

CENTRAL TABLELANDS *Water*



Business Paper

Ordinary Meeting of Central Tablelands *Water*

13th December 2017

Canowindra



8th December 2017

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at The Old Vic Inn, Canowindra on Wednesday, 13th December 2017 at 10.30am. Morning tea will be served at 10.00am.

Agenda

1. Presentation of Financial Statements FY2016-2017 – Mr John O'Malley - Intentus
2. Public Forum
3. Apologies for non-attendance
4. Leaves of absence granted
5. Confirmation of Minutes - Ordinary Meeting held on 18.10.17
6. Chairman's Minute
7. Councillor Representation
8. Notices of Motion
9. Reports of Staff
10. Adjourn Meeting and proceed into Committee of the Whole
11. Resume Ordinary Meeting & Report of Committee of the Whole
12. Next Meeting – Blayney – 14th February 2018

Yours faithfully

G. Rhodes
General Manager

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HELD ON WEDNESDAY 13 DECEMBER 2017

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01) FINANCIAL MATTERS (FM.BA.1)

(Peter McFarlane)

RECOMMENDATION:

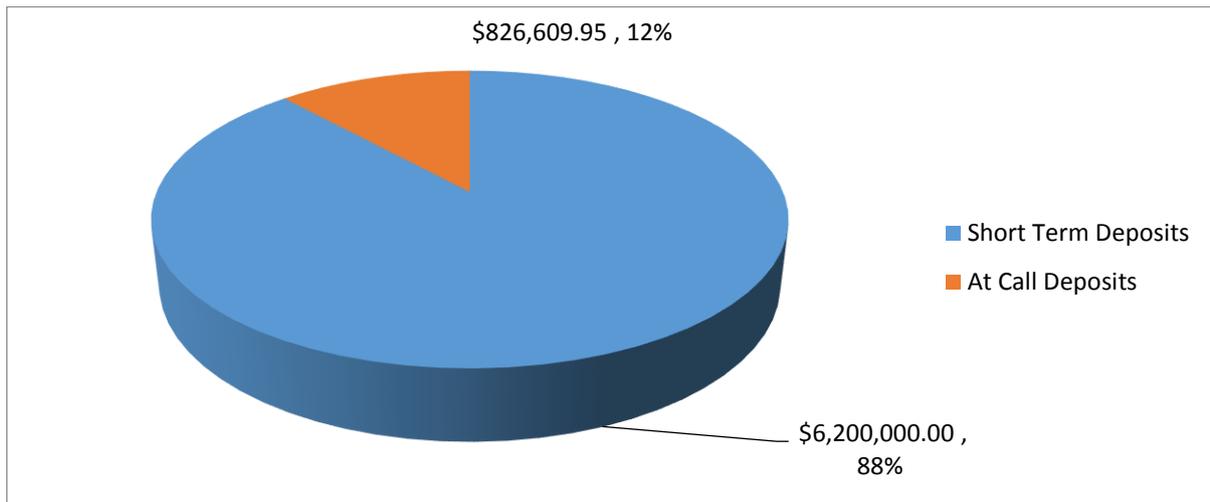
1. That the information be noted.

REPORT**Cash and Investments**

The investment summary below represents Council's total investments as at 30 November, 2017 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

		Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	\$ 6,200,000.00				88.24%
BOQ - Curve Securities	700,000	181	3.00%	5/12/17	9.96%
RimSec - ING	500,000	245	2.92%	13/02/18	7.12%
RimSec - ING	500,000	183	2.75%	13/12/17	7.12%
BOQ - Curve Securities	800,000	273	2.85%	24/04/18	11.39%
AMP - Curve Securities	500,000	182	2.85%	29/01/18	7.12%
Reliance Credit Union	500,000	180	2.85%	2/02/18	7.12%
Reliance Credit Union	500,000	180	2.80%	2/02/18	7.12%
Reliance Credit Union	500,000	180	2.80%	8/02/18	7.12%
AMP - Curve Securities	700,000	182	2.95%	6/03/18	9.96%
Reliance Credit Union	500,000	181	2.95%	12/03/18	7.12%
BOQ - Curve Securities	500,000	182	2.70%	24/05/18	7.12%
At Call Deposits	\$ 826,609.95				11.76%
Commonwealth Bank Cheque Account	\$ 250,414.48	At Call	1.35%	N/A	
Commonwealth Bank - BOS Account	\$ 576,138.65	At Call	1.40%	N/A	
Reliance Credit Union - Cheque Account	\$ 56.82	At Call	0.00%	N/A	
Total Value of Cash and Investments	\$ 7,026,609.95				100%

Cash and Investments By Type



BANK RECONCILIATION AS AT 30 NOVEMBER 2017

Balance as per Bank Statement	\$	826,609.95
Less: Outstanding Cheque	\$	80.00
Add: Outstanding Deposit	\$	23,188.00
Balance as per Cash Book	\$	<u>849,717.95</u>

GENERAL FUND

(a) Cash Book Balance	\$	849,717.95
(b) Bank Balance	\$	849,717.95

The above investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulation 2005 and Council’s Investment Policy.

Peter McFarlane
 Director Finance & Corporate Services

Commentary on Investment Matters

During November, 2017, AMP Bank reduced their interest rates on short term deposits by up to 20 basis points (0.2%). As Council has a number of investments with the AMP Bank, this reduction has necessitated the need to consider a change of institution when these AMP Investments mature, in order to maintain a reasonable return on invested funds. In the past, the best choice may have been rolling the funds with the AMP Bank but now alternate institutions with a similar risk profile may present a better option.

Council is a group member of the Lehman Brothers Australia Limited (in Liq) action arising from the investment in structured securities called Collateral Debt Obligations (CDOs). This matter has been ongoing since 2008 during the period known as the global financial crisis. (referred to as the GFC). The liquidator of Lehman Brothers Australia Limited has advised that a further dividend of 11.27 to 15.05 cents in the dollar can be expected to be received in the future. As there is outstanding litigation to be finalised before the distribution can be made, the timing of payment is not certain at this time.

The Reserve Bank has held the cash rate at 1.50% at its recent December Board meeting. This is expected to remain unchanged for some time as consumer demand is fairly stagnant in response to low levels of wage growth.

There has been a slight easing of Term Deposit rates over the last couple of months however some institutions offer specials on short term rates from time to time. If the timing is suitable, Council will look to take advantage of these specials. It is also notable that Council needs to keep a short term rolling investment profile to fund major capital projects such as the Orange to Carcoar pipeline and the completion of stage 2 of Trunk Main "K".

BUDGET IMPLICATIONS

Interest income may be affected by a reduction in short term interest rates however this is being offset by higher average funds invested at the present time. This situation will be monitored and may change as major capital projects are progressed further.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

02) ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORTS - YEAR ENDING 30 JUNE 2017 (CM.AU.1)

(Peter McFarlane)

RECOMMENDATION:

1. That the 2016/17 Financial Statements and Auditor's Reports be received.

REPORT

Council's Financial Statements for the year ending 30 June, 2017 have been completed and in accordance with Section 418 (1) of the Local Government Act 1993 (the Act) are now presented to the public.

In accordance with Section 420 of the Act, any person may make a submission in writing with respect to Council's Annual Financial Statements or the Auditor's Reports. The closing date for submissions is Wednesday 20 December, 2017.

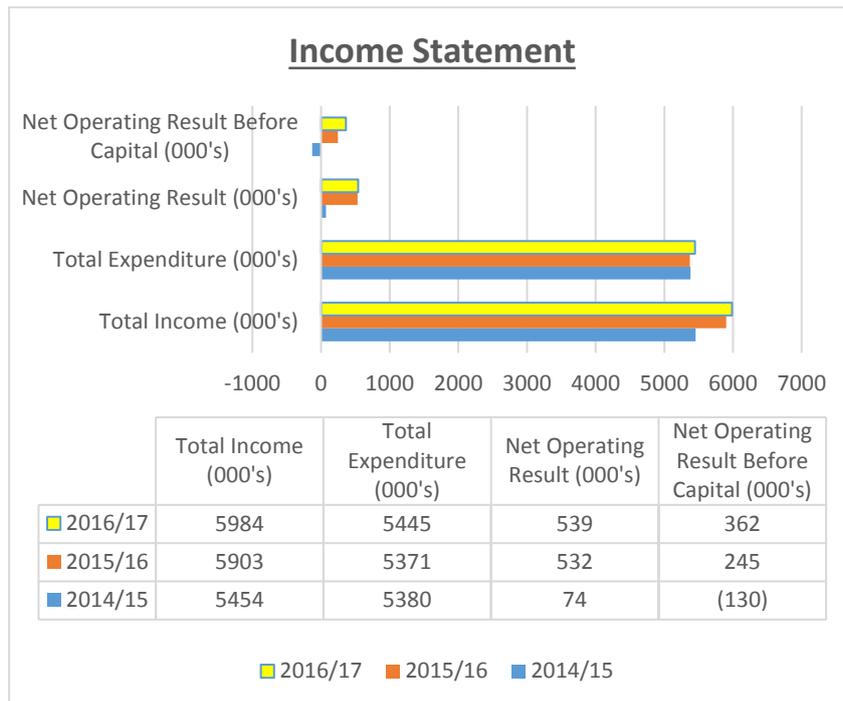
A copy of Council's Audited Financial Statements may be viewed on Council's website at www.ctw.gov.au or alternatively are available at Council's Administration Office located at 30 Church Street, Blayney.

Mr John O'Malley, on behalf of the Audit Office of NSW will be presenting an outline of the conduct of the Audit and the Auditor's Reports at the December meeting.

Council will recall that an extension was granted to Council to lodge the audited financial statements by 24 November 2017. The Audit Reports were issued on 20 November 2017 and after final formatting the Financial Statements were lodged with the Office of Local Government on 23 November 2017.

Everyone is encouraged to read the full set of Financial Statements and Audit Reports however below are some key comparisons of the 2016/17 result compared to the previous 2 years.

Income Statement



It is significant to note that a number of non-recurrent factors influenced the result for both 16/17 and 15/16, they are as follows:

- Investment Recoveries being \$107K in 16/17 and \$118K in 15/16.
- Pipeline Project Management Income being \$76K in 16/17 and \$23K in 15/16.
- Net gains of \$85K were realised from the sale of plant in 16/17 compared to a loss on disposal of \$51K in 2015/16.

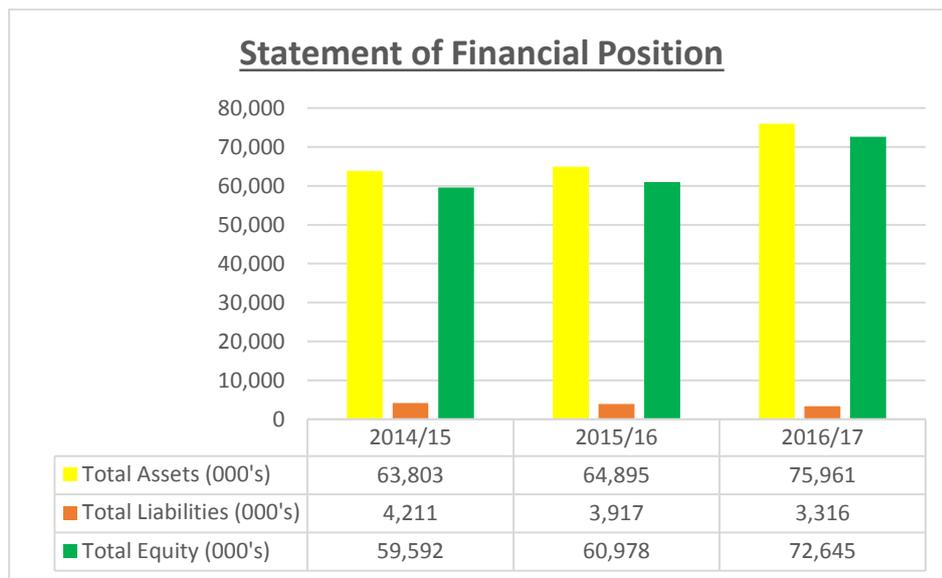
Total Costs in 16/17 at \$5.445M were at similar levels to the 15/16 at \$5.371M and 14/15 of \$5.380M.

Statement of Financial Position

As can be seen on the graphs below the total assets grew from \$64.395M in 15/16 to \$75.961M in 16/17. This is mainly attributable to the full revaluation of water infrastructure assets that was undertaken at 30 June 2017. The revaluation added \$11.128M to the fair value (carrying value) of the infrastructure assets.

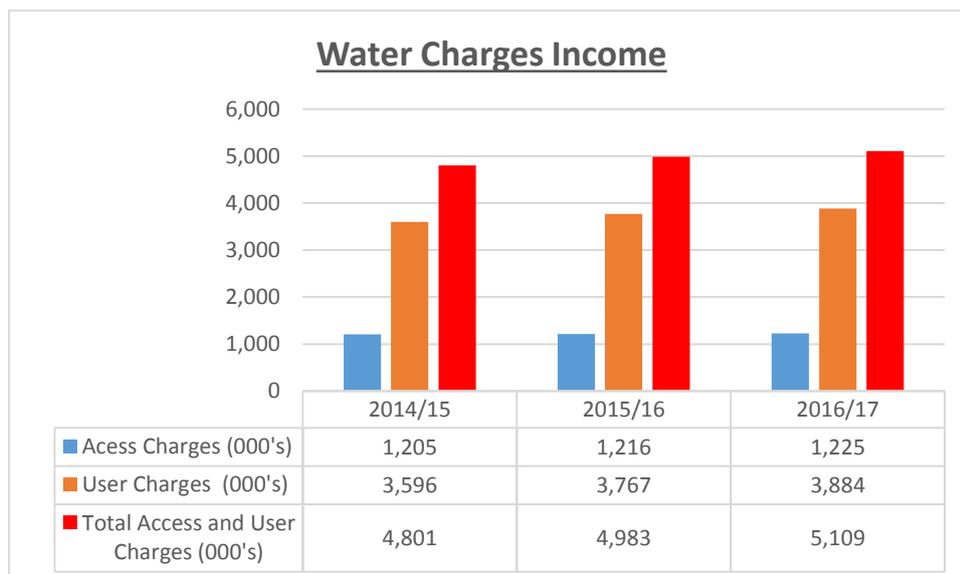
It is significant to note that prior to the revaluation, Council’s written down value of the water infrastructure assets was estimated to be 64% through its life (Written Down Value divided by Gross Replacement Cost as per Note 9) being \$71.251M/\$127.525M compared to \$73.427M/\$141.205M or 52% through its life after the revaluation. This change can be used to inform Council’s asset management planning in respect of the possible timing of future asset renewal programs.

Total liabilities continue to fall in line with the repayment of Council’s infrastructure loan borrowings (a \$10M fixed rate 20 year term loan will be fully repaid in 2020/21).



Water Charges Income

This consists of both access charges and water usage charge income. As can be seen from the graph below, access charges have been relatively unchanged over the last 3 years. Water usage income has grown slightly. It is important to note that the demand for water is not inelastic so as water charges rise, the demand for water will fall. It is also significant to note that climatic conditions can impact water usage significantly in both very dry conditions (with water restrictions used) and very wet conditions (where discretionary water use is not required).



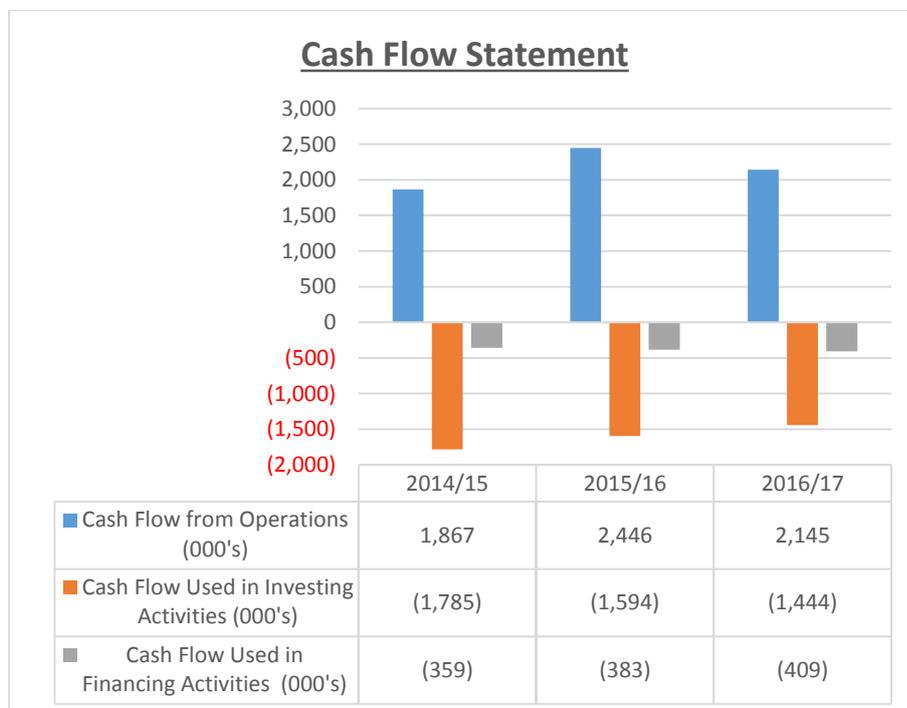
Cash Flow Statement

Council generated \$2.145M from operations in 16/17. This was down from \$2.446M in 15/16, due principally to leave entitlements paid out following the termination of long serving employees during the year.

Cash used for investing activities included \$2.539M for capital expenditure. This included approximately \$2.1M for the major projects such as the Orange to Carcoar Pipeline and Trunk Main K relocation. These outflows were offset by sales of plant and equipment of \$310K and the redemption of investments.

Financing activities consisted of loan principal repayments of \$409K.

Overall cash and investments reduced by \$508K from \$7.873M in 15/16 to \$7.365M in 16/17.



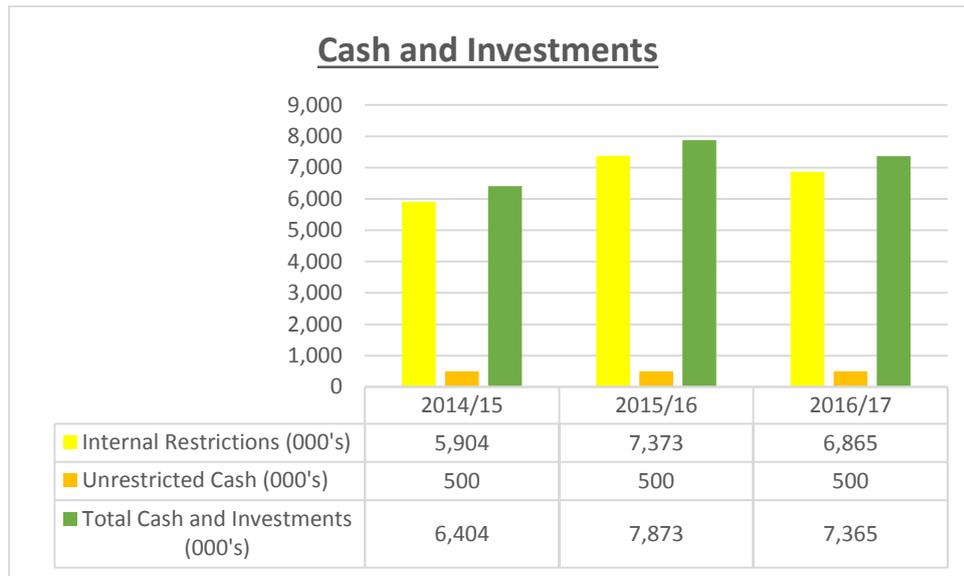
Cash and Investments

Council’s cash and investments totalled \$7.365M at 30 June 2017 (Note 6). This consisted of \$500K of unrestricted funds and \$6.865M of internal restrictions.

It is significant to note that Council’s Employment Leave Entitlement (ELE) restriction reduced from \$427K at the beginning to \$235K at the end of the financial year. This was the result of the funding of payments due to the retirement and resignation of long term employees. The ELE restriction represented 38% of the total ELE liabilities of \$606K (Note 10) at the balance date. This level is considered adequate at this time but will require monitoring closely in the future to ensure that funds are transferred to the restriction as required.

The Infrastructure Restriction has a balance of \$5.985M at 30 June 2017, this is a decline of \$495K over the balance at 30 June 2016. This reflects the fact that funds spent on Council’s capital works program in 2016/17 exceeded the transfers to the restriction.

Unrestricted cash at a level of \$500K provides a degree of flexibility to respond to short term cash demands without needing to resort to transferring funds from restrictions. The level of payables shown at Note 10 at \$274K were able to be covered by the \$500K unrestricted funds balance.



Attention is also drawn to Note 13(a) of the Financial Statements that indicate that Council’s performance measurement indicators remain sound and above the local government industry benchmarks.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

03) QUARTERLY BUDGET REVIEW STATEMENT – 30TH SEPTEMBER 2017
(FM.FR.1)

(Peter McFarlane)

RECOMMENDATION:

1. That the budget review statement for the quarter ended 30th September 2017 be accepted, and the variations therein be adopted.

REPORT

The Quarterly Budget Review (QBR) for the period ended 30 September 2017 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the original forecast operating budget surplus after capital amounts for 2017/2018 of \$127,503 is now estimated to be reduced to \$85,503.

The major variations to the operational budget are detailed in the September 2017 QBR report, and are summarised as attached. There have been no variations made to the capital budget at this review. As the financial year progresses further amendments may be made to the capital budget after considering revised work programs.

The adopted overall cash surplus of \$711,305 as originally estimated for 2017/2018 has now been revised to a surplus of \$669,305.

BUDGET IMPLICATIONS

As outlined in the report.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Quarterly Budget Review Statement - September 2017 7 Pages

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

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Central Tablelands Water

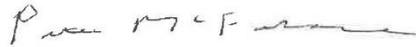
Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 30/09/17 indicates that Council's projected financial position at 30/6/18 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:



Date: 8/12/2017

Peter McFarlane
Responsible Accounting Officer

Budget Review Statement as at 30 September 2017

Council's Revised Income and Expenditure for the year 2017/2018

Original Budget	<u>Operating Revenue</u>	Revised Budget	
1,436,140	Availability Charges	1,436,140	
4,310,161	Water Charges	4,310,161	
113,000	Interest	113,000	
85,623	Other Revenues	85,623	
52,071	Grants & Subsidies	52,071	
101,580	Developer and Capital Contributions	101,580	
81,000	Gains on Disposal of Assets	81,000	
<u>6,179,575</u>			6,179,575
	<u>Operating Expenses</u>		
2,017,279	Employee Costs	2,007,279	
143,932	Borrowing Costs	143,932	
917,015	Materials & Contracts	917,015	
8,000	Legal Costs	8,000	
55,000	Consultants	92,000	
779,896	Other Expenses	794,896	
0	Loss on Sale of Assets	0	
2,130,950	Depreciation and Impairment	2,130,950	
<u>6,052,072</u>			<u>6,094,072</u>
127,503	<u>Operating Result for Period After Capital</u>	<u>Surplus/(Deficit)</u>	85,503
	<u>Less Non-Operating Expenditure</u>		
7,188,864	Acquisitions of Assets	7,188,864	
436,725	Repayment of Loans	436,725	
0	Transfer to Reserves - S64 Developer Charges	0	
716,583	Transfer to Reserves - Renewal Reserves	716,583	
0	Transfer to Reserves - ELE	0	
187,178	Water Pricing Increase @ 5%	187,178	
711,305	Estimated Budget Surplus/(Deficit)	669,305	
96,375	Transfer to Reserves - Plant	96,375	
59,897	Transfer to Reserves - DA	59,897	
<u>9,396,927</u>		<u>1,729,338</u>	<u>9,354,927</u>
(9,269,424)			(9,269,424)
	<u>Add Non-Operating Revenue</u>		
265,000	Book Value of Assets Sold	265,000	
-	Loan Funds Raised	-	
106,000	Transfer from Reserves - Plant	106,000	
30,610	Transfer from Reserves - ELE	30,610	
6,736,864	Transfer from Reserves - Renewals	6,736,864	
<u>7,138,474</u>			<u>7,138,474</u>
(2,130,950)			(2,130,950)
	<u>Add Expenses not Involving Flow of Funds</u>		
2,130,950	Depreciation		<u>2,130,950</u>
<u>\$ -</u>	Budget (Cash) Result Surplus/(Deficit)		<u>\$ -</u>

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Central Tablelands Water
Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2017
Income & Expenses - Water Fund

	Original Budget 2017/18	Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Income						
Rates and Annual Charges	1,436,140	1,436,140	-		1,436,140	359,515
User Charges and Fees	4,310,161	4,310,161	-	1(a)	4,310,161	884,333
Interest and Investment Revenues	113,000	113,000	-	1(b)	113,000	22,770
Other Revenues	85,623	85,623	-	1(c)	85,623	101,278
Grants & Contributions - Operating	52,071	52,071	-		52,071	-
Grants & Contributions - Capital	101,580	101,580	-	1(d)	101,580	72,230
Net gain from disposal of assets	81,000	81,000	-		81,000	-
Share of interests in Joint Ventures	-	-	-		-	-
Total Income from Continuing Operations	6,179,575	6,179,575	-		6,179,575	1,440,126
Expenses						
Employee Costs	2,017,279	2,017,279	(10,000)	2(e)	2,007,279	410,355
Borrowing Costs	143,932	143,932	-		143,932	38,945
Materials & Contracts	917,015	917,015	-	2(b)	917,015	297,393
Depreciation	1,830,950	1,830,950	-		1,830,950	457,738
Impairment	300,000	300,000	-		300,000	-
Legal Costs	8,000	8,000	-	2c	8,000	-
Consultants	55,000	55,000	37,000	2(d)	92,000	-
Other Expenses	779,896	779,896	15,000	2(e)	794,896	194,702
Interest & Investment Losses	0	0	-		-	-
Net Loss from disposal of assets	-	-	-		-	-
Total Expenses from Continuing Operations	6,052,072	6,052,072	42,000		6,094,072	1,399,133
Net Operating Result from Continuing Operations	127,503	127,503	(42,000)		85,503	40,993
Discontinued Operations	-	-	-		-	-
Net Operating Result from All Operations	127,503	127,503	(42,000)		85,503	40,993
Net Operating Result before Capital Items	25,923	25,923	(42,000)		(16,077)	(31,237)

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 30/09/2017 and should be read in conjunction with the total QBRs report

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Central Tablelands Water
Capital Budget Review Statement

Budget review for the quarter ended 30 September 2017
Capital Budget - Water Fund

	Original Budget 2017/18	Revised Budget 2017/18	Notes	Projected Year End Result	Actual YTD figures
Capital Expenditure					
New Assets					
- Plant & Equipment	-	-		-	-
- Land & Buildings	-	-		-	4,500
- Asset Management System	80,000	80,000		80,000	-
- Office Equipment	20,000	20,000		20,000	-
- Wallaby Pipeline	35,000	35,000		35,000	-
Renewal Assets (Replacement)					
- Plant & Equipment	452,000	452,000		452,000	204,849
- Land & Buildings	10,000	10,000		10,000	-
- Water Supply Network					
Trunk Main 'K' Relocation	4,639,430	4,639,430	**	4,639,430	41,553
Pump replacements	46,350	46,350		46,350	-
Rural Scheme Replacement	18,810	18,810		18,810	-
CTW/OCC Pipeline Project	1,887,274	1,887,274		1,887,274	417,223
Loan Repayments (Principal)	436,725	436,725		436,725	106,219
Total Capital Expenditure	7,625,589	7,625,589		7,625,589	774,344
Capital Funding					
User Fees & Charges Funding	436,725	436,725		436,725	134,771
Capital Grants & Contributions	-	-		-	-
Reserves:					
- External Restrictions/Reserves	-	-		-	-
- Internal Restrictions/Reserves	6,842,864	6,842,864		6,842,864	611,506
New Loans	-	-		-	-
Receipts from Sale of Assets					
- Plant & Equipment	346,000	346,000		346,000	28,067
- Land & Buildings	-	-		-	-
Total Capital Funding	7,625,589	7,625,589		7,625,589	774,344
Net Capital Funding	-	-		-	-

This statement forms part of Council's Quarterly Budget Review Statement (QBR) for the quarter ended 30/09/2017 and should be read in conjunction with the total QBR report

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

There are no variations proposed in the Capital Budget at this review.



04) CODE OF CONDUCT COMPLAINTS STATISTICS (GO.PR.1)

(Peter McFarlane)

RECOMMENDATION:

1. That the Code of Conduct Statistics 2017 Report be received and noted.

REPORT

Following the introduction of the Office of Local Government's Model Code of Conduct on 1 March 2013, Complaints Coordinators must report on a range of complaints statistics to council and to the Office within three months at the end of September each year.

Council's Code of Conduct Statistics 2017 Report is attached for notation.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Complaints Statistics Report 2017 3 Pages

Model Code of Conduct Complaints Statistics Central Tablelands County Council		
Number of Complaints		
1	a The total number of complaints received in the period about councillors and the General Manager (GM) under the code of conduct	0
	b The total number of complaints finalised in the period about councillors and the GM under the code of conduct	0
Overview of Complaints and Cost		
2	a The number of complaints finalised at the outset by alternative means by the GM or Mayor	0
	b The number of complaints referred to the Office of Local Government under a special complaints management arrangement	0
	c The number of code of conduct complaints referred to a conduct reviewer	0
	d The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	0
	e The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	0
	f The number of finalised code of conduct complaints investigated by a conduct reviewer	0
	g The number of finalised code of conduct complaints investigated by a conduct review committee	0
	h The number of finalised complaints investigated where there was found to be no breach	0
	i The number of finalised complaints investigated where there was found to be a breach	0
	j The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	0
	k The number of complaints being investigated that are not yet finalised	0
	l The total cost of dealing with code of conduct complaints within the period made about councillors and the GM including staff costs	0

Preliminary Assessment Statistics	
3	The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:
a	To take no action <input type="text" value="0"/>
b	To resolve the complaint by alternative and appropriate strategies <input type="text" value="0"/>
c	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies <input type="text" value="0"/>
d	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police <input type="text" value="0"/>
e	To investigate the matter <input type="text" value="0"/>
f	To recommend that the complaints coordinator convene a conduct review committee to investigate the matter <input type="text" value="0"/>
Investigation Statistics	
4	The number of investigated complaints resulting in a determination that there was no breach , in which the following recommendations were made:
a	That the council revise its policies or procedures <input type="text" value="0"/>
b	That a person or persons undertake training or other education <input type="text" value="0"/>
5	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:
a	That the council revise any of its policies or procedures <input type="text" value="0"/>
b	That the subject person undertake any training or other education relevant to the conduct giving rise to the breach <input type="text" value="0"/>
c	That the subject person be counselled for their conduct <input type="text" value="0"/>
d	That the subject person apologise to any person or organisation affected by the breach <input type="text" value="0"/>
e	That findings of inappropriate conduct be made public <input type="text" value="0"/>
f	In the case of a breach by the GM, that action be taken under the GM's contract for the breach <input type="text" value="0"/>
g	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 <input type="text" value="0"/>
h	In the case of a breach by a councillor, that the matter be referred to the Office for further action <input type="text" value="0"/>
6	Matter referred or resolved after commencement of an investigation under clause 8.20 of the Procedures <input type="text" value="0"/>

Categories of misconduct	
7	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:
a	General conduct (Part 3) <input type="text" value="0"/>
b	Conflict of interest (Part 4) <input type="text" value="0"/>
c	Personal benefit (Part 5) <input type="text" value="0"/>
d	Relationship between council officials (Part 6) <input type="text" value="0"/>
e	Access to information and resources (Part 7) <input type="text" value="0"/>
Outcome of determinations	
8	The number of investigated complaints resulting in a determination that there was a breach in which the council failed to adopt the conduct reviewers recommendation <input type="text" value="0"/>
9	The number of investigated complaints resulting in a determination that there was a breach in which the council's decision was overturned following a review by the Office <input type="text" value="0"/>

05) CLOSING OF OFFICE OVER CHRISTMAS - NEW YEAR PERIOD (CM.ME.1)

(Gavin Rhodes)

RECOMMENDATION:

1. That Council note the report.

REPORT

Council has resolved in past years to close the office during the Christmas-New Year period. This closure normally involves three working days and the administration staff have been granted leave for this period in lieu of overtime worked during the previous 12 months.

Under this arrangement, the office will close this year at 12pm on 22 December 2017 and re-open on 2 January 2018. The General Manager has approved this request as it was resolved at the December 2013 Council Meeting that *'Reoccurring events be left to the discretion of the General Manager.'*

As has been the practice in previous years, operational staff work as normal and are rostered on-call over the public holidays to attend to any emergency. Emergency numbers for all locations will be advertised in the local press, on Council's website and on the front door of Council's office during the month of December and until the office re-opens on 2 January 2018.

Closing the office has not caused any problems in previous years and there does not appear to be any reason not to continue this practice. The General Manager has confirmed that the offices at Blayney Shire Council will also be closed for the Christmas close down period.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

06) STAFF MOVEMENTS (PE.EC.1)

(Gavin Rhodes)

RECOMMENDATION:

1. That Council note the information.

REPORT**Staff Movements**

The General Manager has received a letter of resignation from Council's Director Operations & Technical Services, Leonie Freeth effective from 15 December 2017.

Leonie has accepted a position within State Government working with TAFE.

Leonie has been a valued employee of CTW for the past 2 years and has contributed significantly to CTW during that time. Leonie's last working day will be Friday 15 December 2017.

The General Manager will commence recruitment action immediately to fill the position of Director Operations & Technical Services.

A transitional plan is currently being developed by Senior Management in consultation with CTW's Water Quality Manager and Network Operations Manager to ensure the day to day operations of providing a quality water supply is maintained and adequately resourced, and that the current capital works projects are progressed.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

07) Annual Report 2016/2017 (CM.RP.2)

(Gavin Rhodes)

RECOMMENDATION:

1. That the Central Tablelands Water Annual Report for 2016/2017 be received and noted.

REPORT

The 2016/2017 Annual Report of Central Tablelands Water was posted on Council's website at www.ctw.nsw.gov.au on 30 November 2017, with notification provided to the Minister for Local Government in accordance with the *Local Government Act 1993* Sec 428(5).

A copy of the Annual Report 2016/2017 was distributed to all Councillors via email on 30 November 2017.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

08) CENTROC BOARD MEETING HELD 23 NOVEMBER 2017 (CM.CF.3)

(Gavin Rhodes)

RECOMMENDATION:

1. That Council note the report, Centroc Mayoral Report and associated minutes of the Centroc Board Meeting and Annual General Meeting held 23 November 2017.

REPORT

A Centroc Board and Annual General meeting was held at Hilltops Council in Young on 23 November 2017. The Chairman and General Manager attended and represented CTW. Cr Somerville was re-elected unopposed as the Centroc Water Portfolio Mayor for the next 12 months.

A copy of the Mayoral Report and the Minutes from the Centroc Board Meeting and Annual General Meeting held 23 November 2017 at Hilltops Council Young are attached to this report for your information.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- 1 Centroc Mayoral Board Report 23rd November 2017

14 Pages



Report from the Mayor attending the Centroc Board Meeting

23 November 2017 held in Young

Cr John Medcalf, Chair and Cr Ferguson Deputy Chair of Centroc



Page1



I attended the Centroc Board meeting at Young 23 November 2017.

Following the Board the AGM was held. Cr John Medcalf was elected as Chair unopposed, and Cr Scott Ferguson was elected as Deputy Chair unopposed.

The Executive members are Cr S Lesslie, Cr K Keith, Cr R Kidd, Cr G Miller, Cr G Hanger and Cr B West being the Mayors from Lithgow City Council, Parkes Shire Council, Orange City Council, Forbes Shire Council, Bathurst Regional Council and Cowra Shire Council. Their respective General Managers form the GMAC Executive with Mr David Sherley the Secretary for Centroc and Ms Stephen Loane as Treasurer.

Centroc external delegates were elected as follows;

- Cr S Ferguson will represent Centroc on the Western Region Academy of Sport
- Sally Hall and Charmaine Bennett will represent Centroc on the, NSW Council Safe Advisory Network
- Cr B West, Cr K Keith, Cr S Lesslie, Cr G Miller are the representatives for the Regional Strategic Roads Group
- Cr J Medcalf and Cr S Ferguson are the representatives for The Western Mining Taskforce
- Cr J Medcalf and Cr S Ferguson are the representatives for The Outer Sydney Orbital and Castlereagh Connection Corridor Steering Committee

Portfolio Mayors will be Transport, Cr Ken Keith, Water, Cr David Somerville, Health, Cr John Medcalf, Regional Development, Cr Bill West and Planning, Cr Reg Kidd.

The Board heard presentations from Statewide Mutual and the Western Region Academy of Sport.

I provide the following report for Council's information, along with the meeting minutes.



Page 2



Transport Infrastructure – The Centroc Board are advocating their disappointment with the NSW Government Future Transport 2056 suite of strategies, and are seeking an urgent meeting with the Premier, Deputy Premier and appropriate Ministers during the LGNSW conference week.

A subcommittee will be formed to progress improvements to transport constraints in the region. This will include developing a funding proposal to resource further activity, the Board will also continue advocacy which will include reference to existing State commitments.

Member Councils were encouraged to support all advocacy including the current social media campaign on Facebook at Central NSW Connex.

Water Security – The Board were updated on the Current status of the Lachlan Valley Water Security Investigations-Phase Two.

Safe and Secure Funding -potential application for review of the Centroc Water Security Study. Advice has been sought from DPI Water on the potential for funding to review the Centroc Water Security Study. Verbal advice is that high level discussions are underway on the funding calculation where the proponent is a regional organisation.

A submission to the Productivity Commission lodged on the Draft Report on National Water Reform made under the hand of the Executive this quarter.

The Board agreed to support measures proposed by Lachlan Valley Water to improve reliability of water in the Lachlan system through the review of the Water Sharing Plan. This is to be addressed through the Executive with further advice to be provided at a later stage.

The Board also agreed to support Central Tablelands Water in progressing feasibility of the duplication of the Regis Mines pipeline Lithgow to Carcoar and a regional approach.

The benefit cost analysis for a potential storage on the Belubula River at Cranky Rock was found to be not feasible due to engineering costs associated with the geology of the area including the Cliefden Caves network.

Health – In September Cr Medcalf, Cr Bill West, Cr G Hanger and the Executive Officer met with Member for Calare Andrew Gee as further follow up from the previous Board meeting when the region voted to continue with its support for the Murray Darling Medical School (MDMS).

Mr Gee provided feedback that it is very challenging getting traction for the MDMS. Correspondence has been sent to the Minister for Health and Sport, the Hon Greg Hunt seeking advice on what the alternative model to MDMS is.

Regional Development – Submission lodged in this quarter include the Inquiry into Regional Development and Decentralisation and the Inquiry into Regional Development a Global Sydney.

An update from Regional Development Australia (RDA) Central West was given to the Board. The two organisations continue to work closely with member Councils to identify and progress key economic development projects and priorities for the region. The Board were informed that the Chair of RDA Central West Mr Alan McCormack, a great friend and fellow colleague to all, is leaving all roles in this region as he moves to the South Coast.



Planning – Released on 3 November was a Joint Organisation Update from the Deputy Premier and Minister for Local Government.

The Board noted further advice provided on Joint Organisations, including the first and second readings of the JO amendment of the Local Government Act. The Legislation was given in principle support by the Board and a presentation from the Office of Local Government to the region in December was sought. A subcommittee of the Executive and interested Board members will form to progress advice to members.

A Regional Strategic Plan based on the aggregation of community strategic plans was adopted, it will be used for strategic, policy and intergovernmental collaborative purposes.

Tourism – An update was provided on the official wind up of Central NSW Tourism (CNSWT). \$31,038 was transferred to Centroc. Other materials such as the Destination Management Plan and website are being rebadged and reviewed.

A revised budget and management plan were approved.

As members would be aware the EOIs for Building Better Regions are out and there is scope to build on the marketing plans of the Centroc Regional Tourism Group via an application to the program.

Management Plan, Constitution and Policy Report

There were minor changes made and adopted to both the Policy and Procedure Manual and the Centroc Constitution to allow for greater flexibility in the organisation. Given the Joint Organisation Reforms a strategic session will be held early in the new year while an incremental approach will be taken to existing programming during the transition period.

Operational – There was advice regarding the Operational Activities of Centroc as identified in the Management Plan. This report recommended to

1. Develop policy on Electric Vehicles for Council readiness;
2. Commend to Councils they have business cases ready to go for carpark solar and Electric Vehicles readiness to pre-empt the funding framework;
3. Centroc monitor the State funding opportunity on Energy Savings Certificates and provide feedback to members as required;
4. Centroc ramp up advocacy on Bulk Lamp Replacement ;
5. Note that a buildings revaluation program is being rolled out across the region should members wish to opt in; and
6. Note that the In-House Councillor Training Package has been purchased from REROC and is available for interested Councils upon request.

Financial – The Board anticipates a profit of \$3,711 at 30 June 2018 against a budgeted profit of \$842.

All membership fees for 2017/2018 have been received from Member Councils and the prompt payment of these fees was appreciated.

I commend this report to you for noting.



Recommendation/s
That the Mayoral Report from the Centroc Board Meeting 23 November 2017 at Young be noted.



Cr G Hanger	Bathurst Regional Council	Cr J Medcalf	Lachlan Shire Council
Mr D Sherley	Bathurst Regional Council	Mr R Hunt	Lachlan Shire Council
Cr S Ferguson	Blayney Shire Council	Cr K Sajowitz	Oberon Council
Ms R Ryan	Blayney Shire Council	Mr G Wallace	Oberon Council
Cr K Beatty	Cabonne Council	Cr R Kidd	Orange City Council
Mr S Harding	Cabonne Council	Mr G Styles	Orange City Council
Cr D Somerville	Central Tablelands Water	Mr K Boyd	Parkes Shire Council
Mr G Rhodes	Central Tablelands Water	Cr B McCormack	Upper Lachlan Shire
Cr B West	Cowra Council	Mr J Bell	Upper Lachlan Shire
Mr P Devery	Cowra Council	Cr M Liebich	Weddin Shire Council
Cr G Miller	Forbes Shire Council	Mr B Hayes	Weddin Shire Council
Mr S Loane	Forbes Shire Council	Ms J Bennett	Centroc
Cr B Ingram	Hilltops Council	Ms M Macpherson	Centroc
Mr A McMahon	Hilltops Council	Mr A Albury	DPC

Minutes of the Board Meeting 23 November 2017 held at Young

Board Delegates in bold

1. Welcome

The meeting was opened at 10.05.am by Chair **Cr J Medcalf**

2. Apologies

Cr K Keith, Cr S Lesslie, G Faulkner, Mr G Carroll, A McCormack, J Andrews. Cr A Ward

Resolved	Mr D Sherley/Cr G Miller
That the apologies for the Centroc Board meeting 23 November 2017 listed above be accepted.	

3. Speakers

- **Bill Warne, Chair, Statewide and Leo Demer, Chief Executive of JLT**
- **Matthew Irvine, Chairman, and Candice Boggs Executive Officer Western Region Academy of Sport**

Cr R Kidd left the meeting.

4. Minutes

4a Noting of the Minutes of the GMAC Meeting 26 October 2017

Resolved	Mr K Boyd/ Mr G Rhodes
That the Minutes of the Centroc GMAC Meeting 26 October 2017 held in Orange be noted.	

4b Confirmation of the Minutes of the Board Meeting 10 August 2017 Parliament House Canberra

Resolved	Cr B West/ Mr K Boyd
That the Minutes of the Centroc Board Meeting 10 August 2017 held at Parliament House Canberra be confirmed.	



4 c Noting of the Centroc Executive meeting 26 October 2017 at Orange

Resolved	Mr G Styles/Cr B West
That the Minutes of the Centroc Executive meeting 26 October 2017 at Orange be noted.	

5a. Business Arising from the Minutes – Matters in Progress

Resolved	Mr K Boyd/ Mr D Sherley
That the Board note the Matters in Progress, making deletions as suggested.	

6 Correspondence

6a Correspondence In

Resolved	Mr D Sherley/Cr B West
That the Board note the incoming correspondence including the correspondence from Orange City Council and	
<ol style="list-style-type: none"> 1. commend to members they respond to the Code of Conduct inquiry process through the Office of Local Government; and 2. Write to Mr A McCormack. 	

6b Correspondence Out

Resolved	Mr D Sherley/Cr G Miller
That the Board note the outgoing correspondence.	

7 Reports

7a Transport Infrastructure including Bells Line of Road

Resolved	Mr K Boyd/Cr B West
That the Board note the Transport Infrastructure Report and	
<ol style="list-style-type: none"> 1. Encourage members to take part in the engagement on the draft Future Transport Strategy by TfNSW; 2. Endorse the actions of the Executive advocating regarding their disappointment with the NSW Government Future Transport 2056 suite of strategies. 3. Seek an urgent meeting with the Premier, Deputy Premier and appropriate Ministers during the LGNSW conference; 4. A subcommittee be formed to progress improvements to transport constraints in the region; 5. Develop a funding proposal to resource further activity; and 6. Advocacy to include reference to existing State commitments. 	

7b Water Infrastructure Report

Resolved	Cr G Styles/Cr D Somerville
That the Board note the Water Infrastructure report and:	
<ol style="list-style-type: none"> 1. Endorse the submission to the Productivity Commission Draft Report on National Water Reform made under the hand of the Executive; 2. Support measures proposed by Lachlan Valley Water to improve reliability of water in the Lachlan system through the review of the Water Sharing Plan be addressed through the Executive with further advice to be provided to the Board; and 3. Support CTW in progressing feasibility of the duplication of the Regis Mines pipeline Lithgow to Carcoar and a regional approach. 	

7c Health Report

Resolved	Mr K Boyd/Mr D Sherley
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That the Board note the Health report.

7 d Regional Development

Resolved	Cr B West/ Mr D Sherley
That the Board note the Regional Development report and;	
<ol style="list-style-type: none"> 1. Continue to advocate for the CNSW region to be treated separately from Orana in the Regional Development Subcommittee of the Regional Leadership Executive; and 2. Commend to the Board it endorse the submission Inquiry into Regional Development and Decentralisation and follow up advice to the submission to Inquiry into Regional Development a Global Sydney. 	

7 e Planning Report

Resolved	Cr B West/ Mr G Styles
That the Board note the Planning Report and	
<ol style="list-style-type: none"> 1. Note the report on the Implementation of the Regional Plan for Central West and the Orana. 2. Provide a regional response informed by members to the EP&A Regulation Review and the Draft Primary Production and Rural Development State Environmental Planning Policy and planning reforms; 3. note the JO update and advocate for optimal process and outcomes as required; 4. substitute the next GMAC meeting for strategic session 1 February 2018 to inform the region’s response to Joint Organisation Legislation if required; 5. Advice to this session, legal and otherwise, be progressed through the Executive; 6. write to members providing an update and seeking their support in being nimble with special Council meetings if required; 7. Approve the Regional Community Strategic Plan. 8. Support in principle Joint Organisation legislation 9. Seek an extension of time for Councils to opt in to allow for the development of the regulations; and 10. Invite the Office of Local Government to present to the region as soon as possible. 	

7 f Tourism Report

Resolved	Cr B West/ Mr G Style
That the Board note the Tourism Report and	
<ol style="list-style-type: none"> 1. lodge a submission to the Visitor Economy Industry Action Plan Review; 2. make an application to the Building Better Regions Fund community program to augment regional marketing programming; 3. not progress the request for a delegate appointment to the Destination Network Outback and Country Board (ie remove Item 5 Resolution 10 August 2017); 4. write to DNOC advising them that Centroc has successfully accepted the transfer of assets including intellectual property and look forward to collaborating with DNOC on leveraging these; 5. engage in the review of the Visitor Economy Industry Action Plan. 6. adopt the Centroc Regional Tourism Management Plan 2017-2020 and commend it to members including the revised budget and fee structure authorised for one year only and a review be undertaken with a view to determine capacity to pay on an ROI model; 7. approve the cover report for tourism for member use; 8. commend to the Board it rebadge the Destination Management Plan as a Centroc document; and 9. engage in the LGNSW Tourism Conference in Parkes March 2018 	

7 g Management Plan 2018/2019, Constitution and Policy Review Report

Resolved	Mr P Devery/Mr D Sherley
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That the Board note the Management Plan, Policy Report and

1. update the constitution as follows:

2b. The Secretary – who shall be the General Manager (or his/her nominee) from the Council of the Chairperson

To

2b. The Secretary – who shall be the General Manager (or his/her nominee) from the Council of the Chairperson; or as determined by the Board.

And

1. Membership

Bathurst Regional Council
 Blayney Shire Council
 Cabonne Council
 Central Tablelands County Council
 Cowra Shire Council
 Forbes Shire Council
 Hilltops
 Lithgow City Council
 Lachlan Shire Council
 Oberon Council
 Orange City Council
 Mid Western Regional
 Parkes Shire Council
 Upper Lachlan Shire Council
 Weddin Shire Council

To

Bathurst Regional Council
 Blayney Shire Council
 Cabonne Council
 Central Tablelands County Council
 Cowra Shire Council
 Forbes Shire Council
 Hilltops
 Lithgow City Council
 Lachlan Shire Council
 Oberon Council
 Orange City Council
 Parkes Shire Council
 Upper Lachlan Shire Council
 Weddin Shire Council

2. Until Joint Organisation Legislation becomes clear, an incremental approach to the Management Plan continue using advice from a workshop held by General Managers October 26 2017 ;



- | |
|---|
| <p>3. The Board review the Management Plan in its meeting in February subsequent to a workshop to be held by Mayors and interested Councillors in the region on Joint Organisations; and</p> <p>4. Adopt the revised Policy Manual.</p> |
|---|

7h Operational Report

Resolved	Mr D Sherley/Cr S Ferguson
<p>That the Board note the Operational report and</p> <ol style="list-style-type: none"> 1. Develop policy on Electric Vehicles for Council readiness; 2. Commend to Councils they have business cases ready to go for carpark solar and Electric Vehicles readiness to pre-empt the funding framework; 3. Centroc monitor the State funding opportunity on Energy Savings Certificates and provide feedback to members as required; 4. Centroc ramp up advocacy on Bulk Lamp Replacement with a view to having as little undertaken as possible and having Essential Energy be more responsive and adaptive to member needs; 5. Note that a buildings revaluation program is being rolled out across the region should members wish to opt in; and 6. Note that the In-House Councillor Training Package has been purchased from REROC and is available for interested Councils upon request. 	

7i Financial report

Resolved	Mr D Sherley/ Mr K Boyd
<p>That the Board note the Financial Report.</p>	

8. Late Reports – Nil

9. Other Matters – Nil

10. Speakers to the next meeting

Board - Mr Gary Worboys, Deputy Commissioner Regional Field Operations

Board – RMS

GMAC – ICAC Yvonne Miles, Principal Officer, Corruption Prevention

GMAC – Privacy Commissioner

Alternates:

GMAC – State Cover

GMAC - Representative of EMS (Energy Management Services)

11. Next Meetings

As per the AGM

The General Meeting of the Board closed at 12.22pm

Page 5 is the last page of the Centroc Board Minutes 23 November 2017



Minutes of AGM Thursday 23 November 2017 held in Young

Cr G Hanger	Bathurst Regional Council	Cr J Medcalf	Lachlan Shire Council
Mr D Sherley	Bathurst Regional Council	Mr R Hunt	Lachlan Shire Council
Cr S Ferguson	Blayney Shire Council	Cr K Sajowitz	Oberon Council
Ms R Ryan	Blayney Shire Council	Mr G Wallace	Oberon Council
Cr K Beatty	Cabonne Council	Mr G Styles	Orange City Council
Mr S Harding	Cabonne Council	Mr K Boyd	Parkes Shire Council
Cr D Somerville	Central Tablelands Water	Cr B McCormack	Upper Lachlan Shire
Mr G Rhodes	Central Tablelands Water	Mr J Bell	Upper Lachlan Shire
Cr B West	Cowra Shire Council	Cr M Liebich	Weddin Shire Council
Mr P Devery	Cowra Shire Council	Mr B Hayes	Weddin Shire Council
Cr G Miller	Forbes Shire Council	Mr A Albury	Dept Premier & Cabinet
Mr S Loane	Forbes Shire Council	Ms J Bennett	Centroc
Cr B Ingram	Hilltops Council	Ms M Macpherson	Centroc
Mr A McMahon	Hilltops Council		

Delegates in Bold

1 Meeting opened at 12:23pm Chaired by Cr J Medcalf

2 Apologies

Cr K Keith, Cr S Lesslie, G Faulkner, Mr G Carroll, Mr A McCormack, Ms J Andrews, Cr R Kidd

Resolved	Cr B West/Mr S Loane
That the apologies for the Centroc AGM meeting 23 November 2017 listed above be accepted.	

3 Minutes

Ratification of the Minutes of the AGM 24 November 2016

Resolved	Mr D Sherley/Mr G Miller
That the Minutes of the AGM 24 November 2016 be confirmed.	

4 Chairperson’s Report – Presentation of the Annual Report

Resolved	Mr D Sherley/Mr K Boyd
That the Annual Report be received and accepted with copies sent to member Councils for circulation to all Councillors in the region	

5 Election of new Executive

- Cr John Medcalf stepped down from Chair.
- Mr A McMahon became returning Officer.
- Cr John Medcalf was elected as Chair unopposed.
- Cr Scott Ferguson was elected as Deputy Chair unopposed.



Resolved
That the Centroc Board confirms that Cr S Lesslie, Cr K Keith, Cr R Kidd, and Cr G Hanger being the Mayors from Lithgow City Council, Parkes Shire Council, Orange City Council and Bathurst Regional Council Orange City Council as the ordinary members of the Centroc Executive.

The Centroc Board welcomes the balance of the Executive:

- Cr G Miller and Mr S Loane (Forbes) as Centroc Treasurer
- Mr D Sherley (Bathurst) as Secretary and Chair of GMAC
- Messers – Hunt (Lachlan), Devery (Cowra), Boyd, (Parkes) Styles (Orange) Faulkner (Lithgow) and Ryan (Blayney) forming the balance of the Executive
- Cr B West as immediate past Chair

Cr J Medcalf Assumed Chair

6 Election of Centroc Delegates

Resolved
1. Cr S Ferguson will represent Centroc on the Western Region Academy of Sport Mr G Styles/ Cr G Miller
2. Sally Hall and Charmaine Bennett will represent Centroc on the, NSW Council Safe Advisory Network Mr G Styles/ Mr P Devery
4. Cr B West, Cr K Keith, Cr S Lesslie, Cr G Miller is the representative for the Regional Strategic Roads Group Mr K Boyd/ Mr R Hunt
5. Cr J Medcalf and Cr S Ferguson are the representatives for The Western Mining Taskforce Mr G Styles/ Mr R Hunt
6. Cr J Medcalf and Cr S Ferguson are the representatives for The Outer Sydney Orbital and Castlereagh Connection Corridor Steering Committee Cr B West/ Cr G Miller

6a External bodies and portfolio Mayors

Resolved
That, from the floor, the Board determine delegates to external bodies and portfolio Mayors For 12 Months. Transport - Cr Ken Keith Mr K Boyd/ Ms R Ryan



Water – Cr David Somerville
Mr G Styles/Mr K Boyd

Health - Cr John Medcalf
Cr D Somerville/ Mr K Boyd

Regional Development - Cr Bill West
Mr G Styles/ Cr G Miller

Planning – Cr Reg Kidd
Cr J Medcalf/Mr R Hunt

7 Appointment of Auditor

Resolved	Ms D Sherley/ Ms R Ryan
That Crowe Horwath be appointed as the Auditor for Centroc	

8 Presentation of the Statement of Finances

Resolved	Mr P Devery/Mr D Sherley
That the Statement of Finances for Centroc be adopted.	



9 Meeting Dates for 2018

Resolved **Mr K Boyd/Mr G Styles**

That the meeting dates for Centroc for 2018 be:

Board

Date	Meeting of	Time	Host
Thursday 22 February	Board	9:30 for 10am	Lachlan
Thursday 24 May	Board	9:30 for 10am	State Parliament
Thursday 23 August	Board	9:30 for 10am	Federal Parliament
Thursday 22 November	Board	9:30 for 10am	Lithgow

Executive

Date	Meeting of	Time	Host
Thursday 8 February	Executive	8.30 -10am	Orange
Thursday 3 May	Executive	8.30 -10am	Orange
Thursday 26 July	Executive	8.30 -10am	Orange
Thursday 25 October	Executive	8.30 -10am	Orange

GMAC

Date	Meeting of	Time	Host
Thursday 8 February	GMAC	9:30 for 10am -12:30	Orange
Thursday 3 May	GMAC	9:30 for 10am -12:30	Orange
Thursday 26 July	GMAC	9:30 for 10am -12:30	Orange
Thursday 25 October	GMAC	9:30 for 10am -12:30	Orange

Meeting closed at 12.42 pm

Page 3 is the last page of the Centroc AGM minutes 23 November 2017 held in Young

09) JOINT ORGANISATION UPDATE (CM.CF.3)

(Gavin Rhodes)

RECOMMENDATION:

1. That Council note the report.

REPORT

The information below has been provided by the Executive Officer of Centroc, Ms Jenny Bennett regarding an update on Joint Organisations:

“The purpose of this memo is to provide advice on the status of Joint Organisation (JO) Legislation and actions in this regard subsequent to the resolve of the Centroc Board meeting held 23 November 2017.

Joint Organisations are a key component of the local government reform process and have the intention to transform the way in which the State Government and local government collaborates and sets regional priorities to support local communities.

Council is a member of Central NSW Councils (Centroc), currently a Section 355 Committee of Forbes Shire Council. Centroc was selected as one of 5 Pilot JOs.

The NSW State Government is in the process of passing legislation for the formal creation of Joint Organisations under the Local Government Amendment (Regional Joint Organisations) Bill 2017. This will allow councils in regional NSW to voluntarily create Joint Organisations. The Legislation has passed through both houses of parliament and is likely to be proclaimed on 18 December 2017.

The Office of Local Government have provided advice that while the Legislation says that JOs can be formed with a minimum of two (2) councils, NSW Government policy is that the minimum is three (3) Councils per JO. Voting members of a JO must lie within a State Planning Region. While membership is voluntary, Councils exit and entry to the JO will be via proclamation.

According to the Office of Local Government JO boundaries should:

- *align with, or ‘nest’ within one of the State’s planning regions*
- *demonstrate a clear community of interest between member councils and regions*
- *not adversely impact on other councils or JOs, for example, leaving too few councils to form a JO*
- *be based around a strong regional centre or centres*
- *be of an appropriate size to partner with State, Commonwealth and other partners.*

For Council this would mean membership of a JO within the Central West/Orana Planning Area.

The Office of Local Government has provided advice that should Councils wish to take advantage of the Joint Organisation provisions they must do so by 28 February 2018. This is to allow for the Proclamation process and a start date of 1 July 2018. It is

acknowledged that this timeframe is tight. To allow for as much information as possible be provided to inform Council's decision to join a Joint Organisation, it is recommended that the decision be made at the February Council meeting.

The Centroc Board met 23 November 2017 and gave consideration to becoming a JO. Included in its considerations was legal advice. The Centroc Board subsequently resolved as follows:

- 1. Support in principle Joint Organisation legislation;*
- 2. Seek an extension of time for Councils to opt in to allow for the development of the regulations; and*
- 3. Invite the Office of Local Government to present to the region as soon as possible.*

A number of regions, including Centroc, have expressed disappointment with the 28 February time frame. The Deputy Premier has been approached by REROC and has verbally agreed to an extension of one month. Centroc is seeking formal confirmation of this advice.

Mr Chris Presland met with future JOs of the State at a meeting in Sydney on 28 November 2017. He advised he has the lead with regard to JO implementation on behalf of OLG. The big change to the Legislation has been voluntary rather than mandatory provisions. The current focus is on enabling Councils to opt in. Model resolutions and correspondence to Councils are coming out this week. The only requirement from Councils to form a JO will be Council's resolve.

The next phase is JO implementation. After implementation is optimisation of relationships between State and Local government. Ms Alison McGaffin of the Department of Premier and Cabinet has the lead of enabling Regional Leadership Executive and JOs to work more effectively and will progress this in the near future.

Funding will be apportioned on the basis of how many Councils join and is capped at \$3.3m across the State.

There will be consultation on the regulations early in 2018 where the current intention is that they be facilitating and finalised towards the middle of 2018. It is uncertain at this stage how procurement will be enabled.

Access to TCorp has been separated from JOs and Councils should have received advice in this regard this week. That is, Councils have scale and capacity independent of membership of a JO.

The proclamation of the Legislation will be 18 December and resolutions of Councils will be accepted after this time.

ROCs and JOs from across the State report that regions are generally positive about the reform."

The Chairman and General Manager will be attending a JO presentation by Mr Chris Presland from the Office of Local Government on Tuesday 12 December 2017. An update regarding the presentation will be provided to Council accordingly.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

10) REGIONAL WATER SECURITY PIPELINE PROJECT UPDATE (WS.AM.1)

(Leonie Freeth)

RECOMMENDATION:

1. That the information be noted.

REPORT

In 2015, Central Tablelands Water (CTW) agreed to proceed with the Regional Water Security Pipeline Project. The project aims to improve water security and contingency through the connection of CTW and Orange City Council (OCC) water systems.

The majority of construction works is complete, with minor telemetry, electrical and chlorination installation to be completed in the next month. Pre-commissioning, commissioning, demonstration and training is scheduled to take place across January and February 2018.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

11) TRUNK MAIN K RENEWAL (WS.AM.1)

(Leonie Freeth)

RECOMMENDATION:

1. That the information be noted.

REPORT

Trunk Main K supplies Grenfell with water from the Central Tablelands Water (CTW) system. Built in 1946, Trunk Main K stretches across 34 kilometres from Gooloogong to Grenfell. The pipeline is cast iron, and while the main has reliably delivered water to the town of Grenfell for the last 70 years, there are some areas of the pipeline that are beginning to fail. The Capital Works budget for replacement of Trunk Main K is \$6,182,364 extending across the 2015/16 – 2017/18 financial years.

Stage 1 construction 12.6km pipeline between McDonald's Lane pump station and Grenfell North Reservoir, was completed in June 2017. Stage 2 construction was due to commence in August 2017, however, was delayed owing to the CTW resources required during construction of the regional water security pipeline with Orange City Council.

Stage 2 construction will now commence on 29th January 2018. Owing to land use during the autumn and winter months along the pipeline route, it is likely that a third stage will be required in the 2018/19 financial year to complete the replacement. This will not prevent commissioning and operation of Stage 1 and Stage 2 in 2017.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

12) SAFE & SECURE FUNDING EXPRESSION OF INTEREST FUNDING SUBMISSION (GR.SL.2)

(Leonie Freeth)

RECOMMENDATION:

1. That Council note the report.

REPORT

In June 2017, the NSW Government announced the Safe and Secure Water Program which is a co-funded program targeting water and sewerage projects in regional NSW to ensure infrastructure meets contemporary standards for water security, public health, environmental and safety outcomes into the future. The Program provides co-funding to successful applicants for water and sewerage infrastructure. Under the program's guidelines, CTW is eligible for 50% grant funding. The program has a two stage application process requiring submission of an Expression of Interest prior to progressing to a more detailed and rigorous application.

On 27th November 2017, CTW submitted an EOI for 50% funding for construction of a 12 ML reservoir at Carcoar Water Treatment Plant and completion of Trunk Main K. The construction of a 12 ML reservoir at the head of the network would enable CTW to provide contingency across the broad CTW network during normal operations as well as emergencies, where regional linkages may be operated. A number of investigations are in progress or completed in order to present a construction-ready project.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

**13) LACHLAN VALLEY WATER SECURITY PROJECT PHASE 2 UPDATE
(GR.SL.4)**

(Leonie Freeth)

RECOMMENDATION:

1. That the information be noted.

REPORT

At Council's August 2017 meeting, Council resolved that senior management provide a report to the October 2017 Council meeting in relation to preferred operations and management arrangements of any potential pipeline linkage and engage consultants as necessary.

Should a linkage between Carcoar Dam and Lake Rowlands progress, a number of potential operation and management options could be considered, including:

1. CTW own or leasing a volume of storage in Carcoar Dam.
2. CTW sell raw water to WaterNSW.
3. CTW purchase Carcoar Dam.

Key cost considerations include:

- Cost of operating a transfer pump station, in either direction, particularly with rising electricity costs,
- Sale value of water,
- The potential for CTW to defer dam safety works required in 2020/21, at an estimated cost of \$2.03 million,
- Cost of owning or leasing a volume of storage in Carcoar Dam, and
- Cost of ongoing maintenance or future capital works required at Carcoar Dam.

The costs identified above are highly unpredictable, making a financial comparison of the options inexact. Nevertheless, a Net Present Value analysis was completed on each of the options utilising estimated financial figures. The analysis shows that, financially, the best option would be Option 2, that is, sell raw water directly to Water NSW, rather than acquire part or all of the Carcoar Dam infrastructure.

In addition, based on forecast projections of population growth for the region, the secure yield of the CTW system will be adequate for the network area until approximately 2050. Therefore, CTW may be better placed investing in the future upgrade of Lake Rowlands. However, further analysis should be completed, as costs become known or more accurate.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

14) DRAFT BACKFLOW PREVENTION POLICY (WS.SP.1)

(Leonie Freeth)

RECOMMENDATION:

1. That, following the statutory period of public display, Council adopt the draft Backflow Prevention Policy as presented at the October 2017 Council meeting.

REPORT

Following a report from the Director Operations & Technical Services to the October 2017 meeting of Council and in accordance with Council's Drinking Water Management System, Council resolved to:

“Endorse the draft Backflow Prevention Policy as presented and place on public display for a period of 28 days with a view to adoption at the December 2017 meeting of Council.”

In accordance with the above resolution, the draft Backflow Prevention Policy was placed on public exhibition for the statutory period of 28 days and Council can now proceed to adopt the draft Backflow Prevention Policy.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

15) DRAFT CLOSED CIRCUIT TELEVISION POLICY (RM.PO.1)

(Leonie Freeth)

RECOMMENDATION:

That, following the statutory period of public display, Council adopt the draft Closed Circuit Television (CCTV) Policy as presented at the October 2017 Council meeting.

REPORT

Following a report from the Director Operations & Technical Services to the October 2017 meeting of Council regarding improving CTW's security systems and strategies, Council resolved to:

“Endorse the draft Closed Circuit Television (CCTV) Policy as presented and place on public display for a period of 28 days with a view to adoption at the December 2017 meeting of Council.”

In accordance with the above resolution, the draft Closed Circuit Television (CCTV) Policy was placed on public exhibition for the statutory period of 28 days and Council can now proceed to adopt the draft Closed Circuit Television (CCTV) Policy.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

16) MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

(Leonie Freeth)

RECOMMENDATION:

1. That the information be noted.

REPORT*a) Meter Reading*

The second meter read for the 2017/18 financial year commenced on 12th October 2017 at Blayney and was finalised on 5th November 2017 at Eugowra.

b) Meter Change Program

The meter change program continued throughout the County area with sixty meters replaced that were reading over 7,500kLs.

c) Reticulation Maintenance

Maintenance of hydrants at Canowindra, Moorbel, Cargo, Cudal, Grenfell and Blayney is currently being undertaken. New stop valves were cut into the Somers and Mandurama reticulation.

d) Gooloogong Bore

The No. 1 Gooloogong bore column and bore pump was replaced, after 18 years of service.

e) WH&S

Work, Health & Safety Audits took place at Grenfell Depot, Canowindra Depot, & Carcoar Water Treatment Plant.

f) Drinking Water Management Plan

The Annual Review of the CTW Drinking Water Management Plan has been submitted to NSW Health.

g) Trunk Main

Valves in the No. 9 pit (the junction that feeds Canowindra) were replaced and included installation of an actuated valve, allowing remote adjustments to the system.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

17) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

(Leonie Freeth)

RECOMMENDATION:

1. That the information be noted.

REPORT**a) Main Breaks**

The main failures recorded during the past two months are listed in the table below.

Location		Date	Size	Comment
Blayney	Trunk Main D	2/11/17	150mm	S/L
Canowindra	Traves Lane	22/11/17	100mm	DNR

b) Service Complaints and Requests

A summary of service complaints and requests received for the last two months are as follows:

Row Labels	Count of Town/Village
BLAYNEY	17
BURST METER	1
DIRTY WATER COMPLAINT	1
LEAKING METER	8
LEAKING SERVICE	2
MAIN BREAK	1
METER NOT SHUTTING OFF	1
PATHCOCK FAILURE	1
PRV ISSUE/MAINTENANCE	1
QUALITY COMPLAINT	1
CANOWINDRA	19
HYDRANT LEAKING	1
LEAKING METER	6
LEAKING SERVICE	7
MAIN BREAK	1
METER NOT SHUTTING OFF	1
PRV ISSUE/MAINTENANCE	3
CARCOAR	1
LEAKING METER	1
CARGO	2
CUSTOMER DAMAGED METER	1
HYDRANT LEAKING	1
CUDAL	5
LEAKING METER	1
LEAKING SERVICE	4
EUGOWRA	1

LEAKING SERVICE	1
GRENFELL	10
CHECK METER READING	1
LEAKING METER	1
LEAKING SERVICE	4
METER NEW/REPLACEMENT	1
METER NOT SHUTTING OFF	2
PATHCOCK FAILURE	1
LYNDHURST	1
MAINTENANCE - GENERAL	1
MANDURAMA	1
NO WATER COMPLAINT	1
MANILDRA	1
LEAKING SERVICE	1
MILLTHORPE	7
LEAKING METER	2
LEAKING SERVICE	2
PATHCOCK FAILURE	2
QUALITY COMPLAINT	1
QUANDIALLA	1
HYDRANT LEAKING	1
Grand Total	66

c) Lake Rowlands

In the first week of December 2017, the level of Lake Rowlands increased from 88% to 94% (8/12/2017). Since the last report the level has remained relatively static at around 88-90%.

d) New Water Services

During the past two months there have been eight new domestic water services connected to Council's mains.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

18) QUESTIONS ON NOTICE

(Gavin Rhodes)

No questions on notice were received.

ATTACHMENTS

Nil

- 19) **WATER LEAKAGE – ACCOUNT 3746000003(CR.EQ.1)**
WATER LEAKAGE - ACCOUNT 1699000004(CR.EQ.1)
WATER LEAKAGE – ACCOUNT 63738000007(CR.EQ.1)
WATER LEAKAGE – ACCOUNT 273030007(CR.EQ.1)

(Gavin Rhodes)

RECOMMENDATION:

That, as these matters deal with items that are subject to the affairs of an individual and confidentiality, Council consider it in Committee of the Whole and that in terms of Sections 10A (2) of the Local Government Act, the press and the public be excluded from the meeting of the Committee of the Whole.

ATTACHMENTS

Nil

20) PROCEED TO COMMITTEE OF THE WHOLE

(Gavin Rhodes)

RECOMMENDATION:

1. That, as business for the Ordinary Meeting has now concluded, Council proceed into Committee of the Whole to discuss the items referred to in the report.

Council should exclude the press and public at this point, for confidential discussion on the items referred to Committee

ATTACHMENTS

Nil

21) **REPORT OF THE COMMITTEE OF THE WHOLE**

(Gavin Rhodes)

RECOMMENDATION:

1. That the recommendations of the Committee of the Whole be adopted.

ATTACHMENTS

Nil