

CENTRAL TABLELANDS *Water*



Business Paper

Extraordinary Meeting of Central Tablelands Water

8th May 2017

Canowindra



3rd May 2017

Notice to Members

Your attendance is requested at an Extraordinary Meeting of Council to be held at the Old Vic Inn, Canowindra on Monday, 8th May 2017 at 10.00am.

Agenda

1. Public Forum
2. Apologies for non-attendance
3. Reports of Staff

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Rhodes', is positioned below the text 'Yours faithfully'.

G. Rhodes
General Manager

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HELD ON MONDAY 8 MAY 2017

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01) DRAFT OPERATIONAL PLAN 2017/2018 & LONG TERM FINANCIAL PLAN 2017/2018 – 2026/2027 (FM.PL.1)

(Raelene Mulligan)

RECOMMENDATION:

1. That Council endorses the draft:
 - a. Operational Plan 2017 – 2018 – Parts 1 & 2 – with variations as outlined in Scenario 1; and the
 - b. Long Term Financial Plan 2017/2018 – 2026/2027 – with variations as outlined in Scenario 1;

To be placed on public display for a period of 28 days.

REPORT

The Integrated Planning and Reporting report presented to the April 2017 Council meeting was resolved in minute number 17/020, with the following amendment:

“That Council defer the endorsement and adoption of the Draft Operational Plan and Long Term Financial Plan to a future extraordinary meeting, subject to further financial modelling being undertaken in accordance with NSW Best Practice Management of Water Supply & Sewerage Guidelines.”

Noting the above resolution and taking into consideration the discussion points raised during the meeting regarding CTW’s proposed financial plans, four additional scenarios were developed regarding potential price increases for both usage and availability charges. The increase in the proposed charges reflects the requirements under the NSW Best Practice Management (BPM) of Water Supply and Sewerage guidelines.

The four separate scenarios are included with the business paper for Councillors review and consideration. A revised capital works program (including an additional reservoir at the Carcoar WFP and replacement of Trunk Main A) is also included, as well as a price comparison table, benchmarking CTW against other councils regarding fees and charges for water supply. Management has also revised Council’s Long Term Financial Plan (LTFP) for all four scenarios, with the impact of the change in water and availability charges outlined in the Statement of Cash Flows and the Operating Statement.

The budget also includes an estimate of \$300,000 for asset impairment expenses for FY’s 2017/18 and 2018/19, being for the replacement of Trunk Main ‘D’ and Trunk Main ‘F’. Depreciation expenses for Water Supply Network Infrastructure have also been increased by \$300,000 (estimated) from 2019/20 and onwards as current capital works projects are commissioned.

Council resolved in 2006/2007 to effect an annual increase of 8% on the consumption tariff in order to self-fund an extensive capital works program (\$52.84 million in 2010 \$ terms) over 30 years without the need for loan borrowings or

government subsidies. In 2014/2015, Council resolved to end the annual increase of 8% in the consumption tariff in favour of a reduced annual increase of 5%. On review of Council's LTFP and in order to self-fund a 30 year capital works program, it is recommended under Scenario 1 that an increase of 8% on consumption charges be applied for 2017/2018 with an increase of 6% for the remainder of the LTFP.

Availability charges are recommended to increase by \$7.50 per quarter for a standard 20mm service from \$200 to \$230 per year, with larger services increasing respectively. It should be noted that the availability charges have not increased since FY 2012/2013. The increase in the availability charges are in accordance with the NSW Best Practice Management (BPM) of Water Supply and Sewerage guidelines.

The planned increase of 8% on the consumption tariff for 2017/2018, will see the cost per kilolitre rise from \$2.55 to \$2.75. The overall increase for an average residential bill using 191kL over 12 months will be \$68.20 (\$17.05 per quarter) which also includes the increase to the availability charges.

Council has a dedicated focus on consumer expectations and, through its pricing policy, consumers are receiving a water supply of high quality and reliability and this is wholly attributable to the pricing policy being able to fund an ongoing program of infrastructure renewal and upgrade. As a result, Scenario 1 is recommended for endorsement by Council.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

02) BLAYNEY A&P ASSOCIATION REQUEST FOR SPONSORSHIP (CR.SD.1)

(Gavin Rhodes)

RECOMMENDATION:

1. For Council's consideration and determination.

REPORT

The Blayney A&P Association has written to Council seeking support by way of sponsorship for the 2018 Zone 6 Land Sydney Showgirl Competition Judging, to be held in Blayney on 17 February 2018.

According to the Blayney A&P Association, the event will attract approximately 250 to 300 visitors to Blayney during the competition weekend. The Association has advised that any sponsorship received will go towards hosting this high profile event reflecting positively on the Blayney Shire area.

A copy of the sponsorship request is provided as an attachment to this report.

BUDGET IMPLICATIONS

Dependent on determination.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

- | | | |
|---|---|--------|
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| 2 | GM Reply Letter | 1 Page |

**Blayney A & P Association****2018 Zone 6 Showgirl Final Sub Committee**

C/O 170 Dowsetts Lane

Hobbys Yards

NSW 2795

Refer to
Council Meeting
in May.
gpc

13-4-17

Dear Sir,

I am writing to you in regards to a sponsorship opportunity with the Zone 6 Land Sydney Showgirl Competition Judging to be conducted in Blayney on the 17th February 2018. This event will bring 250 to 300 people to Blayney for the weekend.

The Blayney A & P Showgirl Committee would like to offer you the opportunity to be a sponsor for this prestigious event.

Your support, in the way of cash or kind (product or vouchers) will assist the Blayney Show Society to host this high profile event in a manner, which reflects positively on our shire.

Any profit made from holding the event will go back to the Blayney A&P to be used to run subsequent shows and fund improvements to the showground which is used extensively by the Blayney Community.

In May, one of our committee members will call on you. If you are able to provide sponsorship of any kind, we would be grateful and your support will be acknowledged at the event.

If you would like more information, or to discuss this invitation, please contact Maxine Meek on 02 63683735 or Eleanor Cook on 02 63673025.

Thank you for your time and consideration.

Sincerely,





Central Tablelands *Water*

Our Reference: CR.SD.1

Contact: Gavin Rhodes

2 May 2017

Ms Maxine Meek
Blayney A&P Association
2018 Zone 6 Showgirl Final Sub Committee
C/- 170 Dowsetts Lane
HOBBYS YARDS NSW 2795

Dear Ms Meek,

Re: Sponsorship for the Zone 6 Land Sydney Showgirl Competition Judging

Further to your letter dated 13 April 2017, I advise that Council has a policy of all requests for donations are considered by Council on application. Council has subsequently considered the case where an appeal for a donation is received between meetings and has decided that all appeals must still come before Council.

Therefore noting Council's policy, your letter will be submitted to Council at its next extraordinary meeting on 8 May 2017 for consideration.

I will advise you further following Council's May extraordinary meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G. Rhodes', written in a cursive style.

G. Rhodes
General Manager

03) CENTRAL TABLELANDS REGIONAL WATER SECURITY PIPELINE PROJECT UPDATE (WS.AG.1)

(Leonie Freeth)

RECOMMENDATION:

That Council:

1. Note the progress report of the Central Tablelands Regional Water Security Project, and;
2. Authorise the Chairman and General Manager to execute all Agreements to Grant Easements in the Blayney Shire Local Government Area for the Orange to Blayney and Carcoar Pipeline Project under Council's Common Seal.

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 proposed CTW-OCC linkage provides for emergency contingency operation as well as drought security for both CTW and OCC, and together with a number of other complementary regional projects, has the potential to drought proof a large geographic area of the NSW Central West. CTW's extensive operational reach of over 580kms of water mains extended across 6 separate local government areas means that CTW plays a pivotal role in strengthening water security across the region.

In 2015, funding of \$21.2 million was granted to undertake the Project under the Restart NSW funding program which included project design, land matters and construction of a pipeline between Orange, Blayney and Carcoar, which included resolving land matters for the entire project.

Land matters encompassed three elements:

- Property Management Plans – An agreement with affected landholders that details management of property and rehabilitation, during and after construction;
- Access Agreements – An Agreement that permits access to property for the construction of the pipeline; and,
- Easement Acquisitions – for the purpose of creating pipeline easements.

The majority of Easement Acquisitions for the Project have been agreed to by the respective parties.

Therefore, it is recommended to Council to authorise the Chairman and General Manager to execute all Agreements to Grant Easements in the Blayney Shire Local Government Area under Council's Common Seal.