs McCann and Stadtmiller that Council revert back to open session and the resolutions made in Confidential Session be made public.

16. MATTERS TO BE SUBMITTED TO OPEN COUNCIL

16.1. MATTERS SUBMITTED BY CORPORATE SERVICES MANAGER

16.1.1. COUNCIL INVESTMENTS

BOARD RESOLUTION

18/085 RESOLVED on the motion of Crs Armstrong and McCann that the report detailing Council Investments as at 30th September 2018 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council Investments as at 30th September 2018 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 30th September 2018.

Council's investment portfolio decreased by \$150,000.00 from \$49,650,000.00 as at 31st July 2018 to \$49,500,000.00 as at 30th September 2018.

For the month of September, the deposit portfolio provided a solid return of +0.26% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.10% (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 12 months, the deposit portfolio returned +3.06% p.a., strongly outperforming bank bills by 1.19% p.a. This is considered very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 2 years.

As at the end of September 2018, Council's deposit portfolio was yielding 3.05% p.a. (unchanged from the previous month), with an average duration of around 621 days (~1.7 years).

FINANCIAL IMPACT STATEMENT

Council's investment portfolio decreased by \$150,000.00 from \$49,650,000.00 as at 31st July 2018 to \$49,500,000.00 as at 30th September 2018.

ATTACHMENTS: Council Investments Report as at 30th September 2018.

TABLED ITEMS: Nil.

16.1.2. PROGRESS REPORT – CAPITAL WORKS EXPENDITURE

BOARD RESOLUTION

18/086 RESOLVED on the motion of Crs Sinclair and Armstrong that the report detailing Council's Capital Works Program as at 30th September 2018 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report detailing Council's Capital Works Program as at 30th September 2018 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 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 30th September 2018.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Capital Works Progress Report as at 30th September 2018.

TABLED ITEMS: Nil.

16.1.3. DEBT RECOVERY UPDATE

BOARD RESOLUTION

18/087 RESOLVED on the motion of Crs Sinclair and McGlynn that the update on Goldenfields Water's debt recovery process be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

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

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Goldenfields Water 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, 321 accounts with a total debt of \$469,520 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 30 September 2018 Goldenfields Water has recovered \$343,054. Furthermore, 47 customers with a total debt of \$116,530 have current payment arrangements in place with Goldenfields Water.

The overall result for Council is a debt recovery performance (debt either paid in full or under a payment plan) of 98% up to 30 September 2018, for debts referred to our external debt collection agency.

Please note that due to a recent change in debt recovery procedure, in future a modified report will be produced to incorporate debts recovered from other methods of debt recovery, e.g. restricted supply.

FINANCIAL IMPACT STATEMENT

The financial impact is a net reduction in outstanding debts of \$15,019 for the two monthly period of August/September 2018.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

16.1.4. QUARTERLY BUDGET REVIEW

BOARD RESOLUTION

18/088 RESOLVED on the motion of Crs McCann and Stadtmiller 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 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 30th September 2018 and is attached for Council's consideration.

REPORT

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

The Annual Budget for 2018/19 estimated that the net result from continuing operations would be a surplus of \$4,111m. Based on the September 2018 quarterly review as detailed below, the projected result will decrease by \$219k to a net surplus of \$3,892m.

Council has now completed the 2017/18 Annual Financial Statements. Following a review of the 2017/18 actual results and events that have occurred since that time there are a number of amendments which need to be incorporated into the revised Budget for September 2018.

1. Carry over Capital Projects:

Council resolved at its August Meeting to carry over \$3,125m in capital projects and put aside this amount in Reserves to fund these projects in 2018/19.

This will have an impact of increasing the capital expenditure program for 2018/19 funded from reserves decreasing the cash held as at 30/06/2018.

There is no impact on the operating budget for this item.

2. Employee Benefits and On-Costs:

In reviewing the Original budget it was identified that there were costs that need to be amended to reflect the anticipated costs for the year:

- Superannuation – increase of \$128k for End of Year on-cost calculations and under estimates,
- Long Service Leave – increase of \$33k to include End of Year on -cost calculations,
- Public Holidays for Outdoor staff – increase of \$96k, was not included in original budget,
- Accrued Leave - increase of \$30k. Original budget stated a credit amount, however should have been nil as these costs are included in salaries & wages,
- Plus an allowance for incremental increases.

3. Depreciation:

- Increase in Depreciation Charge of \$532k to reflect the increase based on actuals for 2017/18.

4. Materials & Contracts:

- Cost of cleaning at the Depots and Workshop - increase of \$58k based on review of 2017/18 actual costs,
- Meter Repairs & Maintenance - increase of \$32k based on review of 2017/18 actual costs,
- A new project for review of Efficiencies and Effectiveness was not included in original Budget,
- Managed Services (GIS) reflecting reduced costs, decrease of \$70k.

5. Other Expenses:

- Electricity – increase by \$275k, based on the cost for 2017/18 the original budget under estimated the cost. Change to contract will result in further review in QBR 3,
- Section 356 Donations over estimated - decrease of \$55k.

6. User Charges & Fees:

- Water User charges - increase of \$1,049m. Estimated to increase in 2018/19 based on 2017/18 actual usage, 2018/19 first quarter billing and assuming similar weather conditions that are predicted to occur for the rest of 2018/19,
- Tapping service meter fees and reconnections are anticipated to decrease in revenue by \$9k for the year.

7. Interest & Investment Revenue:

- As a result of debt recovery action taken in 2017/18 it is anticipated that this will result in a decrease in interest on overdue accounts of \$14k.

8. Other Revenues:

The Insurance Rebates for Risk Management and Property insurance of \$12k are expected to decline based on last year's actuals.

9. Internal Charges:

The elimination of 100% of overheads was fully used in the final result for Employee Benefits and On Costs, but are in fact only 55% related to Employee Costs. The other 45% is related to Materials & Contracts.

Therefore an adjustment needs to be made between increasing Employee Benefits and On-costs of \$900k and a reduction in Materials & Contracts of the same amount.

There is no effect on the operating result from this adjustment.

10. Other amendments to budget:

- Transfer \$40k from Employee Costs to Contractors for finance assistance while recruiting for Accountant. No financial impact to operating result to date.
- There are some other amendments to the budget that are a reallocation of costs etc. from one activity to another with no impact on the operating result.

11. Mandatory Quarterly Review Report:

Attached is the Mandatory Quarterly review which incorporates the above amendments.

FINANCIAL IMPACT STATEMENT

The result for the September Quarter is a \$219,000 decrease in the projected year-end surplus from original budget of \$4,111m to \$3,892m.

ATTACHMENTS: Mandatory QBR September including RAO statement.

TABLED ITEMS: Nil.

16.1.5. CIVICA AUTHORITY PROJECT UPDATE

BOARD RESOLUTION

18/089 RESOLVED on the motion of Crs Sinclair and McCann that the CIVICA Authority Project update report as at 30th September 2018 be received and noted.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the CIVICA Authority Project update report as at 30th September 2018 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

This report is an update on the implementation of Goldenfields Water's new enterprise resource planning software (CIVICA) and the Electronic Content Management System.

REPORT

The CIVICA implementation project has been underway since mid-2017. Since the previous report to the Board, go-live and implementation has been ongoing.

CIVICA Authority

Of significance is the further delay to Utility Billing go live, which has now been revised from October 2018 (initially July 2018) to late January 2019. This will be after the 2nd quarterly billing. Go live of the Utility Billing module has been affected by programming issues, which CIVICA has now resolved with further on and off-site testing to commence on the 15th October 2018.

As a result of work practice changes with the new systems (e.g. electronic document management in HPE CM9; the change from Job Numbers in the legacy system to Work Orders in CIVICA Authority), there has been a significant impact on staff in regard to learning and adjusting to the new processes; however the implementation has proceeded without a negative impact on overall operations and service delivery.

Since go-live, finance have been reviewing postings to the General Ledger and refining the associated Work Order structure, including elimination of Tasks from Work Orders where required to simplify the structure. In addition, a review of Resource Numbers has been ongoing.

Records Management HPE CM9

HPE CM9 Records Management went live on Tuesday 5th June 2018, a very significant milestone achievement.

The content management system provides a significant benefit to Goldenfields Water through the collection, storage and access capabilities. Electronic content is stored into unique containers, each with their own level of security, only allowing access to those staff members with privileges to those containers.

Document security, access and searching has been significantly improved as a result of the implementation of the new records management system.

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Milestones

IMPLEMENTATION	Completed	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Records Keeping CM9											
General Ledger											
Name & Address Register											
Standing Work Orders											
BIS											
Plant/Fleet											
Works Management	On hold										
Utility Billing/Property							Revised				
Receipting											
Accounts Payable											
Accounts Payable Workflow									Revised		
Accounts Receivable											
Debt Recovery								Revised			
OLR/Purchase Orders											
Payroll											
OL Timesheets								Revised			
Stores											
GIS Integration											
CRM Registers											
- Backflow							Revised				
- Connections							Revised				
Mobile App (CRM)	On hold										

GO LIVE	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Records Keeping CM9													
General Ledger													
Name & Address Register													
Standing Work Orders													
BIS													
Plant/Fleet													
Works Management		On hold											
Utility Billing/Property	Initial				1st revision				2nd revision				
Receipting													
Accounts Payable													
Accounts Payable Workflow						Initial					Revised		
Accounts Receivable													
Debt Recovery					Initial					Revised			
OLR/Purchase Orders													
Payroll													
OL Timesheets													
Stores													
GIS Integration													
CRM Registers													
- Backflow					Initial				Revised				
- Connections					Initial				Revised				
Mobile App (CRM)		On hold											

ATTACHMENTS: Nil

TABLED ITEMS: Nil

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Goldenfields Water's financial position.

16.1.6. PRIVATE WORKS POLICY AND PROCEDURE REPORT

BOARD RESOLUTION

18/090 RESOLVED on the motion of Crs Stadtmiller and Sinclair that the Board:

- 1. Adopt the Goldenfields Water’s draft Private Works Policy and Private Works Procedure**
- 2. Amend the 2018/19 Fees and Charges Schedule to include “Private Works – Plant and Labour at cost plus 15% (no dry hire)”.**

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the Board:

1. Adopt the Goldenfields Water’s draft Private Works Policy and Private Works Procedure
2. Amend the 2018/19 Fees and Charges Schedule to include “Private Works – Plant and Labour at cost plus 15% (no dry hire)”.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Goldenfields Water undertakes Private Works for external customers, including constituent Councils. Currently there is no Policy or Procedure in place relating to Private Works activities and the current Goldenfields Water Fees and Charges do not stipulate the Private Works charge-out rate.

REPORT

The development of the draft Private Works Policy and Procedure formalises Goldenfields Water’s position in regard to the undertaking of private works by Goldenfields Water for an external person(s) or organisation at their request.

Goldenfields Water County Council will:-

- Provide a private works service to individuals and other organisations, subject to prioritisation of available resources
- Project manage all private works, including documenting of scope and value of works, payment terms, risk assessment, insurance provisions, responsibility for management of the contract, accountability and reporting requirements
- Undertake appropriate risk assessments
- Price all private works as per annually updated and adopted Fees & Charges
- Maintain records in accordance with Council’s policy and procedure.

The draft Private Works Policy and Procedure have been developed to:

- Create a framework for performing private works that is transparent, objective and consistent;
- Ensure a clear understanding of roles and responsibilities for each party entering into a private works agreement;
- Undertake private works at cost recovery plus return a profit to Goldenfields Water County Council, and

- Ensure statutory compliance in the undertaking and pricing of private works.

FINANCIAL IMPACT STATEMENT

The draft Private Works Policy and Procedure establish the basis for private works charge-out rates in line with legislative requirements.

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

ATTACHMENTS:

1. Draft Private Works Policy & Draft Private Works Procedure.

TABLED ITEMS: Nil.

16.1.7. PROPERTY INVESTMENT STRATEGY

BOARD RESOLUTION

18/091 RESOLVED on the motion of Crs Sinclair and Morris that:

1. The Board rescinds Resolution 17/082, and
2. Council allocates \$1,000,000 to the Property Asset Reserve for the purpose of purchasing suitable staff housing in accordance with the Act.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That:

1. The Board rescinds Resolution 17/082, and
2. Council allocates \$1,000,000 to the Property Asset Reserve for the purpose of purchasing suitable staff housing in accordance with the Act.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

At the November 2017 meeting, a report was presented to the Board outlining a Property Investment Strategy. The report identified a Property Portfolio as an integral component for the future financial success of Council, reducing its reliability on the cash market and expanding income earning potential from alternative sources. The Board resolved as follows (Resolution 17/082):-

1. Approve the budget allocation of \$5,000,000 to a Property Asset Reserve
2. Delegate the General Manager to negotiate the purchase of viable property as the opportunity arises funded from the newly created Property Asset Reserve.

REPORT

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Subsequent to the November 2017 Board meeting, further investigation was undertaken and legal advice obtained regarding the ability of Council to diversify its investment portfolio, under the relevant legislation, being:

- s625 of the Local Government Act,
- The Investment Order notified by the Minister for Local Government under s625 of the Local Government Act (dated 12 January 2011),
- The Investment Policy Guidelines published by the Department of Premier and Cabinet Division of Local Government (dated May 2010),
- ss22 and 388 of the Local Government Act, and
- s50 of the Interpretation Act 1987 (NSW).

The investigation and legal advice confirmed that Council is limited to investments in a form notified by the Minister published in the Gazette (Ministerial Investment Order). The Order does not specify investment in land or property as being authorised investments under s625 of the Local Government Act.

The legal advice concluded that:-

- Council must not invest any surplus money in land in any circumstance,
- Council may purchase land for the bona fide use in exercise of the relevant functions of the County Council,
- Council may purchase residential property for staff accommodation in the bona fide use in exercise of the relevant functions of the County Council, and
- Council is prohibited by s625 of the Local Government Act and the Order from investing surplus funds in the purchase of residential property as an investment and for no other purpose.

A review of future infrastructure renewals is currently under way and although not fully completed, the clear indication is that Council has a full commitment of all current reserve funds to infrastructure and plant renewals. The allocation of \$5,000,000 to a Property Asset Reserve may be detrimental to these asset renewal programmes; however the allocation of \$1,000,000 is reasonable to allow for the purchase of suitable staff housing for the attraction and retention of staff, in accordance with the Act.

FINANCIAL IMPACT STATEMENT

The November 2017 report indicated that property investment could offer annual property value growth of 7.5% and an average rental yield of 5.43%; however as Council is unable to undertake such investments the recommendation does not impact on Council's financial position.

ATTACHMENTS: Nil.

TABLED ITEMS: Nil.

16.1.8. AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES

Report prepared by Corporate Services Manager

BOARD RESOLUTION

18/092 RESOLVED on the motion of Crs Armstrong and Sinclair that the minutes of the Audit, Risk and Improvement Committee meeting held on 28 September 2018 are received and noted.

COUNCIL OFFICER RECOMMENDATION

That the minutes of the Audit, Risk and Improvement Committee meeting held on 28 September 2018 are received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

In 2008 pursuant to section 23A of the Local Government Act 1993, the Department released Internal Audit Guidelines for local government in NSW via Circular number 08-64. In 2010, the Department released revised Internal Audit Guidelines via Circular number 10-22. The Guidelines advised all councils to develop an audit committee as part of an internal audit function to act as an independent and objective oversight of council systems and processes.

REPORT

In accordance with the Audit Office of NSW client service plan, the Goldenfields Water County Council Audit, Risk and Improvement Committee met on Friday 28 September 2018 to review and discuss the draft 2017/18 Financial Reports.

The minutes of that meeting are attached for the information of the Board.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Minutes of Audit, Risk and Improvement Committee meeting held on 28 September 2018.

TABLED ITEMS: Nil.

16.1.9. FINANCIAL STATEMENTS REPORT

This item was suspended at 10.45am to allow Brad Bohun to attend to present the audited financial statements later in the meeting.

11.37am – A 10 minute recess was taken.

11.45am – The meeting was reconvened.

11.45am - The auditor Brad Bohun attended the meeting to present the audited Financial Statements.

BOARD RESOLUTION

18/093 RESOLVED on the motion of Crs Sinclair and McCann that the report on the Financial Statements for the year-ended 30th June 2018 be received and noted.

11.50am – Brad Bohun and Mr Ian Graham exited the meeting and did not return.

Report prepared by Corporate Services Manager

COUNCIL OFFICER RECOMMENDATION

That the report on the Financial Statements for the year-ended 30th June 2018 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

09 Financially Sustainable

BACKGROUND

Council's Financial Statements for the year ended 30 June 2018 are ready for presentation to the general public. Under section 418 of the Local Government Act 1993, Council is required to present its audited Financial Statements, together with the Auditor's Report, to the public having given seven (7) days' notice.

Council's Auditors will attend the Board meeting to present their report.

REPORT

Income Statement (Operating Result)

Council's operating surplus decreased from \$3.841m in the previous year to \$3.747m in the current period (-\$0.94m). Council budgeted for a surplus of \$5.213m.

The decrease in Council's operating surplus from the prior year was a result of a an overall increase in total income from continuing operations of \$3.798m, offset by an overall increase in total expenses from continuing operations of \$3.892m (decrease in operating surplus of -\$0.94m).

The net operating result before capital contributions decreased from a surplus of \$2.965m in the previous year to \$1.738m in the current period (-\$1,227m). Council budgeted for a surplus of \$3.140m.

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Revenue:

Rates and annual charges increased by \$.196m (4.1%).

User charges and fees revenue increased by \$2.360m (17.0%)

Grants and contributions for capital purposes increased \$1.133m.

Expenses:

Employee benefits increased by \$.685m

Materials and contracts expense increased by \$.684m

Other expenses increased by \$1.254m.

Depreciation and amortisation expense increased by \$1.025m

Statement of Cash flows

Council recorded a net decrease in cash and cash equivalents of -\$4.991m in 2018 compared to a net increase of \$2.694m in the prior year.

Net cash provided by operating activities amounted to \$10.051m (2017: \$9.111m). Cash provided by operating activities increased in the current year due to an increase in cash receipts from annual charges, user charges and fees, grants and contributions offset by increased cash payments for employee benefits, materials and contracts and other.

Net cash used in investing activities amounted to \$15.042m (2017: \$6.417m). Council recorded a net cash outflow of \$7.000m from the purchase and sale of investment securities in the current financial year (2017: \$3.000m).

Statement of Financial Position (Balance Sheet)

Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council did not have any cash and investments that were subject to external restrictions as at 30 June 2018.

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in internally restricted cash balances included a net increase of \$3.125m relating to infrastructure replacement works scheduled for completion in the next financial year.

Unrestricted cash decreased by \$6.235m to \$4.320m from \$10.555m in 2017. The decrease in unrestricted cash is due to Council transferring over \$5.000m to the Infrastructure Replacement Reserve. Unrestricted cash remains adequate.

Performance Ratios

Operating performance ratio – The operating performance ratio declined to 8.64% (2017: 14%) due to an increase in electricity costs and depreciation costs, but continued to remain well above the industry benchmark of 0%.

Own source operating revenue ratio – This ratio has remained stable over the past three years and at 91.07% for 2018 (2017: 95%) is well above the benchmark of 60%.

Unrestricted current ratio – This ratio shows a decline in Council’s liquidity position compared to the prior year due to placing more investments in long term rather than short term deposits. At 11.09x this ratio well exceeds the benchmark position of >1.50x.

Rates and annual charges outstanding ratio – At 21.43%, this ratio has slightly decreased from previous year (2017: 24%) and remains outside the industry benchmark. This is due to that fact that Council bills quarterly with the June quarter bills not due and payable until the following financial year. The ratio is not relevant to a water utility.

Cash expense cover ratio – At 39.20 months, Council has performed comfortably above the benchmark of >3.00 months in both the current and prior period, indicating a strong liquidity position.

Special Schedule 7 Report on Infrastructure Assets:

There has been a significant increase in amount to bring back to satisfactory condition, highlighting the need to review the future capital works renewals program, in the future, to ensure Council’s assets are maintained at a required level.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: 2017/18 General Purpose Financial Statements, 2017/18 Special Purpose Financial Statements, 2017/18 Special Schedules & 2017/18 Annual Audit Report.

TABLED ITEMS: Nil.

16.2. MATTERS SUBMITTED BY PRODUCTION AND SERVICES MANAGER

16.2.1. WATER PRODUCTION REPORT

This matter was considered after matter 16.3.1.

BOARD RESOLUTION

18/094 RESOLVED on the motion of Crs Sinclair and Morris that the Water Production Report be received and noted.

Report prepared by Acting Manager Production and Services

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 GWCC 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

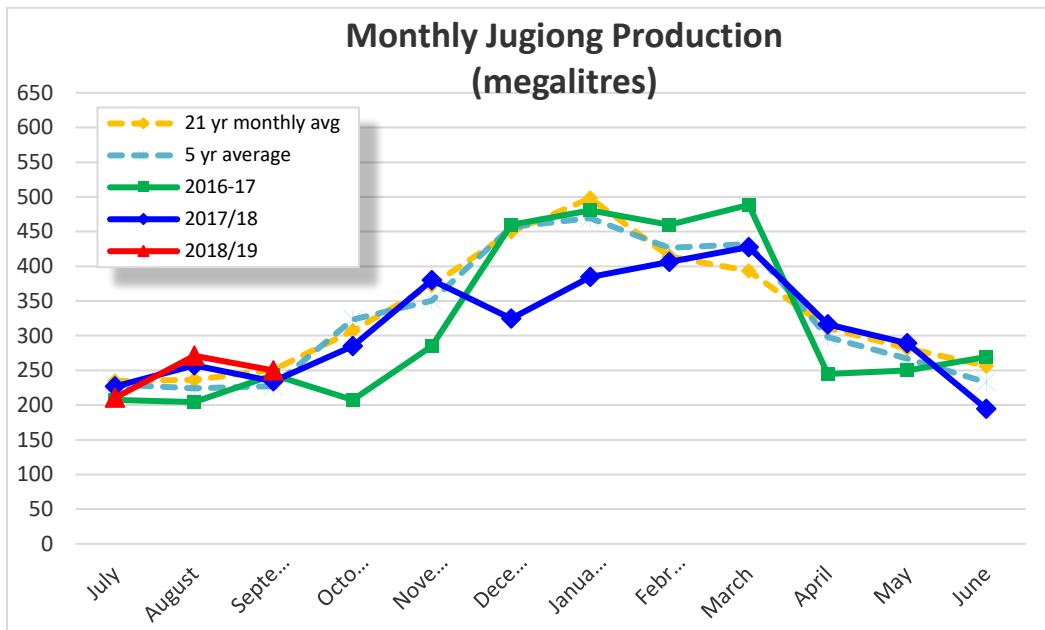
Jugiong drinking Water Scheme

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 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.

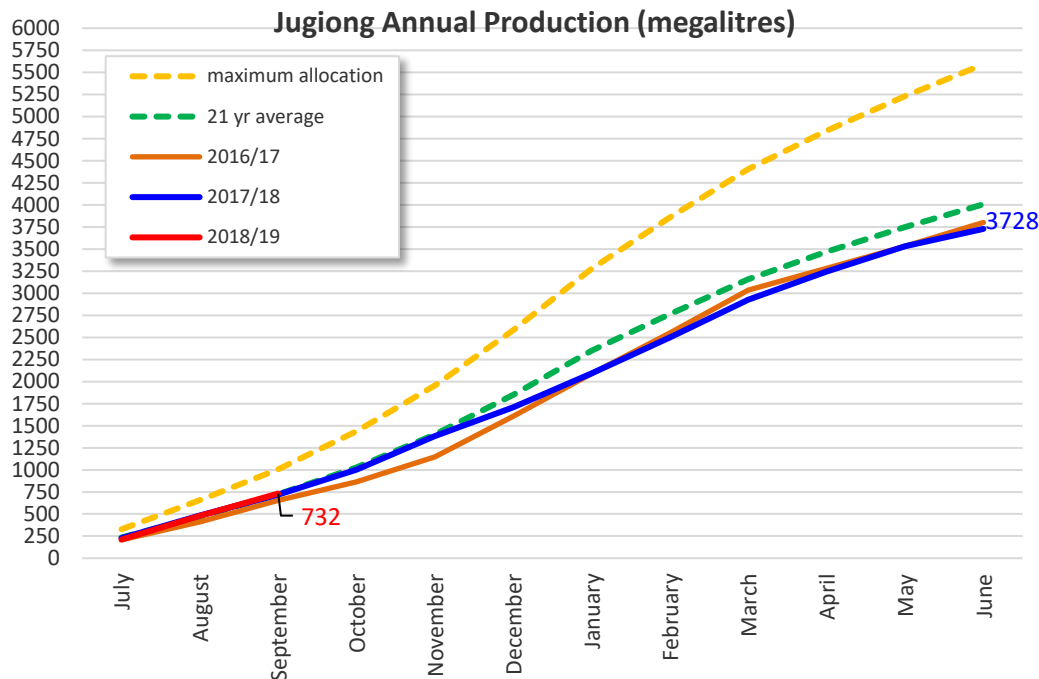
Retail supply to approximately 600 people in the villages of Stockinbingal, Wallendbeen and Springdale.

As can be seen below the Jugiong production for September, 249.96ML, is slightly higher than the same period in 2017, 234.14ML.

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TEMORA OFFICE on 25 October 2018**



To the end of September 2018/19, 732ML of water has been produced through the Jugiong Water Treatment Plant, this is slightly higher (718ML) than for the same period in 2017/18

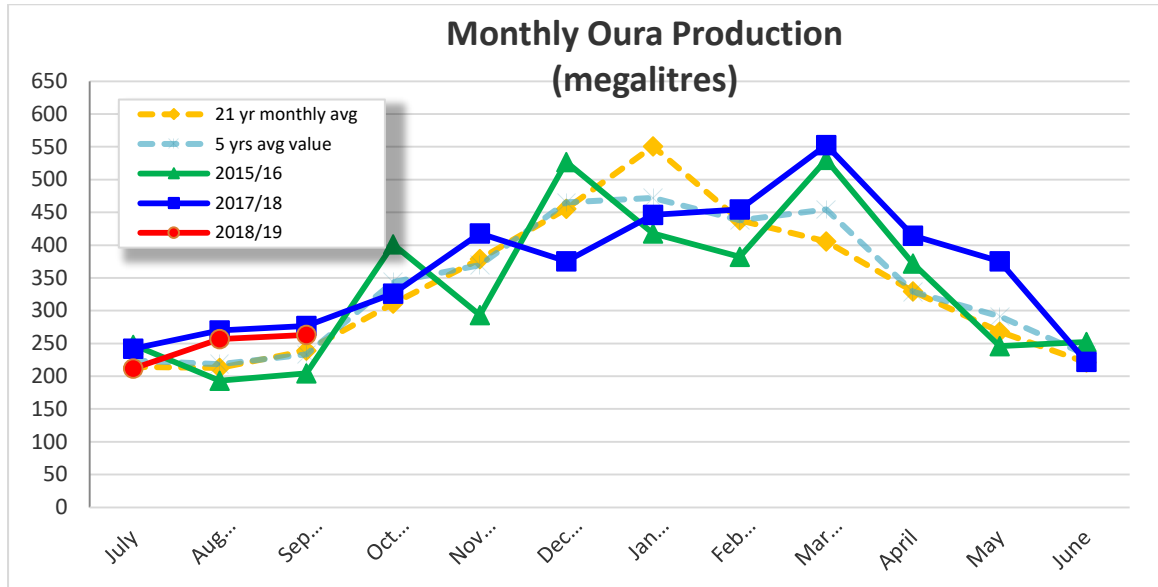


Oura Drinking Water Scheme

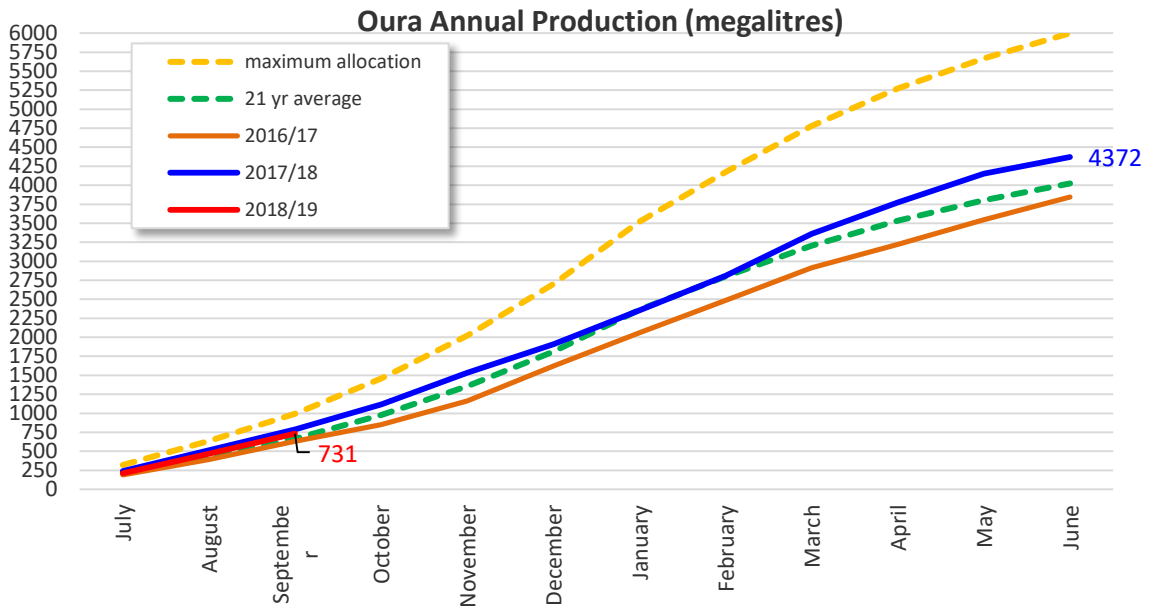
The water source at Oura is the Murrumbidgee inland alluvial aquifer, this water is extracted from 3 bores namely: Bores 3, 4 and 6. The raw water then goes through a treatment process at the Oura Water Treatment Plant that includes Aeration, Disinfection and Fluoridation. The Oura scheme has 33 sets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

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Oura September 2018/19 water production (262.8ML) is trending in a similar fashion to 2017/18 (276.57ML) although production is slightly lower for the same period last year



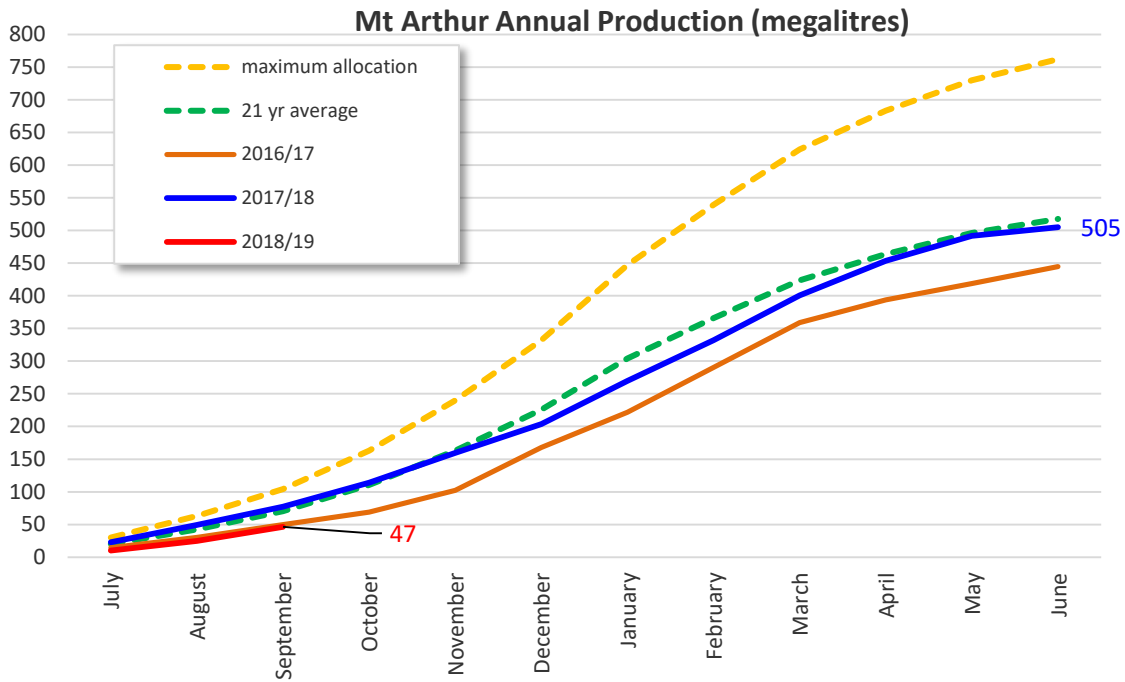
To the end of September 2018/19, 731ML of water has been produced through the Oura Water Treatment Plant this is slightly lower (788ML) than for the same period in 2017/18



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 Shire Wagga Wagga near 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 September 2018/19, 47ML of water has been produced from the Mt Arthur Bores this is lower than for the same period in 2017/18 (77ML)



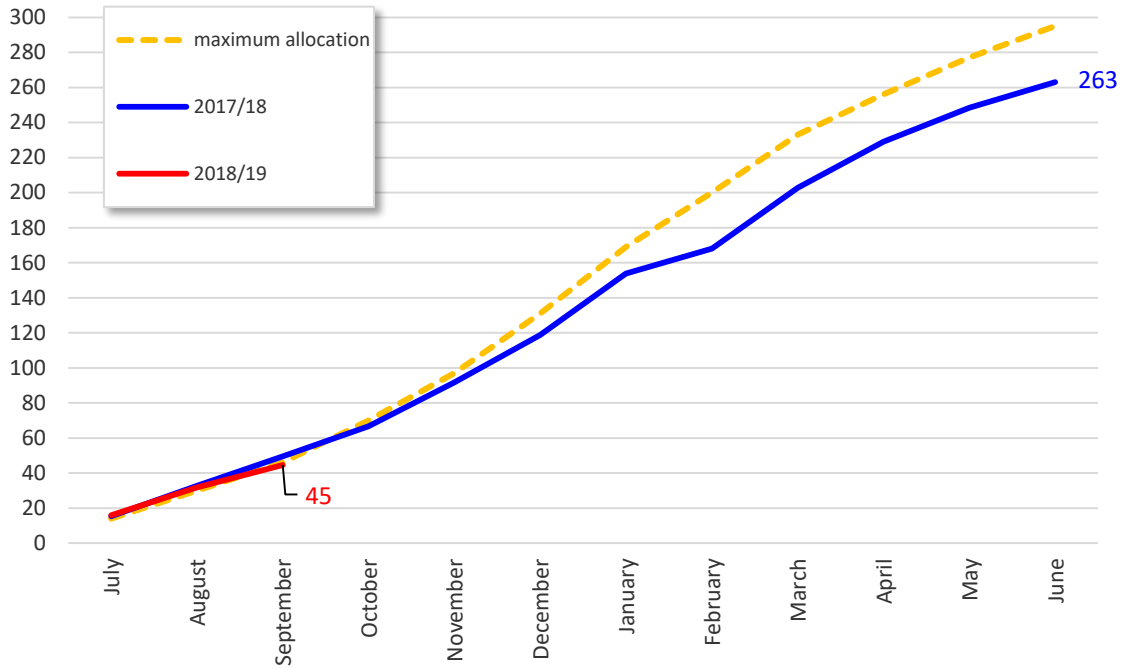
Mount Daylight Drinking Water Scheme

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

Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at TEMORA OFFICE on 25 October 2018

To the end of September 2018/19, 45ML of water has been produced from the Mt Daylight bores this is lower than for the same period in 2017/18 (50ML)

Daylight Annual Volume (megalitres)

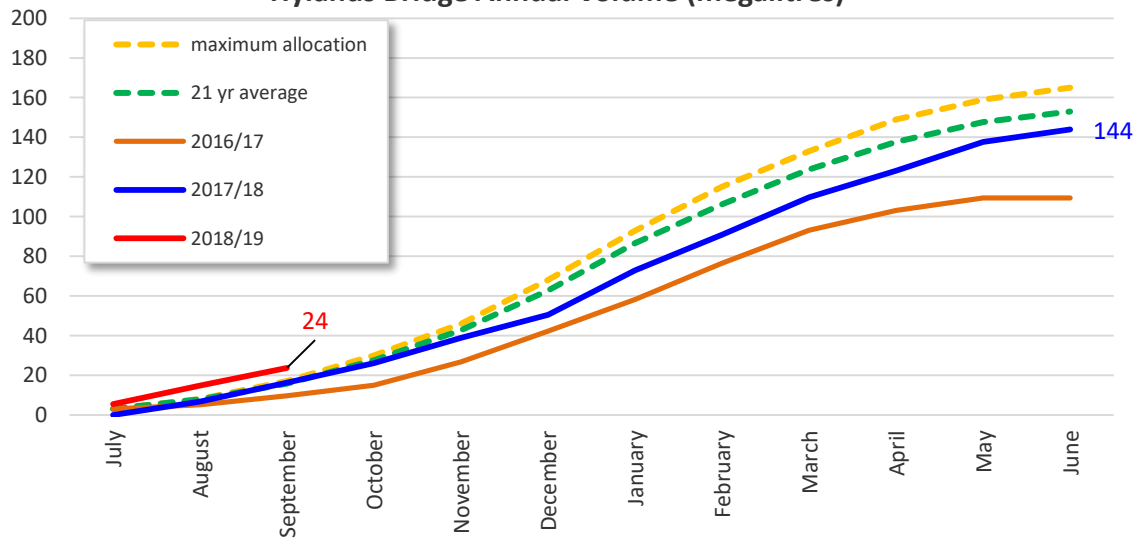


Hylands Bridge - Non Potable

Hylands Bridge supplies Non Potable water to Barellan and Binya.

To the end of September 2018/19, 24ML of water has been produced from Hylands Bridge this is higher than for the same period in 2017/18 (16ML)

Hylands Bridge Annual Volume (megalitres)



FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Nil

TABLED ITEMS: Nil

16.3. MATTERS SUBMITTED BY THE GENERAL MANAGER

**16.3.1. RELATIVE EFFICIENCIES AND ECONOMIES OF THE RETICULATION AND
DISTRIBUTION OF WATER**

BOARD RESOLUTION

18/095 RESOLVED on the motion of Crs McCann and Morris that:

- 1. The Board approve the submission to the Minister on the review of "the relative efficiencies and economies of the reticulation and distribution of water of the towns of Cootamundra, Harden and Young compared with reticulation and distribution of water within such areas by the County Council"**
- 2. The cover letter to the Minister accompanying the report include Councils recommendation that the current proclamation, allowing the Hilltops and Cootamundra Council to continue to be responsible for the reticulation systems within their Council regions, through the purchase of bulk water from Goldenfields Water.**

Cr Sinclair was opposed to the resolution.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

The Board approve the submission to the Minister on the review of "the relative efficiencies and economies of the reticulation and distribution of water of the towns of Cootamundra, Harden and Young compared with reticulation and distribution of water within such areas by the County Council"

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

03 Strategic Water Management

BACKGROUND

As part of Goldenfields Water's Proclamation, every three years we are required to undertake a review of "the relative efficiencies and economies of the reticulation and distribution of water" by the Councils of the towns of Cootamundra, Harden and Young "compared with reticulation and distribution of water within such areas by the County Council" and report the findings to the Minister.

REPORT

Goldenfields Water engaged Atom Consulting to undertake the review to ensure a level of independence in the review findings. Atom Consulting has previously consulted to all the Councils involved in the review, and have an excellent reputation within the Water Industry.

This efficiency review considered financial aspects, corporate activities and scheme specific activities. In undertaking the review, Atom Consulting met with representatives of Goldenfields Water, Hilltops and Cootamundra-Gundagai Councils. In addition, data was requested to enable comparisons to be undertaken. Gaps in available data or assumptions made during the analysis are noted where relevant in the report. Where data was either insufficient or not provided, no analysis was been presented in this report.

FINANCIAL IMPACT STATEMENT

The recommendation does not impact on Councils Financial Position.

ATTACHMENTS: The review of “the relative efficiencies and economies of the reticulation and distribution of water of the towns of Cootamundra, Harden and Young compared with reticulation and distribution of water within such areas by the County Council”, prepared by Atom Consulting.

TABLED ITEMS: Goldenfields Water submission to the Minister of the review of “the relative efficiencies and economies of the reticulation and distribution of water of the towns of Cootamundra, Harden and Young compared with reticulation and distribution of water within such areas by the County Council”

**16.3.2. GOLDENFIELDS WATER DRY TIMES PREPAREDNESS ASSISTANCE TO THE
COMMUNITY**

Moved on the motion of Crs McCann and Sinclair that:

1. Goldenfields Water increases the number of bulk water filling station upgrades to include Barmedman at an additional \$60,000 to the capital works budget.
2. A 25% discount on the stand pipe usage rates be provided to farmers undergoing hardship as a result of the dry times, where water is sourced at the new bulk water filling stations. The discount is applied until 30 June 2019.

An amendment was moved on the Motion of Crs Morris and Armstrong that in addition to points 1 and 2 that the following be included: 3. A 25% rebate on the Goldenfields Water stand pipe usage rates be provided to farmers undergoing hardship as a result of the dry times, from any non-electronic water filling stations. Goldenfields is to develop a rebate system in this instance. The discount is applied via rebate until 30 June 2019.

The amendment was put to a vote – the vote was unanimous in support of the amendment.

BOARD RESOLUTION

18/096 RESOLVED on the motion of Crs McCann and Sinclair that:

1. Goldenfields Water increases the number of bulk water filling station upgrades to include Barmedman at an additional \$60,000 to the capital works budget.
2. A 25% discount on the Goldenfields Water stand pipe usage rates be provided to farmers undergoing hardship as a result of the dry times, where water is sourced at the new bulk water filling stations. The discount is applied until 30 June 2019.
3. That the 25% rebate on the Goldenfields Water stand pipe usage rates be provided to all farmers undergoing hardship as a result of the dry times including existing filling stations. Goldenfields is to develop a rebate system in this instance. The discount is applied via rebate until 30 June 2019.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

1. Goldenfields Water increases the number of bulk water filling station upgrades to include Barmedman at an additional \$60,000 to the capital works budget.
2. A 25% discount on the stand pipe usage rates be provided to farmers undergoing hardship as a result of the dry times, where water is sourced at the new bulk water filling stations. The discount is applied until 30 June 2019.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

05 Proactive Customer Relations

BACKGROUND

The current 2018/19 Capital Works budget has an allocation of \$120,000 for the installation of a new bulk water filling station, activated by an electronic button. These are planned to be located at Temora and Wyalong.

REPORT

A prototype design has been developed for the bulk water filling station to be installed at Temora. This design should increase the flow of water available to bulk carters of the water and reduce the filling time. A review of current usage patterns from customers accessing water from the overhead stand pipes indicates that in addition to those two stations, Barmedman also has a significant demand for water. Historically, the remaining overhead standpipes have received only limited use.

It is proposed that Goldenfields Water allocate an additional \$60,000 to the capital works budget, allowing for a third bulk water filling station upgrade to be installed at Barmedman.

As the dry times have the potential to have significant financial impact on the farmers in our community, it is proposed that financial consideration be provided to those farmers who are relying on carting water to their properties. A discount of 25% from stand pipe usage rates

should apply to farmers that apply for consideration on financial hardship grounds. The projected increase in water sales should offset the loss of revenue through the application of a discount.

This discount is to be applied until the end of June 2019, at which time a review will be undertaken.

FINANCIAL IMPACT STATEMENT

The Capital Works Budget will be increased by an additional \$60,000. As there will be a predicted increase in water sales during the dry times, any reduction in water charges to the affected farmers should not negatively impact the overall operational result.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

16.3.3. APPOINTMENT OF ACTING GENERAL MANAGER

Report prepared by General Manager

BOARD RESOLUTION

18/097 RESOLVED on the motion of Crs McCann and McGlynn

- 1. The General Manager is granted leave from the 7th to 21st December 2018.**
- 2. Council appoints Geoff Veneris, Manager Production and Services as acting General Manager during the period 7 to 21 December 2018.**

COUNCIL OFFICER RECOMMENDATION

1. The General Manager is granted leave from the 7th to 21st December 2018.
2. Council appoints Geoff Veneris, Manager Production and Services as acting General Manager during the period 7 to 21 December 2018.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Under section 334 of the Local Government Act, council must appoint the general manager.

REPORT

I am seeking to take leave from the 7th to 21st December 2018 for personal reasons. As this period is greater than 4 days, the appointment of an acting general manager is required to ensure efficient operations and the functions of the general manager are maintained during this period.

It is my recommendation that Geoff Veneris, Manager Production and Services is appointed to this position for the period between 7 and 21 December 2018.

FINANCIAL IMPACT STATEMENT

The annual operating budget includes funding for acting allowances, therefore there is not an impact on Councils Financial Position.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

16.3.4. MANDAMAH PROGRESS REPORT

BOARD RESOLUTION

18/098 RESOLVED on the motion of Crs McGlynn and McCann that the progress report on the Mandamah Rural Water Supply Scheme be received and noted.

Report prepared by Engineering Officer

COUNCIL OFFICER RECOMMENDATION

That the progress report on the Mandamah Rural Water Supply Scheme be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

02 Maximising Regional Water Supply

BACKGROUND

Goldenfields Water is expanding its supply area over the next six years by adding a new rural water supply scheme to its existing service area around the Mandamah region of NSW (west of the town of Barmedman). The scheme will have the capacity to supply water to approximately 100 connections and will include approximately 180km of pipe, two reservoirs and a pump station.

The scheme has been broken up into four stages with Stage one currently in construction phase which includes; 2 reservoirs and 60km of pipeline.

The project is scheduled to be delivered by July 2023 with a total project budget of \$10.9m.

REPORT

Reservoir design and construction was awarded to Hornick Constructions on the 1st of March 2018 for a tendered amount of \$1.05M, construction started on 12th of June 2018 with a construction period of 26 weeks. Due to delays in obtaining certain specialised construction materials and encountering rock during excavation of the reservoir foundations, an 11 week extension was granted to Hornick Constructions with revised completion date of 26th of November 2018. The encounter of rock will attract a variation to the original tender price of an estimated \$40,000.

Stage one pipeline construction is being delivered in house, construction started November 2017 and currently Goldenfields Water has completed the following:

- 19.3km of 200mm PVCMM of 33.95km
- 4.7km of 63mm PE of 17.1km
- 4.9km of 100mm PVCMM 7.65km

None of the newly constructed pipelines have currently been tested or commissioned.

Goldenfields Water has requested quotations for the preliminary design for Stages 2 - 4 and the pump station. Goldenfields Water received two quotations to undertake the requested work. A review of these is currently being undertaken and an appointment of the successful consultant is anticipated by the end of the October 2018.

FINANCIAL IMPACT STATEMENT

The Project is currently budgeted within the 2018/19 Capital Works Budget.

ATTACHMENTS: Project Progress Status Report (as at 30 September 2018).

TABLED ITEMS: Nil

16.3.5. ASSET MANAGEMENT POLICY AND RISK FRAMEWORK

BOARD RESOLUTION

18/099 RESOLVED on the motion of Crs Morris and Armstrong that the Board:

1. **Adopt the revised Asset Management Policy (PP026)**
2. **Adopt the revised Risk Management Policy (PP022)**
3. **Adopt the Draft Risk Management Framework**
4. **Adopt the Draft Risk Matrix and Consequence Table**

Report prepared by Engineering Officer

COUNCIL OFFICER RECOMMENDATION

That the Board:

1. Adopt the revised Asset Management Policy (PP026)
2. Adopt the revised Risk Management Policy (PP022)
3. Adopt the Draft Risk Management Framework
4. Adopt the Draft Risk Matrix and Consequence Table

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

03 Strategic Water Management

BACKGROUND

Staff have been reviewing asset and risk management processes to help better prioritise current works and ensure resources are targeted at projects of the highest priority.

REPORT

Goldenfields Water is committed to providing a safe and reliable water supply. In order to do so Goldenfields Water must be able to identify the risks associated with such supply. A Draft Risk Management Framework and Risk Management Policy has been put together that aligns with ISO 31000: 2018 *Risk Management – Guidelines* and provides information on the roles, responsibilities, processes as well as procedures, standards, tools and documentation to be used for managing risk. Once adopted, utilisation of the Risk Management Policy and Framework will strengthen Goldenfields Water decision making, and resource allocation processes ensuring that works are prioritised and are conducted within a suitable timeframes.

A draft Risk Matrix and Consequence Table has been included as an appendix to the Risk Management Framework. This table once adopted will be the key tool to refer to for effective risk assessment. It will be used to assess all external and internal risks that are a potential threat to Goldenfields Water. The associated risk tables will be the single point of truth across Goldenfields Water for risk assessment and treatment.

Risk assessment will be a key component of asset management planning and prioritisation. A draft asset management policy which aligns with the both the draft risk management framework and policy has been developed as part of the process.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS:

- Draft Asset Management Policy
- Draft Risk Management Policy
- Draft Risk Management Framework
- Draft Risk Matrix and Consequence Table

TABLED ITEMS: Nil

16.3.6. DELIVERY PROGRAM PROGRESS REPORT

BOARD RESOLUTION

18/100 RESOLVED on the motion of Crs McCann and Morris that Goldenfields Water's Delivery Program Progress Report January – June 2018 be received and noted.

Report prepared by General Manager

COUNCIL OFFICER RECOMMENDATION

That Goldenfields Water's Delivery Program Progress Report January – June 2018 be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

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

REPORT

Goldenfields Water Delivery Program 2017 – 2021 was adopted in June 2017. The January – June 2018 progress report is the second within this four year reporting period.

There have been a number of staff movements during the second half of the 2018 Financial Year that have impacted on the delivery of some of the programs.

These include

- The resignation and subsequent recruitment of a new general manager. An interim general manager was appointed for the first four or the six month reporting period.
- The Human Resources Coordinator was on maternity leave (without replacement) during this reporting period.
- The appointment of a Water Quality Officer assisted in the development and implementation of the new Drinking Water Management System.
- The appointment of a Community Education and Engagement Officer drove Goldenfields Water into the age of social media, enabling engagement with our community through a range of new media platforms

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Delivery Program Progress Report January – June 2018

TABLED ITEMS: Nil

16.3.7. ANNUAL REPORT

Report prepared by General Manager

BOARD RESOLUTION

18/101 RESOLVED on the motion of Crs McGlynn and Armstrong that Council's 2017/18 Annual Report be received and noted.

COUNCIL OFFICER RECOMMENDATION

That Council's 2017/18 Annual Report be received and noted.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Section 428 of the Local Government Act 1993, requires Council to prepare an Annual Report.

REPORT

Goldenfields Waters' 2017/18 Annual Report is the first report within this four year reporting period for the 2017 – 2021 Delivery Program.

The achievements detailed in this report are testimony to an energetic and dedicated workforce. Goldenfields Water must ensure that key staff are available 24 hours a day / 365 days a year. This requires staff to be on call and potentially be called to work on public holidays and weekends. The results and outcomes are a reflection of the efforts of all staff within the organisation, undertaking a variety of roles from the front office in Temora to the remote areas within our 22,500 square kilometre footprint.

The management of Goldenfields Water acknowledges the efforts of all staff and the 2017/18 Annual Report is included as an attachment.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: 2017/18 Annual Report

TABLED ITEMS: Nil

16.3.8. COUNCIL MEETING DATES 2018/2019

Report prepared by General Manager

BOARD RESOLUTION

18/102 RESOLVED on the motion of Crs Morris and McGlynn that Council set the meeting schedule as described for the ensuing twelve months.

COUNCIL OFFICER RECOMMENDATION

That Council set the meeting schedule as described for the ensuing twelve months.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

07 Efficient Operations

BACKGROUND

Goldenfields Water County Council meetings are held on the fourth Thursday of every second month at the Temora Office, commencing at 10.00am

REPORT

By reviewing the meeting schedule for the ensuing twelve months at the October meeting each year, a new Council and / or a new Chairman can revise the meeting schedule after the annual Chair elections have been held.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 25 October 2018**

Goldenfields Water Council meetings are generally held on the fourth Thursday of every second month. However, applying this to the April meeting results in the meeting falling on ANZAC day. Therefore it is proposed that the meeting be scheduled for 2 May 2019.

In order to allow advance public notification of Council meeting dates for the next twelve months, the following program is put forward for consideration:

- Friday 21 December 2018, commencing at 10am
- Thursday 28 February 2019, commencing at 10am
- Thursday 2 May 2019, commencing at 10am
- Thursday 27 June 2019, commencing at 10am
- Thursday 22 August 2019, commencing at 10am
- Thursday 24 October 2019, commencing at 10am

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Nil

TABLED ITEMS: Nil

16.3.9. OFFICE CLOSURE

Report prepared by General Manager

BOARD RESOLUTION

18/103 RESOLVED on the motion of Crs Stadtmiller and Sinclair that Council endorse the office to be closed from 12.00pm Friday 21 December 2018 and to reopen Monday 7 January 2019.

COUNCIL OFFICER RECOMMENDATION

That Council endorse the office to be closed from 12.00pm Friday 21 December 2018 and to reopen Monday 7 January 2019.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

08 Highly Skilled and Energetic Workforce

BACKGROUND

Council has previously closed its office for a period of two weeks during the Christmas and New Year Period, with minimal disruption to Council's normal operations.

REPORT

The office closure is proposed to be from 12.00pm Friday 21 December 2018 and to reopen Monday 7 January 2019.

Benefits are:

- The first week of the New Year is a quiet week for customer interaction,

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at
TEMORA OFFICE on 25 October 2018**

- Many businesses that Council deals with are closed that week,
- Many staff take advantage of extending their Christmas/New Year break, and
- The additional closure assists annual leave liability management.

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 during December.

FINANCIAL IMPACT STATEMENT

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

ATTACHMENTS: Nil

TABLED ITEMS: Nil

16.3.10. COUNCIL CHRISTMAS FUNCTION

Report prepared by General Manager

BOARD RESOLUTION

18/104 RESOLVED on the motion of Crs Sinclair and McCann that Goldenfields Water host a Christmas function at the conclusion of the December council meeting.

COUNCIL OFFICER RECOMMENDATION

That Goldenfields Water host a Christmas function at the conclusion of the December council meeting.

ALIGNMENT WITH BUSINESS ACTIVITY STRATEGIC PLAN

08 Highly Skilled and Energetic Workforce

BACKGROUND

Goldenfields Water hosts a Christmas function for the Board, staff and their families to acknowledge the efforts of employees over the preceding year.

REPORT

Goldenfields Waters December council meeting is normally held with a Christmas function immediately following its conclusion. Councillors, staff and families are invited to attend.

Details of the function will be provided closer to the date.

Transportation will be arranged for employees whose roles are based outside Temora.

FINANCIAL IMPACT STATEMENT

The cost of hosting a Christmas function has been allocated with the budget.

ATTACHMENTS: Nil

TABLED ITEMS: Nil

17. NEXT MEETING

The next ordinary meeting of council is scheduled to be held on Friday 21 December 2018 at 10.00am.

18. QUESTIONS AND STATEMENTS

Tony Goodyer provided a response to the question in relation to item 15.1.1 asked by Cr Armstrong: 'how far the pump was into the Asset Schedule'. The pump was 3 years and 30,000 hours overdue for refurbishment.

Cr McCann - Nil

Cr McGlynn – Thanked Tony Goodyer for the Mandamah site visit.

Cr Stadtmiller - Nil

Cr Morris – Nil

Cr Armstrong - Nil

Cr Sinclair – Nil

19. CLOSE OF BUSINESS

There being no further business requiring the attention of Council the meeting was declared closed at 12.50pm
