Notice of meeting of Riverina Water County Council

The meeting will be held in the Riverina Water Board Room, 91 Hammond Ave, Wagga at 9.30am on Wednesday 21 August 2019

Meeting Agenda

Welcome to Country

Apologies – Clr Greg Conkey OAM

Declaration of pecuniary and non-pecuniary interests

Confirmation of Minutes held 26 June 2019

Correspondence

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General Manager's Report to Riverina Water

21 August 2019

The Chairperson and Councillors:

1. Riverina Water Audit and Risk Report 2018 - 2019

RECOMMENDATION: that Council receive the report from the Riverina Water Audit and Risk Committee as presented by the Committee Chair, Mr David Maxwell.

The following report for the Riverina Water Audit and Risk Committee (the Committee) was adopted by the Committee at its meeting of 24 July 2019 for presentation to the Riverina Water Board meeting on 23 August 2019.

Mr David Maxwell, Chairpersonof the Audit and Risk Committee will be present to address the Board

RIVERINA WATER COUNTY COUNCIL

AUDIT & RISK COMMITTEE REPORT

Year ended 30 June 2019

This Report is made in accordance with clause 9 of the Committee's Charter and covers the financial year just ended.

The Committee is an advisory committee appointed pursuant to section 355 of the Local Government Act 1993 and the terms and conditions of the Audit & Risk Committee Charter.

	Meetings attended
Committee membership during the period:	
Independent External Members	
David Maxwell (Chairperson)	*5*
Bryce McNair	*4*
Councillors	
Clr Yvonne Braid, OAM	*5*
Clr Tony Quinn (alternate member)	*1*
Also attended	

General Manager, Andrew Crakanthorp	*5*
Manager Corporate Services, Emily Tonacia	*4*
Manager Works, Austin Morris	*1*
Governance & Records Officer, Wendy Reichelt	*1*
Minute Secretary, Kerrie Fawcett	*3*
Observer, Alison Herbst	*1*

Internal Audit and External Audit Representatives have also attended as required.

Committee meetings during the period

The Committee met on 25 July 2018, 14 November 2018, 6 March 2019 and 22 May 2019 (all ordinary meetings) and 12 September 2018 (special meeting to consider the draft Annual Financial Statements).

Reporting lines

The Committee reports to Council after each meeting in the form of minutes (all Councillors also receive copies of Committee agendas) and provides an annual report of activities undertaken each year. At need, the Committee will also provide additional reports on matters that it specifically wishes to draw to Council's attention, but has not done so during the year under review. The Committee Chairman will take the opportunity to formally present this report to Council, and to answer any questions Councillors may have on the role and operations of the Committee.

Approach of the Committee

The Committee takes what may broadly be described as a "risk management" approach which includes:

- *annually reviewing the Lead Organisational Critical Issues List and Internal Audit Universe*
- *monitoring the risk exposure of Council*
- *reviewing the level of resources allocated to internal audit and the scope of its authority*
- *reviewing the scope of internal audit plans and the effectiveness of the function*
- *reviewing reports of internal audit and the extent to which Council and management react to matters raised by internal audit*
- *facilitating liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs*
- *critically analysing and following up on any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues raised*
- *identifying and referring specific projects or investigations deemed necessary through the General Manager, internal auditor and the Council as appropriate*
- *addressing issues brought to the attention of the Committee that are within the parameters of its terms of reference*

- *considering and recommending any changes to the Committee's Charter and the Internal Audit Charter.*

Internal Audit operations during the period

Internal Audit services have been provided by National Audits as external contract suppliers of internal audit services. Internal Audit has an independent contract status within Council and reports administratively to the General Manager and functionally to the Committee.

The Committee has considered Internal Audit Reports on the following matters:

- *IT Core Services*
- *Additional testing – procurement and purchasing*
- *Asset Management*

Assignments that will be completed before the end of June, but for which the reports will not be considered by the Committee until after the end of June are:

- *Treasury Operations*
- *Water Billing / Debt Recovery*
- *Water Quality & Systems Monitoring / Performance Reporting*

Internal and external reports usually include recommendations for improvements to Council procedures – not all of which are necessarily appropriate to an organisation of Council's size - designed to minimise the exposure to various risks. Management may or may not accept all recommendations in full, and nominates a responsible officer and a time-frame for completion.

The Committee reviews the reports, recommendations and management comments in detail, and satisfies itself that management's proposed actions are appropriate and adequate for the Council, and that the proposed time-frames are realistic, particularly in relation to staff resources available.

The Committee then monitors management actions in relation to issues raised in previous reports, and at need will report to the Chairman or direct to Council on any matters causing concern. During the year under review, there have been no matters that the Committee has considered reporting in this manner.

The 2018 report relating to Risk Management identified potential enhancements to Council's Risk Management Policy, Framework, Strategy and Plan. Ms Wendy Reichelt has been appointed as Governance & Records Officer to progress these tasks, and as a result the Committee expects to improve the targeting of internal audit assignments to specific areas of greatest risk. The Committee has also started to take a more active role in "scoping" these assignments, again to improve targeting of assignments to specific areas of risk.

External Audit operations during the period

At its special meeting held 12 September 2018 the Committee reviewed the draft Annual Financial Statements for the year ended 30 June 2018 and directed questions to the external auditors in attendance and to Council's Manager Corporate Services. The Committee reported to Council that it knew of no matter that would prevent Council from executing the certificates required by section 413 of the Local Government Act.

The Committee has also reviewed all correspondence from the external auditor in relation to the external audit and has not identified any specific matter to which it wishes to draw the attention of the Council. The major items of correspondence were:

- *Interim Management Letter 2018*
- *Audit Reports 2018*
- *Report on the Conduct of the Audit 2018*
- *Engagement Closing Report 2018*
- *Annual Engagement Plan 2019*

Other Reports referred to the Committee

The following other reports have been referred to, and considered by, the Committee. There are no specific matters relating to these that the Committee wishes to draw to the attention of Council.

- *RWCC Annual Report*
- *Annual Residents Survey*
- *Statecover Self-Audit Report*

Other Committee Operations

A review of the performance of the Committee in accordance with clause 7.7 of the Charter was undertaken as a survey of Councillors, senior staff and Committee members, and this identified defects in the operations of the Committee, particularly in relation to the briefing of Councillors on its operations and member training. An action plan has been put into effect to minimise these defects.

To improve Committee members' familiarisation with operations, a number of Council facilities were inspected following the March and May meetings, and the July meeting will be held in Holbrook. It is proposed in future that the mandatory elected members' training will also be made available to Committee members.

Recently the Chairman (as a representative of another Council's ARIC) attended a training workshop for independent committee members, councillors, general managers and staff on expected ARIC operations after the commencement of the 2016 amendments (Ms Wendy Reichelt attended a subsequent session). A report arising from this training, with particular reference to the inordinate OLG delay in releasing draft guidelines, has been separately made to Council.

These amendments will require changes to the existing structure and operations of this Committee. The General Manager will advise Council of any changes required upon the enactment of the legislation and gazettal of the regulations.

Staff

The Committee wishes to formally record its appreciation for the ready and willing assistance it has received from the General Manager, Andrew Crakanthorp, and the Manager Corporate Services, Emily Tonacia, and their staff. The Committee particularly appreciated the open and forthright responses it received from the Manager Works, Austin Morris, at its May meeting and looks forward to future meetings with him and other senior staff.

David G Maxwell

Chairman

2. Financial Statements – List of Investments

RECOMMENDATION: that the report detailing Council's external investments for the months of June and July 2019 be received.

In accordance with the provisions of Clause 19(3) of the Local Government (Financial Management) Regulation 1993, I report details of the Council's external investments as at 30 June 2019 and 31 July 2019 as follows:

- **Investment Report – June 2019**
- **Investment Report – July 2019**

Monthly Investment Report as at 30/06/2019

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
AMP	17/01/2019	182	18/07/19	A-1	2.75	8.997%	$2,500,000.00	$2,500,000.00
Rural Bank	30/04/2019	372	06/05/20	A-2	2.48	8.997%	$2,500,000.00	$2,500,000.00
Defence Bank	10/01/2019	273	10/10/19	A-2	2.75	8.997%	$2,500,000.00	$2,500,000.00
National Australia Bank	8/04/2019	91	08/07/19	A-1+	2.45	5.398%	$1,500,000.00	$1,500,000.00
AMP	12/02/2019	273	12/11/19	A-1	2.80	3.599%	$1,000,001.00	$1,000,001.00
Bank Australia	5/07/2018	365	05/07/19	A-2	3.00	7.198%	$2,000,000.00	$2,000,000.00
National Australia Bank	30/04/2019	180	27/10/19	A-1+	2.35	3.599%	$1,000,000.00	$1,000,000.00
National Australia Bank	16/01/2019	210	14/08/19	A-1+	2.72	12.596%	$3,500,000.00	$3,500,000.00
AMP	30/03/2019	367	31/03/20	A-1	2.70	7.198%	$2,000,000.00	$2,000,000.00
National Australia Bank	8/04/2019	91	08/07/19	A-1+	2.45	7.198%	$2,000,000.00	$2,000,000.00
Auswide Bank	17/06/2019	731	17/06/21	A-2	2.22	5.398%	$1,500,000.00	$1,500,000.00
						79.17%	**$22,000,001.00**	**$22,000,001.00**
Cash Deposit Account								
T Corp				A-1+	1.85	9.26%	$2,572,395.34	$2,572,395.34
AMP				A-1	1.63	11.568%	$3,214,289.72	$3,214,289.72
						20.83%	**$5,786,685.06**	**$5,786,685.06**
TOTAL INVESTMENTS						**100.00%**	**$27,786,686.06**	**$27,786,686.06**
Cash at Bank								$403,436.32
TOTAL FUNDS								**$28,190,122.38**

CERTIFICATE

I hereby certify that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy number POL 1.23.

E Tonacia

MANAGER CORPORATE SERVICES

Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted		
	LIRS Loan Funds	$0.00
		$0.00
Internally Restricted		
	Employee Leave Entitlements (50% of ELE)	$1,856,197.28
	Asset Replacement	$1,758,208.25
	Loan Funds	$0.00
	Sales Fluctuation	$5,000,000.00
		$8,614,405.53
Unrestricted Funds		$19,575,716.85
TOTAL FUNDS		**$28,190,122.38**

* Externally & Internally Restricted Reserve figures are subject to final adjustment and external audit at 30 June each year. Figures shown above are

Report

The investment portfolio decreased by $217,654 for the month. The decrease was due to additional expenditure over income for the June period.

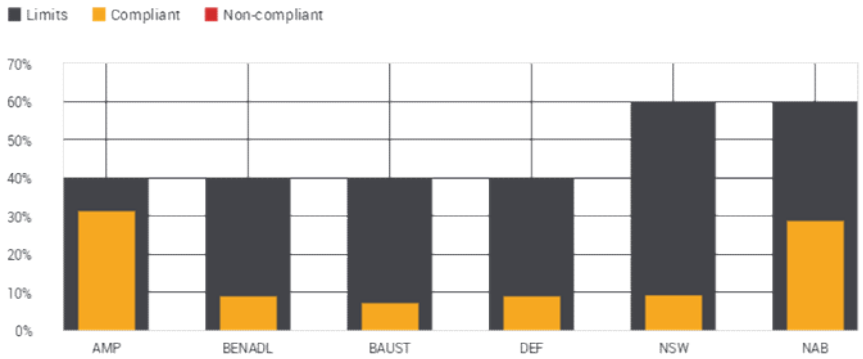
Portfolio Performance

For the month of June, the portfolio (excluding cash) provided a return of +0.22% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.09% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 6 months or longer.

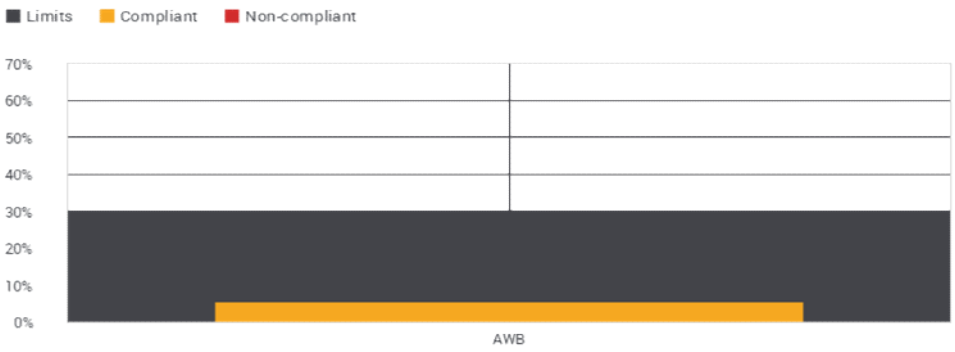
Counterparty Compliance

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

Short-term Holdings



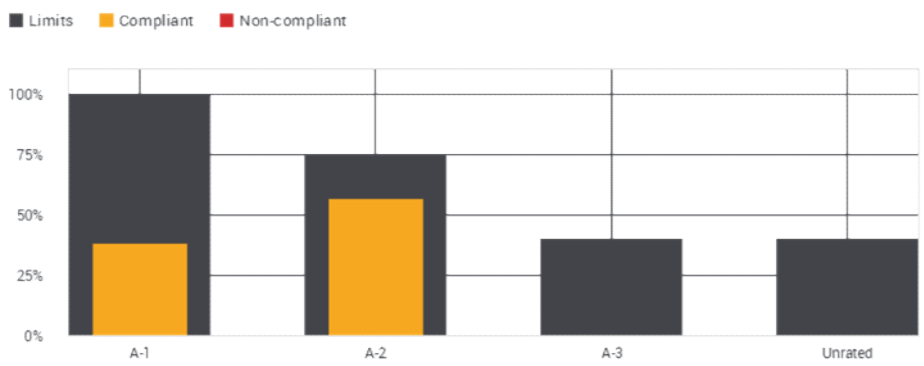
Long-term Holdings



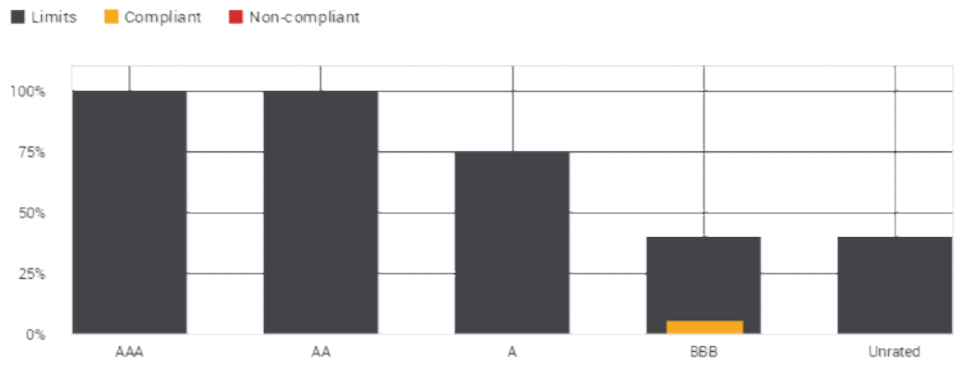
Credit Quality Compliance

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

Short-term Holdings

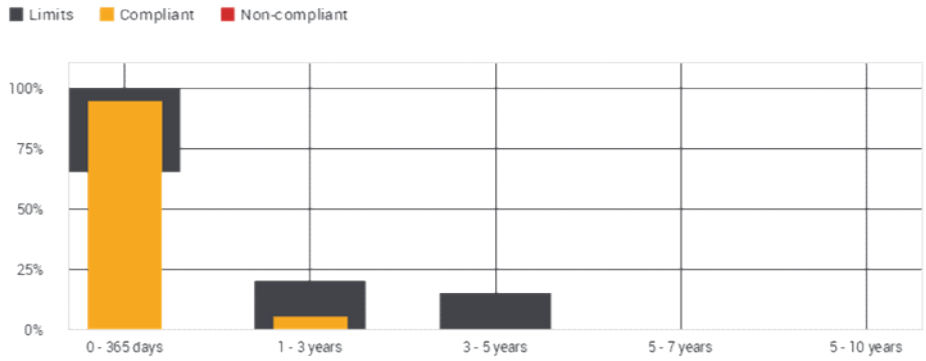


Long-term Holdings



Term to Maturity

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



Monthly Investment Report as at 31/07/2019

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
AMP	18/07/2019	365	17/07/20	A-1	2.05	9.161%	$2,500,000.00	$2,500,000.00
Rural Bank	30/04/2019	372	06/05/20	A-2	2.48	9.161%	$2,500,000.00	$2,500,000.00
Defence Bank	10/01/2019	273	10/10/19	A-2	2.75	9.161%	$2,500,000.00	$2,500,000.00
Auswide Bank	8/07/2019	735	12/07/21	A-2	2.05	5.496%	$1,500,000.00	$1,500,000.00
AMP	12/02/2019	273	12/11/19	A-1	2.80	3.664%	$1,000,001.00	$1,000,001.00
Bank Australia	5/07/2019	367	06/07/20	A-2	2.20	7.328%	$2,000,000.00	$2,000,000.00
National Australia Bank	30/04/2019	181	28/10/19	A-1+	2.35	3.664%	$1,000,000.00	$1,000,000.00
National Australia Bank	16/01/2019	210	14/08/19	A-1+	2.72	12.825%	$3,500,000.00	$3,500,000.00
AMP	30/03/2019	367	31/03/20	A-1	2.70	7.328%	$2,000,000.00	$2,000,000.00
National Australia Bank	8/07/2019	569	27/01/21	A-1+	1.85	7.328%	$2,000,000.00	$2,000,000.00
Auswide Bank	17/06/2019	731	17/06/21	A-2	2.22	5.496%	$1,500,000.00	$1,500,000.00
						80.61%	**$22,000,001.00**	**$22,000,001.00**
Cash Deposit Account								
T Corp				A-1+	2.40	7.61%	$2,076,635.66	$2,076,635.66
AMP				A-1	1.37	11.778%	$3,214,319.72	$3,214,319.72
						19.39%	**$5,290,955.38**	**$5,290,955.38**
TOTAL INVESTMENTS						**100.00%**	**$27,290,956.38**	**$27,290,956.38**
Cash at Bank								$1,202,689.06
TOTAL FUNDS								**$28,493,645.44**

CERTIFICATE

I hereby certify that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy number POL 1.23.

E Tonacia

MANAGER CORPORATE SERVICES

Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted		
	LIRS Loan Funds	$0.00
		$0.00
Internally Restricted		
	Employee Leave Entitlements (50% of ELE)	$1,856,197.28
	Asset Replacement	$1,758,208.25
	Loan Funds	$0.00
	Sales Fluctuation	$5,000,000.00
		$8,614,405.53
Unrestricted Funds		$19,879,239.91
TOTAL FUNDS		**$28,493,645.44**

* Externally & Internally Restricted Reserve figures are subject to final adjustment and external audit at 30 June each year.

Report

The investment portfolio increased by $303,523 for the month. The increase was due to income in July being higher than expenditure.

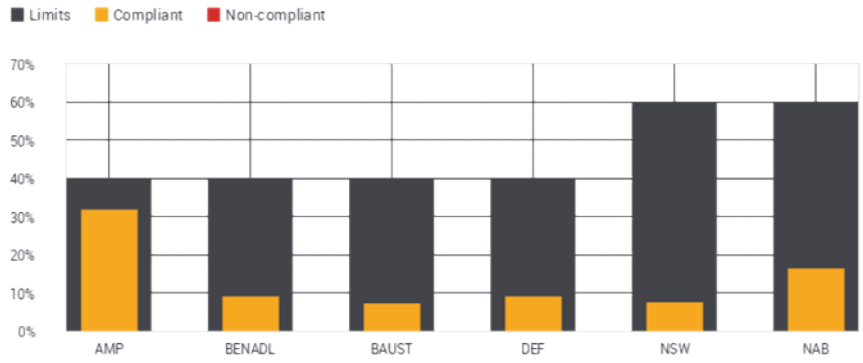
Portfolio Performance

For the month of July, the portfolio (excluding cash) provided a return of +0.21% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.09% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 6 months or longer.

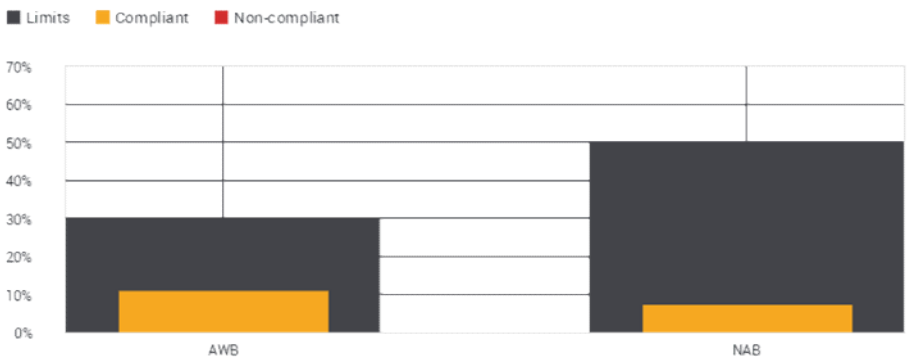
Counterparty Compliance

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

Short-term Holdings



Long-term Holdings



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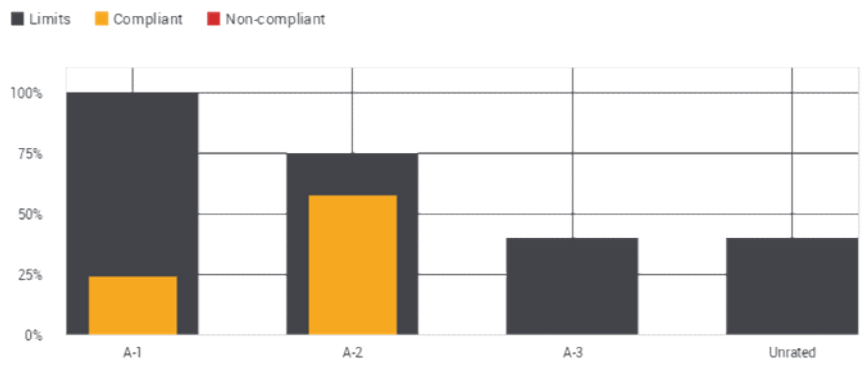
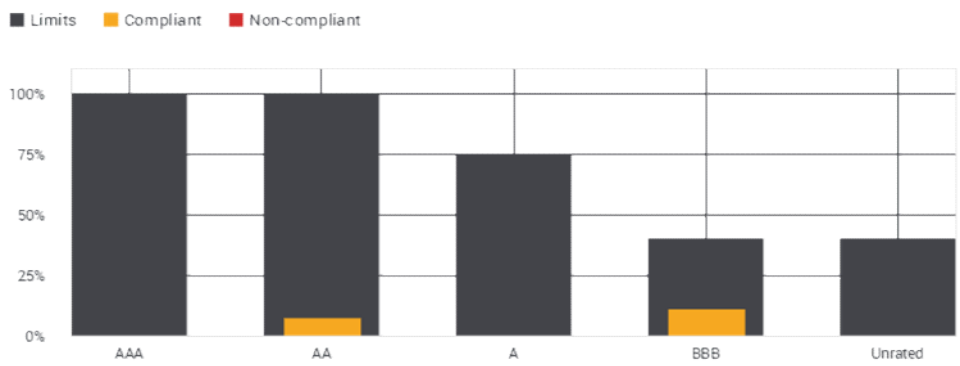
Short-term Holdings

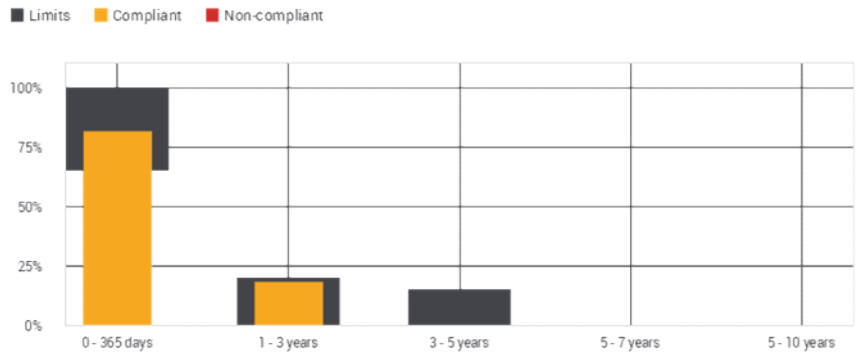


Long-term Holdings



Term to Maturity

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



3. Financial Statements 2018/2019

RECOMMENDATION: that

a) Council's Draft Financial Statements be referred to audit by Council's auditors, Audit Office of New South Wales,

b) Council make a resolution in accordance with section 413 (2c) that the annual financial report is in accordance with:
- the Local Government Act 1993 (as amended) and the Regulations made there under,
- the Australian Accounting Standards and professional pronouncements,
- the Local Government Code of Accounting Practice and Financial Reporting,
- presents fairly the councils operating results and financial position for the year,
- accords with Council's accounting and other records, and
- that Council is not aware of any matter that would render this report false or misleading in any way.

c) That Council adopt the above mentioned Statement and that the Chairman, Councillor,General Manager and Manager Corporate Service be authorised to complete the "Statement by Members of the Council" in relation to Council's 2018/19 Financial Statements and Special Purpose Financial Reports and be attached thereto.

d) That Council delegate to the General Manager the authority to "finalise the date" at which the Audit Report and Financial Statements are to be presented to the public.

Council's Financial Statements and Special Purpose Financial reports for 2018/2019 have been completed and are ready to be forwarded to Council's Auditors.

Under the provisions of Section 412(2c) of the Local Government Act 1993, the Financial Statements and Special Purpose Financial Reports shall be accompanied by a statement made in accordance with a resolution by Council, signed by two Councillors, General Manager and Responsible Accounting Officer along the lines of the recommendation (b) above.

Following receipt of the Auditor's Report, it will be necessary to give public notice for a period of at least seven (7) days prior to the adoption of the Financial Statements.

It is anticipated that the auditor's report will be submitted to Council's Ordinary Meeting on 30 October 2019. Council's Annual Report for 2018/2019 can be adopted at the same meeting.

A copy of the "Statement by Members of the Council" referred above in recommendation (c) follows: -

- **Statements by Councillors and Management**

Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 21 August 2019.

Clr G Verdon
Chairperson

Clr P Funnell
Councillor

Mr A Crakanthorp
General Manager

Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- the NSW Government Policy Statement *'Application of National Competition Policy to Local Government'*,
- the Division of Local Government Guidelines *'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality'*,
- the Local Government *Code of Accounting Practice and Financial Reporting*,
- the NSW Office of *Water Best-Practice Management of Water and Sewerage Guidelines*.

To the best of our knowledge and belief, these statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 21 August 2019.

Clr G Verdon
Chairperson

Clr P Funnell
Councillor

Mr A Crakanthorp
General Manager

Ms E Tonacia
Responsible Accounting Officer

4. Financial Statements – Financial position as at 30 June 2019

RECOMMENDATION: that the unaudited statements of the financial position as at 30 June 2019 be received.

The unaudited statements of RWCC Financial Position as at 30 June 2019 are submitted for examination by Council.

The anticipated operating result for 2018/2019 is a surplus of $13,469,000. The original estimate was for a surplus of $11,315,000.

The items of note in the final operating result variance from Council's original budget are:

	$ ('000)
Additional Water Sales (due to dry weather)	1,301
Additional Interest Revenue (due to additional cash on hand as a result of higher than anticipated sales)	490
Additional Sundry Income (due to acting on Liquidated Damages for Water Treatment Plant that were unanticipated and not budgeted)	244

The draft primary statements follow.

- **Financial Statements 2018/2019 – primary statements following**

DRAFT

Riverina Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

"to provide our community with safe reliable water at the lowest sustainable cost"

Riverina Water

Riverina Water County Council

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	$ '000	Notes	Actual 2019	Actual 2018 [1]
	Income from continuing operations			
	Revenue:			
5,085	Rates and annual charges	3a	5,551	5,471
24,693	User charges and fees	3b	25,994	22,877
200	Interest and investment revenue	3c	691	595
236	Other revenues	3d	662	281
210	Grants and contributions provided for operating purposes	3e, 3f	338	402
3,803	Grants and contributions provided for capital purposes	3e, 3f	3,013	3,319
	Other income:			
–	Net gains from the disposal of assets	5	73	–
–	Reversal of revaluation decrements / impairment of IPP&E previously expensed	4d	–	25
34,227	**Total income from continuing operations**		36,322	32,970
	Expenses from continuing operations			
8,158	Employee benefits and on-costs	4a	8,972	7,942
582	Borrowing costs	4b	570	653
3,841	Materials and contracts	4c	2,580	2,202
6,100	Depreciation and amortisation	4d	6,216	6,066
4,231	Other expenses	4e	4,515	4,389
–	Net losses from the disposal of assets	5	–	8
22,912	**Total expenses from continuing operations**		22,853	21,260
11,315	**Operating result from continuing operations**		13,469	11,710
11,315	Net operating result for the year		13,469	11,710
11,315	Net operating result attributable to council		13,469	11,710
7,512	**Net operating result for the year before grants and contributions provided for capital purposes**		10,456	8,391

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Income Statement should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Comprehensive Income

for the year ended 30 June 2019

$ '000	Notes	2019	2018 [1]
Net operating result for the year (as per Income Statement)		**13,469**	**11,710**
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	4,454	5,835
Gain (loss) on revaluation of intangible assets		3,302	600
Total items which will not be reclassified subsequently to the operating result		7,756	6,435
Total other comprehensive income for the year		7,756	6,435
Total comprehensive income for the year		21,225	18,145
Total comprehensive income attributable to Council		21,225	18,145

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Financial Position

as at 30 June 2019

$ '000	Notes	2019	2018 [1]
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	13,184	19,135
Investments	6(b)	15,000	7,000
Receivables	7	4,789	3,576
Inventories	8	2,572	2,334
Total current assets		35,545	32,045
Non-current assets			
Infrastructure, property, plant and equipment	9	359,595	346,174
Intangible assets	10	7,602	4,300
Total non-current assets		367,197	350,474
TOTAL ASSETS		402,742	382,519
LIABILITIES			
Current liabilities			
Payables	11	1,146	1,018
Income received in advance	11	445	462
Borrowings	11	1,761	1,675
Provisions	12	4,268	3,713
Total current liabilities		7,620	6,868
Non-current liabilities			
Borrowings	11	7,258	9,012
Total non-current liabilities		7,258	9,012
TOTAL LIABILITIES		14,878	15,880
Net assets		387,864	366,639
EQUITY			
Accumulated surplus	13a	135,378	121,909
Revaluation reserves	13a	252,486	244,730
Council equity interest		387,864	366,639
Total equity		387,864	366,639

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Changes in Equity

for the year ended 30 June 2019

$ '000	Notes	2019 Accumulated surplus	2019 IPP&E revaluation reserve	2019 Total equity	2018 [1] Accumulated surplus	2018 [1] IPP&E revaluation reserve	2018 [1] Total equity
Opening balance		121,909	244,730	366,639	110,199	238,295	348,494
Net operating result for the year		13,469	–	13,469	11,710	–	11,710
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9	–	4,454	4,454	–	5,835	5,835
– Gain (loss) on revaluation of intangible assets		–	3,302	3,302	–	600	600
Other comprehensive income		–	7,756	7,756	–	6,435	6,435
Total comprehensive income		13,469	7,756	21,225	11,710	6,435	18,145
Equity – balance at end of the reporting period		135,378	252,486	387,864	121,909	244,730	366,639

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Riverina Water County Council

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	$ '000	Notes	Actual 2019	Actual 2018
	Cash flows from operating activities			
	Receipts			
5,200	Rates and annual charges		5,450	5,287
23,502	User charges and fees		25,708	22,822
300	Investment and interest revenue received		535	559
3,500	Grants and contributions		3,345	3,966
–	Bonds, deposits and retention amounts received		61	–
–	Other		(19)	1,872
	Payments			
(8,048)	Employee benefits and on-costs		(8,386)	(8,138)
(3,700)	Materials and contracts		(2,677)	(2,319)
(570)	Borrowing costs		(570)	(653)
–	Bonds, deposits and retention amounts refunded		–	(13)
(4,100)	Other		(4,620)	(6,108)
16,084	**Net cash provided (or used in) operating activities**	14b	18,827	17,275
	Cash flows from investing activities			
	Receipts			
–	Sale of infrastructure, property, plant and equipment		279	214
	Payments			
(5,000)	Purchase of investment securities		(8,000)	(7,000)
(14,500)	Purchase of infrastructure, property, plant and equipment		(15,389)	(11,025)
(19,500)	**Net cash provided (or used in) investing activities**		(23,110)	(17,811)
	Cash flows from financing activities			
	Payments			
1,668	Repayment of borrowings and advances		(1,668)	(1,575)
1,668	**Net cash flow provided (used in) financing activities**		(1,668)	(1,575)
(1,748)	**Net increase/(decrease) in cash and cash equivalents**		(5,951)	(2,111)
7,100	Plus: cash and cash equivalents – beginning of year	14a	19,135	21,246
5,352	Cash and cash equivalents – end of the year	14a	13,184	19,135
	Additional Information:			
15,000	plus: Investments on hand – end of year	6(b)	15,000	7,000
20,352	Total cash, cash equivalents and investments		28,184	26,135

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

5. Capex Budget Results 2018-19

RECOMMENDATION: that Council receive and note the report on the final Capital Expenditure Budget result for the 2018/19 financial year.

The following table summarises Council's Capital Expenditure Budget Result for 2018/19: -

- **Capex Budget Result 2018/2019**

2018/19 CAPITAL EXPENDITURE

Description	2018/19 Current Budget	Commitments	Actual	Budget Remaining (incl Committal)
	$	$	$	$
MANAGEMENT				
LAND & BUILDINGS FOR ADMIN. DEPOTS AND WORKSHOPS				
Administration Office	34,850	13,700	23,573	-2,423
Depot Buildings	245,000	140,740	71,243	33,017
Access, Parking and Landscaping	2,731,966	148,210	2,107,400	476,356
SUB-TOTAL LAND & BUILDINGS FOR ADMIN, DEPOTS & WORKSHOPS	**3,011,816**	**302,650**	**2,202,216**	**506,950**
PLANT & EQUIPMENT				
IT Equipment	205,098	63,570	74,869	66,659
Office Furniture & Equipment	31,000	0	10,871	20,129
Working Plant & Vehicle Purchases	1,444,988	46,093	1,417,975	-19,080
Telemetry & Control Systems Upgrade	193,126	24,401	245,250	-76,525
Radio Communications Upgrade/Replacements/Improvements	260,475	16,464	136,507	107,504
Energy Efficiency & Cost Minimisation	170,000	108,555	19,027	42,418
SUB-TOTAL PLANT & EQUIPMENT	**2,304,687**	**259,083**	**1,904,498**	**141,106**
TOTAL MANAGEMENT	**5,316,503**	**561,733**	**4,106,715**	**648,055**
SOURCES				
Bores-renew/refurbish/decommission	111,600	21,046	95,744	-5,190
Source Works General Improvements	27,000	0	21,130	5,870
Switchboards Improvements/Replacements	5,000	0	0	5,000
TOTAL SOURCES	**143,600**	**21,046**	**116,874**	**5,680**
TREATMENT PLANTS				
Aeration Tower Covers	264,220	24,135	198,172	41,913
Specific Treatment Plant improvements	115,000	0	38,283	76,717
Treatment Plant refurbishments	4,784,326	65,871	3,828,267	890,188
Laboratory Facilities Upgrade	50,000	0	33,982	16,018
TOTAL TREATMENT PLANTS	**5,213,546**	**90,006**	**4,098,687**	**1,024,853**
PUMPING STATIONS				
Pump Stations Renewal/Refurbish/Upgrade	45,097	0	30,607	14,490
Pump & Motor Maintenance / Replacements	32,000	0	11,108	20,892
Pump Station Switchboards/Control Systems Replacement/Upgrade	34,492	0	34,492	0

Description	2018/19 Current Budget	Commitments	Actual	Budget Remaining (incl Committal)
	$	$	$	$
TOTAL PUMPING STATIONS	**111,589**	**0**	**76,206**	**35,383**
RESERVOIRS				
General Improvements	130,000	18,070	72,756	39,174
New/Replacement Reservoirs	3,334,506	1,523,518	1,768,952	42,036
Reservoirs - Upgrade Ladders and Access	2,000	0	1,038	962
Reservoir Hatches Magflows	77,000	0	46,458	30,542
TOTAL RESERVOIRS	**3,543,506**	**1,541,588**	**1,889,205**	**112,713**
MAINS, SERVICES & METERS				
MAINS				
System Improvements	1,605,000	0	1,291,321	313,679
Reticulation for Developers (including other extensions)	860,000	0	588,582	271,418
Renew Reticulation Mains	1,058,000	6,600	814,473	236,927
Renew Trunk Mains	2,077,000	159,404	1,404,656	512,940
SUB-TOTAL MAINS	**5,600,000**	**166,004**	**4,099,032**	**1,334,964**
SERVICES				
Service Connections, new including Meters	550,000	0	563,374	-13,374
Renew Services	130,000	0	89,536	40,464
SUB-TOTAL SERVICES	**680,000**	**0**	**652,910**	**27,090**
METERS				
Water meters replacement	180,000	0	178,396	1,604
Remote metering	75,000	0	45,258	29,742
Water Filling Stations Upgrade	117,686	31,368	69,118	17,200
SUB-TOTAL METERS	**372,686**	**31,368**	**292,773**	**48,545**
TOTAL MAINS, SERVICES & METERS	**6,652,686**	**197,372**	**5,044,714**	**1,410,600**
TOTALS	**20,981,430**	**2,411,745**	**15,332,401**	**3,237,284**

6. Overdue Debtors June 2018

RECOMMENDATION: that the report on overdue debtors for the period ended 30 June 2019 be received and noted.

Following are details of balances, along with comparative figures for 30 June 2018.

Debtor Category	June 2019		June 2018	
	Overdue	% Annual Revenue	Overdue	% Annual Revenue
Water Billing Debtors	$730,007	2.40%	$513,426	1.80%
Sundry Debtors	$105,030	1.88%	$112,149	1.87%
TOTAL	**$835,037**	**2.34%**	**$625,575**	**1.81%**

7. Policy 1.19 - Purchasing & General Manager Delegations

RECOMMENDATION: that

a) Council adopt the updated Policy 1.19 - Purchasing

b) In accordance with Section 377 of the Local Government Act 1993, Council ratify and grant the delegations as set out in the Delegations of Authority Register to the General Manager, Mr Andrew Crakanthorp.

The Local Government Amendment Act 2019 was assented to on 24 June 2019 and a number of provisions came into effect on 25 June 2019. This Act is to amend the Local Government Act 1993 with respect to rates, tendering requirements, election planning, mutual recognition of approvals and other regulatory matters, and for other purposes. The revised tendering requirements relate directly to this policy.

The tendering threshold, below which councils do not have to undertake a competitive tendering process has been increased to $250,000.

The Local Government Act 1993 (including Local Government Amendment Act 2019), Section 55, Requirements for Tendering, states:

(3) This section does not apply to the following contracts:

(n) A contract involving an estimated expenditure or receipt of an amount of:

(i) Less than $250,000 or another amount as may be prescribed by the regulations, or

(ii) Less than $150,000 or another amount as may be prescribed by the regulations for a contract involving the provision of services where those services are, at the time of entering the contract, being provided by employees of the Council.

Following the aforementioned changes to the Legislation, the tender threshold contained within Policy 1.19 - Purchasing has been amended to align with the Local Government Act 1993 Section 55, increasing the minimum threshold for tendering from $150,000 to $250,000.

Management also took the opportunity to revise the quotation thresholds contained within Policy 1.19 - Purchasing to be better aligned with the new upper threshold. These recommended changes are summarised in the table below:

Requirement	New Threshold	Old Threshold
One verbal quotation	$0 - $2,000	$0 - $1,000
One written quotation	$2,001 to $10,000	$1,001 to $5,000
Two written quotations	$10,001 to $20,000	$5,001 to $10,000
Three written quotations	$20,001 to $250,000	$10,001 to $150,000

Given the changes to the policy are not substantial and affect one table within the current policy, and further there is no requirement in the Act for the policy to be publically exhibited, the recommendation proposes the Policy be amended without placing the updated Policy on exhibition.

Draft Delegation of the Authority for the General Manager is attached, Part B, 1 has been revised to increase the General Manager's financial delegation to obtain quotations and to authorise the purchase of, and issue official orders for goods, works and services requiring the functioning of Council and to incur expenditure for such goods, works and services to $250,000. This is provided that provision has been made in the approved Budget for incurring of such expenditure.

- **Draft Policy 1.19 - Purchasing**
- **Draft Delegations of Authority**

Purchasing Policy (POL 1.19)

Purpose

This policy document has been written to standardise and co-ordinate purchasing and disposal practices and procedures at Riverina Water County Council in the purchasing of goods and services

Objectives

The purpose of this policy is to outline the purchasing and asset disposal standards of Riverina Water County Council (RWCC) and to provide a guide to employees and agents of the Council for purchasing. The following principles should be observed when purchasing goods and services for Council;

- Compliance with the Local Government Act 1993 and relevant Regulations;
- Ethical behaviour and fair dealing; Value for money;
- Open and effective competition;
- Business needs being met.

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Scope

This policy applies to all Riverina Water County Council employees and agents authorised to purchase goods and services on behalf of the Council. Riverina Water personnel are not to commit the organisation to the purchase of goods and services other than in accordance with the policy and RWCC personnel are not to commit the organisation to the purchase of goods and services other than in accordance with the policy and budget. As a rule, purchase orders are required to be raised prior to purchase of goods and services.

Goods and services purchased as part of a tender can be obtained on issue of a letter of acceptance. Purchase orders must follow in order to record committal of costs.

Council is required to call tenders for goods or services with an estimated value exceeding the NSW Office of Local Government tender limit of $250,000.

This policy does not apply to goods and services purchased:

- From internal Council sources;
- In an emergency;
- By contractors or subcontractors of Council

Legislative Context

The procurement of goods and services by Council must be in accordance with the provisions of Section 55 of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

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Policy

1. General Provisions

All goods and services are to be purchased using the appropriate order form except in the following circumstances:

- Insurances
- Professional fees when a written instruction has been issued
- Fees imposed under an Act of Parliament
- Petty cash purchases
- Corporate credit card purchases
- Fuel card purchases

If it is impractical to issue the appropriate order form due to an urgent situation prior to the event, a confirmation order should be issued as soon as practical after the event.

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2. Specific Provisions

The following specific provisions apply under this policy;

Petty Cash

May be used for one-off or urgent purchases of goods with a value of less than $100 where such goods are not available through inventory. Staff should use their knowledge of the market to ensure they secure value for money.

Corporate Credit Cards

May be used in accordance with Council's Corporate Credit Card Policy.

Existing Supplier Arrangements

Where Council has existing arrangements with a particular supplier or contractor, and it is in Council's best interests to continue using such a supplier or contractor for ongoing or related services, Council may engage such a supplier or contractor for such ongoing or related services, provided such engagement is authorised by both the General Manager and Director of Engineering and, if over $10,000, is reported to Council at the earliest opportunity.

3. Levels of Ordering

State Government Contract

Orders or contracts may be authorised by Council Officers who have delegated financial decision making power by the General Manager where the supplies, consultants or professional services are provided under a State Government contract.

All other Purchasing Arrangements

In all other situations the following limitations apply:

Purchases under $2,000	May be authorised by those Council officers who have been delegated financial decision making power by the General Manager. Staff may proceed with **at least one verbal quotation**, subject to: • the purchase being within that employee's responsible area and within budgeted amounts. If a purchase is outside of the employee's usual responsible area, or is of an out of the ordinary, one-off nature – the relevant manager must authorise the purchase order; • prices/rates being considered reasonable; • prices/rates being consistent with comparable, usual or standard market or professional industry scale prices or rates for such goods, services, consultancies etc.

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Purchases from $2,001 to $10,000

May be authorised by those Council officers who have been delegated financial decision making power by the General Manager. Staff may proceed with **at least one written quotation**, subject to:

- the purchase being within that employee's responsible area and within budgeted amounts. If a purchase is outside of the employee's usual responsible area, or is of an out of the ordinary, one-off nature – the relevant manager must authorise the purchase order;
- prices/rates being considered reasonable;
- prices/rates being consistent with comparable, usual or standard market or professional industry scale prices or rates for such goods, services, consultancies etc.; and
- all quotations being obtained in writing (email/ fax are acceptable).

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Purchases from $10,001 to $20,000

May be authorised by those Council officers who have been delegated financial decision making power by the General Manager. Staff may proceed after seeking **at least 2 written quotes**, subject to:

- the purchase being within that employee's responsible area and within budgeted amounts. If a purchase is outside of the employee's usual responsible area, or is of an out of the ordinary, one-off nature – the relevant manager must authorise the purchase order;
- prices/rates being considered reasonable;

- prices/rates being consistent with comparable, usual or standard market or professional industry scale prices or rates for such goods, services, consultancies etc.; and

- all quotations being obtained in writing (email / fax are acceptable).

Purchases from $20,001 to $250,000

May be authorised by those Council officers who have been delegated financial decision making power by the General Manager. Staff may proceed after seeking **at least 3 written quotes**, subject to:

- the purchase being within that employee's responsible area and within budgeted amounts. If a purchase is outside of the employee's usual responsible area, or is of an out of the ordinary, one-off nature – the relevant manager must authorise the purchase order;

- prices/rates being considered reasonable;

- prices/rates being consistent with comparable, usual or standard market or professional industry scale prices or rates for such goods, services, consultancies etc.; and

• all quotations being obtained in writing (email / fax are acceptable).

Purchases over $250,000

Public tenders shall be invited in accordance with the Local Government Act 1993 (Section 55) and the Local Government (Tendering) Regulation 1993 and a written specification detailing the Council's requirements.

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Exceptions to the Requirement to Seek Tenders or Quotations

Section 55(3) of the NSW Local Government Act 1993 specifies:

(3) This section does not apply to the following contracts:

(a) subject to the regulations, a contract for the purchase of goods, materials or services specified by a person prescribed by the regulations made with another person so specified, during a period so specified and at a rate not exceeding the rate so specified

(b) a contract entered into by a council with the Crown (whether in right of the Commonwealth, New South Wales or any other State or a Territory), a Minister of the Crown or a statutory body representing the Crown

(c) a contract entered into by a council with another council

(d) a contract for the purchase or sale by a council of land

(e) a contract for the leasing or licensing of land by the council, other than the leasing or licensing of community land for a term exceeding 5 years to a body that is not a non-profit organisation (see section 46A)

(f) a contract for purchase or sale by a council at public auction

(g) a contract for the purchase of goods, materials or services specified by the NSW Procurement Board or the Department of Administrative Services of the Commonwealth, made with a person so specified, during a period so specified and at a rate not exceeding the rate so specified

(h) a contract for the employment of a person as an employee of the council

(i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or

reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders

(j) contract for which, because of provisions made by or under another Act, a council is exempt from the requirement to invite a tender

(k) a contract made in a case of emergency

(l) a contract to enter into a public-private partnership

(m) if a council has entered into a public-private partnership-a contract entered into by the council for the purposes of carrying out a project under the public-private partnership (but only to the extent that the contract is part of the project that has been assessed or reviewed under Part 6 of Chapter 12)

(n) a contract involving an estimated expenditure or receipt of an amount of less than $100,000 or such other amount as may be prescribed by the regulations

(o) a contract that is an environmental upgrade agreement (within the meaning of Part 2A)

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(p) a contract or arrangement between a council and the Electoral Commissioner for the Electoral Commissioner to administer the council's elections, council polls and constitutional referendums.

Tenders from Selected Persons

The following purchasing arrangements may be established to comply with Section 55(4) of the NSW Local Government Act 1993:

(4) A council that invites tenders from selected persons only is taken to comply with the requirements of this section if those persons are selected:

(a) from persons who have responded to a public advertisement for expressions of interest in the particular contract for which tenders are being invited, or

(b) from persons who have responded to a public advertisement for recognition as recognised contractors with respect to contracts of the same kind as that for which tenders are being invited.

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Standing Offer Arrangement or a Preferred Supplier Arrangement

Council may establish and use a standing offer arrangement or a preferred supplier arrangement if:

- the supply of goods or services is needed in large volumes or frequently;
- it is able to obtain better value for money by aggregating demand for the goods or services needed; and
- the requirement for the goods or services can be stated in terms that would be well understood in the industry concerned.

Establishing and Using Register of Pre-Qualified Suppliers

Council may establish and use a register of pre-qualified suppliers if:

- it would be costly to prepare and evaluate invitations each time the goods or services were needed; or
- the capability or financial capacity of the supplier is critical; or
- there are significant security considerations; or
- compliance with defined standards is a pre-condition of offer to contract; or

- the ability of local business to supply the goods or services needed by the local government needs to be found out or encouraged.

Purchasing Arrangements to be for a Maximum of Two Years

Council may enter a purchasing arrangement for longer than two years only if it is satisfied that better value will be achieved by entering into a longer arrangement.

Business Ethics

Riverina Water County Council expects all its representatives, staff and Councillors to abide by its Statement of Business Ethics (Policy 1.4).

Non Compliance

If an apparent breach of any agreed standard of ethical conduct is identified, then the matter should be immediately brought to the attention of the General Manager or the Public Officer on (02) 6922-0608.

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References

- Work Health & Safety Act 2011
- Work Health & Safety Regulation 2011
- Local Government Act, 1993
- Local Government (General) Regulation 2005
- OLG Tendering Guidelines to NSW Local Government

Policy number	POL 1.19
Responsible area	General Manager
Approved by	16/86
Approval date	22 June
Legislation or related strategy	Work Health & Safety Act 2011 Work Health & Safety Regulation 2011 Local Government Act, 1993 Local Government (General) Regulation 2005 OLG Tendering Guidelines to NSW Local Government
Documents associated with this policy	Statement of Business Ethics Gifts and Benefits Policy Code of Conduct Schedule of Delegations Corporate Credit Card Policy
Policy history	Original: 24/08/2011 11/94 Revision 0: 23/04/2014 14/68 Revision 1: 22/6/2016 16/86 Revision 2: 21/08/2019
Next Review Date	Every Council term, June 2020

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Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT

Delegations of Authority

Riverina Water County Council

Adoption date:

Resolution:

Introduction

In accordance with Section 377 Local Government Act 1993 the Riverina County Council at a Meeting held on 26 October 2016 ratified and granted the delegations as set out in this Delegations of Authority Register to the Chairperson and General Manager.

The General Manager has sub-delegated the matters set out in the section headed **"DELEGATIONS TO STAFF by the GENERAL MANAGER".**

THE CHAIRPERSON

1. **General**

   That the Chairperson (being Cr Gregory Verdon) , or Deputy Chairperson (being Cr Paul Funnell) when acting for the Chairperson , be delegated authority under section 377 of the Act to exercise and/perform on behalf of the Council the powers , authorities ,duties and functions as prescribed for the position of Chairperson under the Act , Schedules, Regulations , cognate Legislation , related Legislation , Councils own adopted Policies , Codes and Resolutions , provided that such delegations are not to be sub-delegated without specific approval by Council or as prescribed under the Act.

   If, under any other Act, a function is conferred or imposed on the Chairperson of a County Council, the function is taken to be conferred or imposed on the Council and the Chairperson of the County Council will exercise and/or perform on behalf of the Council the powers, authorities, duties and functions as prescribed under that other Act.

2. **Specific Delegations-Chairman**

   (a) Conferring Powers or Duties

   To give effect to the provisions of the Act, including but not limited to Sections 225-231 of the Act and any other Act conferring powers or duties upon the Chairperson and to any resolution of direction given to the Chairperson by Council.

   (b) Preside at Meetings of Council

   To preside at all meetings of the Council , Committees , Community Committees and Public Meetings convened by the Council at which the Chairperson is present unless the Chairperson otherwise appoints another Councillor or person to perform this function.

   (c) Negotiations on behalf of Council

   The Chairperson in conjunction with the General Manager, to participate in negotiations on behalf of the Council with third parties in relation with any significant matter associated with the operations of Riverina Water County Council.

   (d) Code of Conduct

   To give direction to the Council, following consultation with the General Manager, in the application of the Code of Conduct as adopted by Council.

   (e) Represent Council-Government and Other Forums

To represent the Council, in conjunction with the General Manager in deputations to government enquiries and other forums where it is appropriate that the Chairperson should present the Councils position.

(f) Sign and Execute Documents

To sign and execute documents under the Seal of Council in conjunction with the General Manager.

(g) Media Releases

To make Media Statements and issue Press Releases in respect of Councils Resolutions/Recommendations and decisions.

(h) Approval of Urgent Works

To authorise expenditure outside the Council approved budget and in consultation with the General Manager ,to undertake urgent works in order to reduce or eliminate a significant safety hazard or critical matter affecting the operation of the water supply system up to an amount of $100,000 subject to the action being reported to the next meeting of Council.

End of Delegation

DELEGATIONS – THE GENERAL MANAGER

1. That the General Manager of Riverina Water County Council (being Andrew Crakanthorp) be delegated authority under section 377 of the Local Government Act 1993 ("Act") to exercise and /or perform on behalf of Council the powers , authorities , duties and functions of Council as prescribed under the Act , Schedules Regulations , Cognate Legislation , and related legislation and including those powers , authorities , duties and functions as listed in the addendum to this delegation excepting those powers, authorities , duties and functions of the Council that are expressly prohibited from delegation as listed under Section 377 of the Act.
2. If, under any other Act a function is conferred or imposed on the General Manager of Council, the function is taken to be conferred or imposed on the Council and the General manager of the Council will exercise and /or perform on behalf of the Council, powers, authorities duties and functions as prescribed under the other Act pursuant to Section 381 of the Act.
3. For the purposes of Section 381 of the Act , the General Manager's delegated authority to act on behalf of Council includes all functions and powers conferred or imposed by any legislation set out from time to time in Section 22 of the Act ,including but not limited to the following:

Conveyancing Act 1919	placing covenants on council land
Fluoridation of Public Water Supplies Act 1957	fluoridation of water supply by council
Public Health Act 1991	inspection of systems for purposes of microbial control
Roads Act 1993	roads

The exercise by a council of its functions under this Act may also be modified by the provisions of another Act. Some of those Acts and some of the modifications they affect include:

Government Information (Public Access) Act 2009	council required to publish certain information and to grant access to certain documents
Privacy and Personal Information Protection Act 1998	council required to amend certain records that are shown to be incomplete, incorrect, out of date or misleading

Unclaimed Money Act 1995	unclaimed money to be paid to the Chief Commissioner of Unclaimed Money

4. That in the absence of the General Manager that his nominee as Acting General Manager assume all power and delegations of the General Manager for the period only of his absence.
5. In addition to the delegated authority conferred or imposed upon the General Manager by legislation , the General Manager is empowered to carry out his functions in reliance upon Section 335 of the Act and in accordance , with the following delegated authorities , subject to any express limitations contained within this Register or restrictions imposed by Section 377 of the Act:

General Manager-Delegated Authorities

In accordance with section 5 of this delegation of authority the General Manager is also delegated the following functions and powers:

Part A Operational

1. To establish, review and authorise operational and management policies and procedures in line with strategic directions set by Council.
2. To implement any work , service or action provided for in the adopted budget without further reference to Council except for ;
   (a) The acceptance of tenders which are required under the Local Government Act 1993 to be invited by the Council , and
   (b) The determination of priorities where lump sum funding only has been provided.
3. To authorise destruction or disposal of any records of Riverina Water County Council, after the expiration of six (6) years from the last transaction thereon, other than those defined in the Regulation and Local Government Records Disposal schedule.
4. To negotiate arrangements for agencies and financial institution to collect payments relating to the operation of Riverina Water County Council.
5. To write proposals or submissions to other levels of government on behalf of Riverina Water County Council.
6. To deal with and determine applications for access to information under the Government Information (Public Access) Act and Regulation 2009.
7. To execute any form of instrument necessary for the creation of easements that will benefit Riverina Water County Council for access services , pipelines , structures and/or any other form of assistance essential in the performance of its objectives.
8. To sign all correspondence relating to Riverina Water County Council.
9. To approve the loan of Riverina Water County Council equipment to community groups in accordance with Council's Policy.

10. To impose water restrictions on fixed hoses and sprinklers and lift such restrictions when appropriate.
11. To restrict or cut off supply of water to a property due to non payment of water charges as provided under Clause 144 of the Local Government (General) Regulation 2005.
12. To sign certificates issued in accordance with the provisions of Sections 603 (Certificate as to Rates and Charges) & 735A (Certificate as to Notices) of the Local Government Act 1993.

Part B Finance

1. Obtain quotations and to authorise the purchase of and issue official orders for goods, works and services requiring the functioning of Council and to incur expenditure for such goods, works and services up to $250,000 provided that provision has been made in the approved Budget for incurring of such expenditure. The delegation is limited in accordance with Section 377(1)(i) of the Act.
2. To certify that the prices and computations on vouchers have been checked and are correct in as far as he has been able to ascertain , are fair and reasonable and are in accordance with any quotation /contract under which the goods /services were supplied.
3. Authorise the payment of Councils Salaries and Wages
4. Approve final payment to contractors and/or direct creditors
5. To sign or countersign cheques drawn on Council's Bank accounts
6. Approve changes in Plant Hire Rate Charges for all council plant.
7. To authorise expenditure outside the approved Council budget to enable urgent works to be undertaken to reduce or eliminate a significant safety hazard or critical matter affecting the operation of the water supply system up to an amount of $50,000 subject to the action being reported to the next meeting of Council.
8. The authority to require the lodgement of a cash bond or bank guarantee for work outstanding.
9. To negotiate Council overdraft limit.
10. To sell old materials, spoilt or obsolete equipment.
11. To authorise the writing off of uncollectible debts up to a maximum amount for a single debtor of $2,000.
12. To arrange the investment of money that is not, for the time being, required by Council for any other purpose. Funds may only be invested in the following :
    (a) In any security authorised by the Trustee Act ;
    (b) In the form of investment notified by order of the Minister published in the Gazette.

(c) Investments shall also be managed in accordance with Councils Policy (Number 1.23)

Part C Legal

1. To approve and settle statements of claim and insurance matters up to the level of Riverina Water's excess amounts payable under the respective insurance policies.
2. To determine a response to approvals sought under Part 1, Division 3-making and determination of applications for approval-generally, under the Local Government Act 1993.
3. To issue Orders under Chapter 7, Part 2 (Orders) of the Local Government Act 1993.
4. To affix the Common Seal of the Council and execute any documents requiring the signature of the General Manager in the company of the Chairperson ,Deputy Chairperson , or other Councillor where Council has approved the documents intent
5. To authorise the institution of legal proceedings for the recovery of outstanding charges and other debts due to Riverina Water County Council and to take all necessary action to recover such charges and debts.
6. Under Section 687 (Appearance in Local Court) of the Local Government Act 1993, as amended, be authorised to represent Riverina Water County Council in all proceedings in any Local Court or before any justice in all respects as though he were the party concerned and to institute and carry on proceedings which Riverina Water is authorised to institute and carry out under the said Act and shall extend to any proceedings under all other Acts.
7. To accept service of legal documents on behalf of Riverina Water County Council.
8. Contracts;
   (a) To terminate a contract where the conditions of the contract have been breached and provide for such action.
   (b) To approve extensions of time to contractor schedules except contracts subject to a tendering arrangement.
   (c) To issue Site instructions to the contractor and/or their staff.
   (d) To call for an audit of a contract using either internal or external audit staff.
   (e) To issue a Practical Completion Certificate for works or part thereof under a contract.
   (f) To sign contracts that have been approved by Council.
9. To approve Power of Entry under the provisions of Sections 191-201 of the Local Government Act 1993 for the purpose of inspections, works, and other functions permitted under these sections. The power of entry is also granted for the purposes of inspecting premises under the Public Health Act 1991.
10. To approve closure of roads or parts thereof, temporarily for repairs or construction and to approve applications to install pipelines within road reserves.
11. To authorise action in regard to any complaints or requests received under Councils Internal Reporting Policy.

Part D Environmental / Planning Matters

1. To authorise all functions pursuant to Riverina Water County Council powers under the Environmental Planning & Assessment Act 1979 as amended in relation to development proposals including subdivisions.

2. In relation to subdivision proposals;
   (a) To approve designs, plans and specifications for water supply works in subdivisions, subject to those designs, specifications and plans being in accordance with Council subdivision policies.
   (b) To certify that bonded works have been completed to Riverina Water County Council's satisfaction and then release the relevant bond.
   (c) To authorise the release of Certificates of Compliance for a subdivision when all conditions of relevant approvals relating to water supply have been met.
   (d) To authorise signing of linen plans of subdivisions when all water supply conditions have been met.

Part E Staff

1. To authorise the appointment of new staff within the adopted organisation's staff structure.
2. To negotiate with staff and Unions in relation to all staffing matters.
3. Reclassify staff and adjust salaries in accordance with Riverina Water County Council Enterprise Award.
4. To determine all leave applications for all staff having regard to the proper functioning of the Council and maintenance of appropriate levels of service to customers.

End of Delegation

8. Revoted Budget 2019/2020

RECOMMENDATION: that expenditure totalling $2,060,570 be revoted and included in the 2019/2020 budget.

After reviewing the status of the 2018/2019 Operational Plan with management, it is recommended that $2,060,570 should be revoted into the 2019/2020 budget.

The items are listed as follows: -

Project/ GL	Description	Revotes
CAPITAL EXPENDITURE		
1	Carpark - Admin Building	14,100
228	Refurbishment of Operations Office	10,000
286	Depot Building - The Rock	30,000
155	Levee protection stage 2 - Hammond Avenue	240,404
156	Kooringal Road Purchase	239,385
50	Computer Server Replacements - Urban	23,000
51	Computer Equipment - Urban	38,000
52	Office Furniture & Equipment	20,000
189	Energy Efficiency & Power Factor Improvements	42,418
260	North Wagga Bore 1 Gantry Modifications	15,000
174	Switchboard Improvements/ Replacements	5,000
89	East Wagga Aeration Basin Cover - Urban	84,830
217	Bulgary Aeration Cover	8,641
218	Ralvona Aeration Cover	1,434
258	Tarcutta Backwash Discharge to Sewer	77,455
137	WTP Stage 1	832,721
264	Walbundrie Aeration Tank Repair/ Replacement	25,000
99	Urana WTP replacement - Non-Urban	30,467
199	Pump & Motor Maintenance / Replacements - Urban	10,816
200	Pump & Motor Maintenance / Replacements - Non-Urban	10,076
268	Milbrulong Balance Tank Power Supply	20,000
150	Shires Reservoir Relocation - Non Urban	65,000
274	The Rock Reservoir South	52,084
255	The Rock - Milbrulong BT Trunk Mains Replacement	104,739
38	Renew Services - Urban	40,000
167	WFS - Non Urban	20,000

For the information of Council, the following budget items totalling $2,120,345 will be carried forward to the 2019/2020 budget. This expenditure was committed to be spent prior to 30 June 2019.

Project/ GL	Description	Carry Forward
CAPITAL EXPENDITURE		
184	Replace Airconditioning	10,945
259	Fitout new all purpose meeting room	10,740
155	Levee protection stage 2 - Hammond Avenue	25,196
156	Kooringal Road Purchase	123,014
51	Computer Equipment - Urban	63,570
54	Routine Plant & Vehicle Replacements	27,013
224	Radio Communication	16,464
189	Energy Efficiency & Power Factor Improvements	108,555
173	Source Works General Improvements	5,870
89	East Wagga Aeration Basin cover - Urban	16,338
137	WTP stage 1 - Urban	37,871
265	West Wagga WTP Fluoride Plant Replacement	28,000
269	Milbrulong Balance Tank - Elec Control Valves & Meters from the rock trunk main	16,025
205	Main Low Level Reservoir 2x11ML Investigation & Design - Urban	239,225
241	Glenoak Res 2 x 4.5ML - investigate, design, land matters	5,213
272	Glenoak Res 2x4.5ML - construction	1,177,279
273	Walbundrie Reservoir Repair/Replacement	4,262
274	The Rock Reservoir South	8,992
279	Gap Hall Coolamon	5,000
255	The Rock - Milbrulong BT Trunk Mains Replacement	159,404
167	WFS - Non-Urban	31,369

9. Riverina Water Community Grants Program Assessment Panels

RECOMMENDATION: that one councillor from each constituent council (excluding Lockhart) nominates to be on the respective community grant assessment panels

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Arrangements for the launch of the new Community Grants Program are now in place, with the program commencing on 19 August. This report proposes the creation of four Assessment Panels for each of the constituent councils.

We are looking for one councillor from each constituent council, with the exception of Lockhart Shire Council and Federation Council, to nominate to be on the community grant Assessment Panels. The councillors will form part of a panel which review applications received from their local government area (LGA).

Our Chairperson Cr Greg Verdon sits on each on each of the four Assessment Panels and thus, by default, is the nominated Councillor for the Lockhart Shire Assessment Panel. In addition, Lockhart Shire Council have nominated their general manager and mayor to sit on the Lockhart Shire Assessment Panel.

The General Manager of Federation Council and the Director Corporate & Community Services of Greater Hume Council will also sit on their respective panels. Federation Council has nominated their Mayor and our Board member, Councillor Pat Bourke to sit on the Federation Council Panel.

Therefore, Councillors Quinn and Meyer are able to be appointed by the Board to the Greater Hume Council Assessment Panel. Councillors Conkey, Braid, Keenan, Funnell and Koschel are able to be appointed to the Wagga Wagga City Council Assessment Panel.

The nominated councillor will be required to assess grants applications remotely using software available on their iPad via Survey Monkey in late September. Shortly after this, councillors will be required to meet at Riverina Water with other relevant assessment panels members to do a group assessment, facilitated by Riverina Water staff. The panel will discuss the grant applicants together and make recommendations to the Board of Riverina Water to receive funding.

Assessment panels for each consistent council are made up of:

- One Riverina Water board member from the constituent council
- The General Manager or nominated representative from the constituent council
- The Riverina Water Chairperson I

Pecuniary interests must be flagged by all panel members as part of the grant assessment process. In these instances, an alternative person will undertake the assessment.

Key dates for the program are:

- Grant applications open 19 August
- Grant applications close 23 September
- From 27 September panel members will review applicants via Survey Monkey remotely

Proposed Panel assessment dates:

Council	**Date and time**
Greater Hume	2 Oct 9am-12.30pm
Federation	11 Oct 1.30pm-5pm
Lockhart	3 Oct 1.30pm-5pm
Wagga	9 Oct 9am-1pm

The recommendations of the four Assessment Panels will be presented to the October meeting of the Board.

10. Social Media and Media Report – 1 April – 30 June 2019

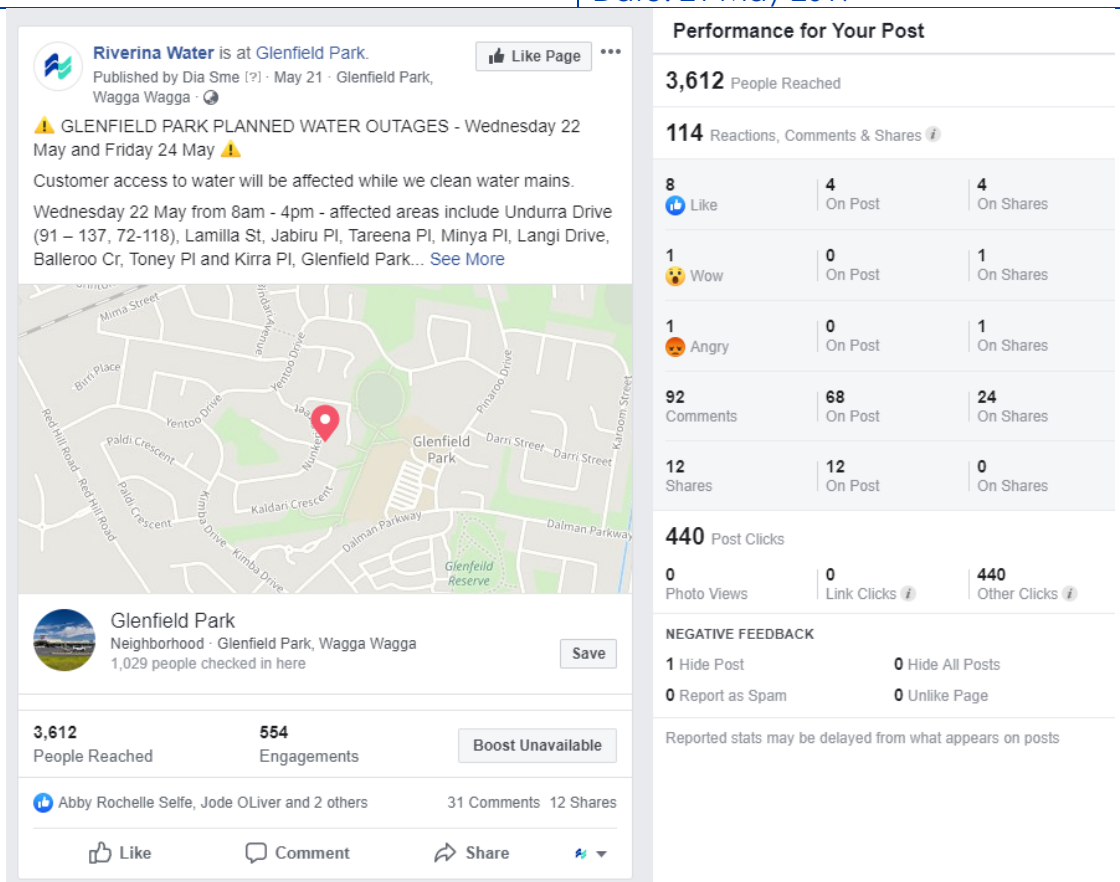
RECOMMENDATION: that the report on Social Media and Media Report – 1 April – 30 June 2019 be received.

The Social Media and Media report – 1 April -30 June 2019 is provided here for information

- **The Social Media and Media report – 1 April -30 June 2019**

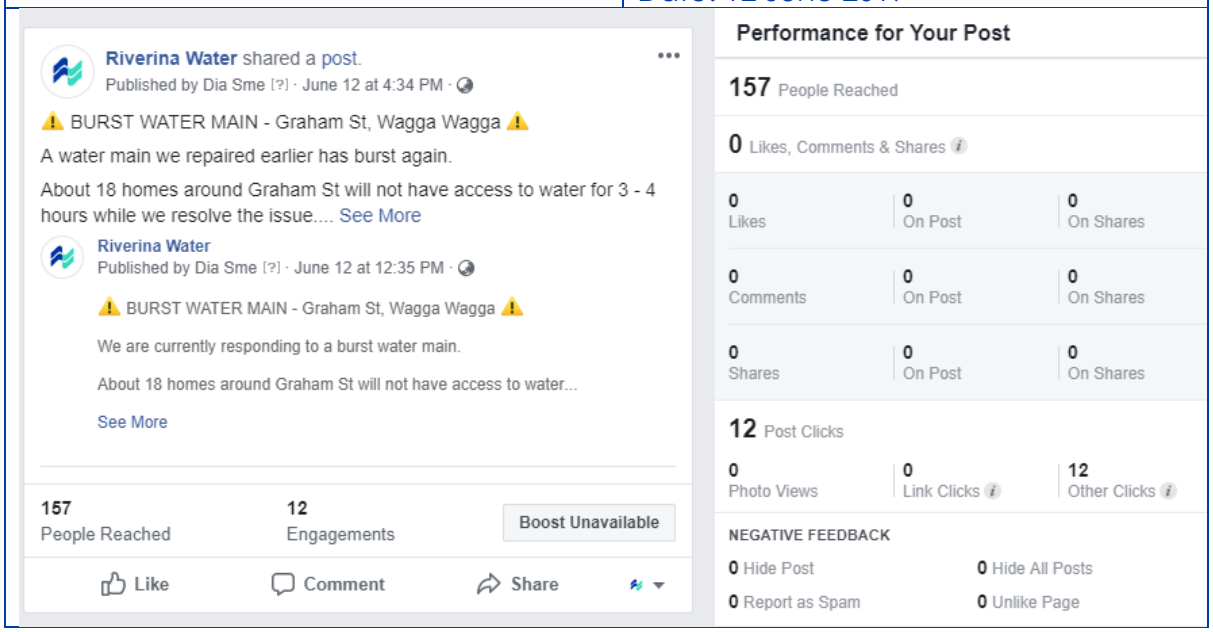
Social media – 1 April – 30 June 2019 (13 weeks)

Facebook	
Number of posts	44 (3.38 posts per week)
Total page likes	1499
New page likes	+254 (16.9 per cent)
Videos	2 (176 views)
Private messages	8
Total reach for all posts (reach is number of people who saw each post at least once)	Approx 27,099
Average reach per post	615.87
Total post engagements (post clicks, reactions, shares and comments)	2884
Average post engagements	65.55
Top organic post – water conservation request (see below)	Reach: 3612 Post clicks (any click excluding comments, likes and shares): 440 Engagements (reactions, comments and shares): 114 Date: 21 May 2019

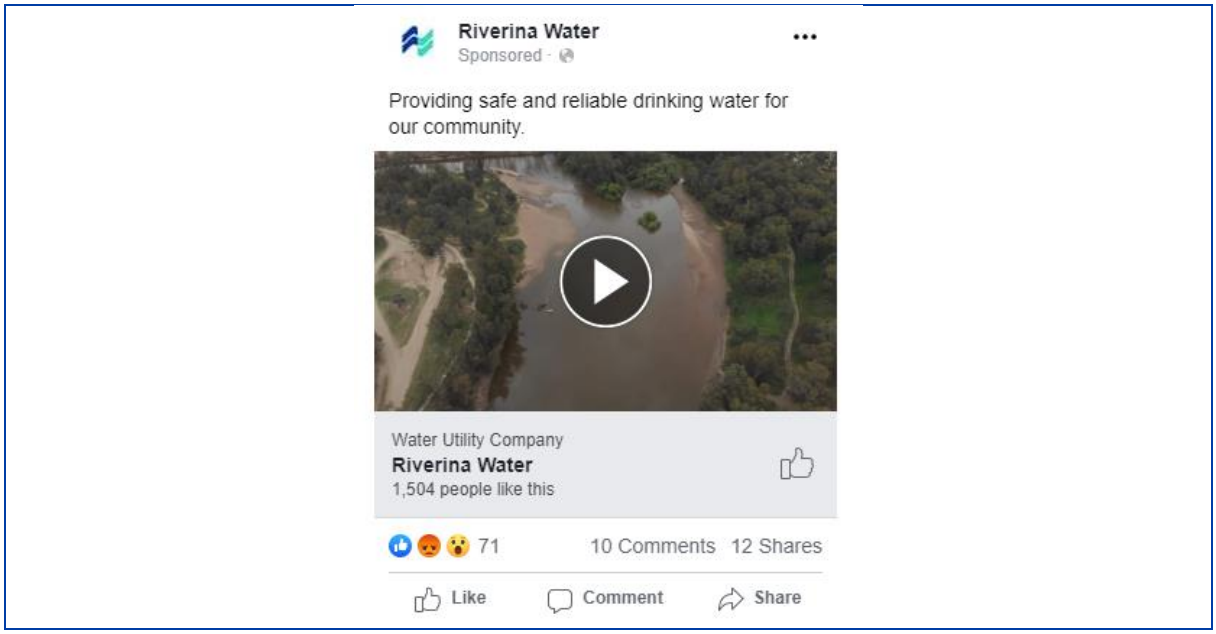


Lowest organic post – water restored Morven	Reach: 157 Post clicks (any click excluding comments, likes and shares): 12 Engagements (reactions, comments and shares): 0

Date: 12 June 2019



Facebook advertising	
Number of ads	2 (plus one half carried over from March)
Ad content	Riverina Water Facebook page (to promote key messages and page growth)
Total paid post reach	Approx 50,011
Average reach per post	Approx 18,337
Total advertising cost	$675
Top paid – customer survey (see below)	Resulted in approx 42,380 reach. Ran from 10 April - 10 May. Featured drone footage of the Murrumbidgee River Key message: Providing safe and reliable drinking water Budget: $875



Comparison page audiences

Water utility	Page established	Current audience	Last quarter figures	Growth this quarter	Rate of growth on last quarter	Growth last quarter
Sydney Water	August 2011	30.5k	29.3k	+1200	Increased	+500
Water Corporation	Nov 2010	15.8k	15.5k	+300	Decreased	+700
WaterAid Australia	Nov 2009	12.1k	n/a	n/a	n/a	n/a
Seqwater	June 2011	11.3k	11k	+300	Decreased	+600
Melbourne Water	June 2009	9.7k	9.4k	+300	Same	+300
Unity Water	Oct 2012	8.9k	8.8k	+100	n/a	n/a
City of Wagga Wagga	Dec 2015	8.5k	8.2k	+300	Decreased	+500
Visit Wagga Wagga	Dec 2011	7.2k	6.7k	+500	Increased	+400
SA Water	Oct 2010	6.3k	5.9k	+400	Decreased	+900
Western Water	Oct 2012	4.7k	n/a	n/a	n/a	n/a
TasWater	Oct 2017	3.5k	3k	+500	Decreased	+1000
Lower Murray Water	May 2014	3k	2.9k	+100	n/a	n/a
Gippsland Water	Feb 2014	2.6k	2.5k	+100	Decreased	+200
South East Water Melbourne	August 2011	2.4k	2.3k	+100	n/a	n/a
Riverina Local Land Services	April 2012	2.1k	2k	+100	Same	+100
Fusion Wagga	August 2013	2k	2k	Stable	Same	Stable
North East Water	August 2013	1.7k	1.7k	Stable	Decreased	+100

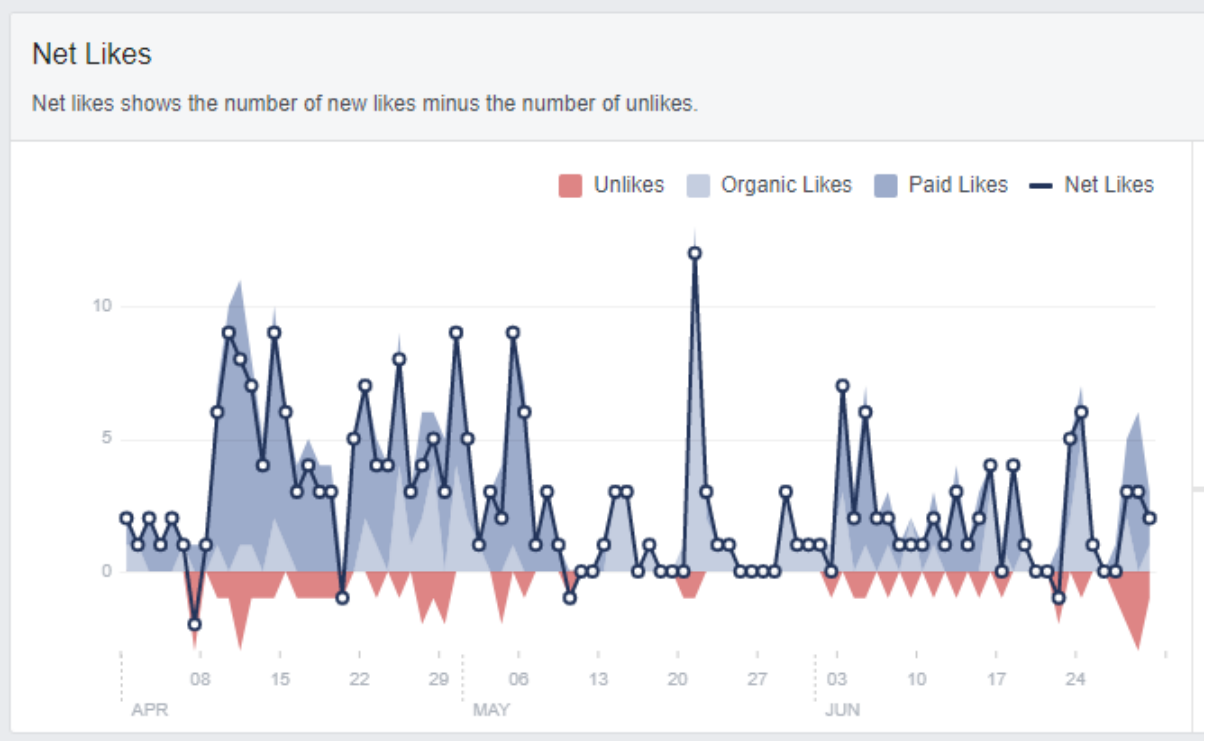
City West Water	Feb 2015	1.7k	1.6k	+100	n/a	n/a
Federation Council	May 2015	1.7K	1.6k	+100	Same	+ 100
Riverina Water	Sep 2018	1499	1254	+254	Decreased	+611
Lockhart Shire Community	April 2014	1.5k	1.4k	+100	Increased	Stable
Visit Lockhart Shire	Sep 2011	1.3k	1.3k	Stable	Same	Stable
Hunter Water	Nov 2017	1.3k	1165	+200	Same	+217
Greater Hume Council	June 2012	1.2	1101	+100	Same	+115
Goldenfields Water	Jan 2018	1078	1019	Stable	Decreased	+144
Wannon Water	March 2017	867	819	Stable	n/a	n/a
East Gippsland Water	August 2011	644	636	Stable	Same	Sable
Central Tablelands Water	June 2016	349	332	Stable	Same	Stable
Aqwest	Oct 2014	283	n/a	n/a	n/a	n/a

Note: Stable growth is less than 100 likes per quarter

Reasons for decline in Riverina Water growth:

- Less paid advertising
- Less viral content (conservation requests)
- Less content (outages)

Growth overview

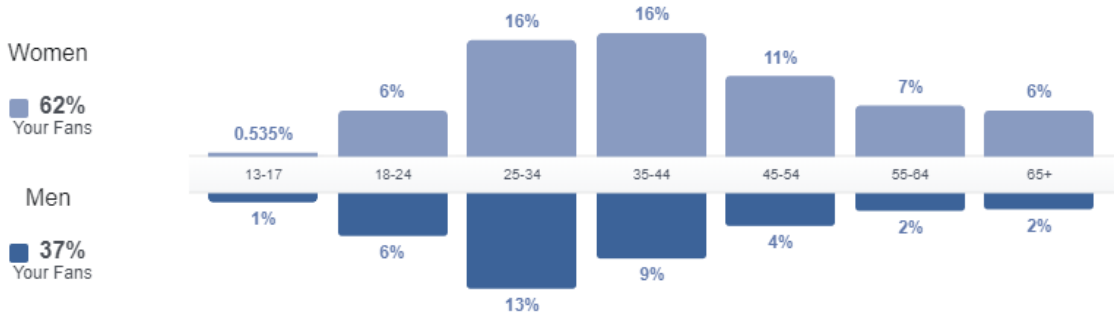


Reasons for growth:

- Ongoing engagement through posts
- Moderate page advertising
- Viral nature of Glenfield Park outages in May

Audience snapshot

Aggregated demographic data about the people who like your Page based on the age and gender information they provide in their user profiles. This number is an estimate.



Country	Your Fans
Australia	1,489
Canada	1
United Kingdom	1
Malaysia	1
Nepal	1
Papua New Guinea	1
Philippines	1
Thailand	1
Nauru	0

City	Your Fans
Wagga Wagga, NSW, ...	857
Albury, NSW, Australia	109
Sydney, NSW, Australia	53
Leeton, NSW, Australia	46
Narrandera, NSW, Aus...	41
Wodonga, VIC, Australia	34
Junee, NSW, Australia	26
Melbourne, VIC, Australia	19
Holbrook, NSW, Australia	18
Coolamon, NSW, Austr...	15

Language	Your Fans
English (US)	1,007
English (UK)	475
Arabic	8
Simplified Chinese (Chi...	2
Spanish	1
Malay	1
Filipino	1
Traditional Chinese (Ta...	1

Twitter	
Number of tweets	47 (3.61 posts per week)
Total followers	113
New followers	+12
Total Tweet impressions (impressions are the number of times users saw a Tweet)	Approx 17.2k
Average engagement rate (this the total number of clicks, retweets, replies, likes and follows divided by the total number of impressions)	.5 per cent
Average impressions per Tweet	365.95
#RiverinaWater use	0
Top tweet based on engagement rate – 4-minute shower playlist (see below)	Impressions: 106 Engagements: 5 engagements Engagement rate: 4.7 per cent Date: 28 June 2019

Riverina Water @RiverinaWater
There's nothing better than hot winter showers... just keep it to 4 mins

Each minute = 9 litres of H2O

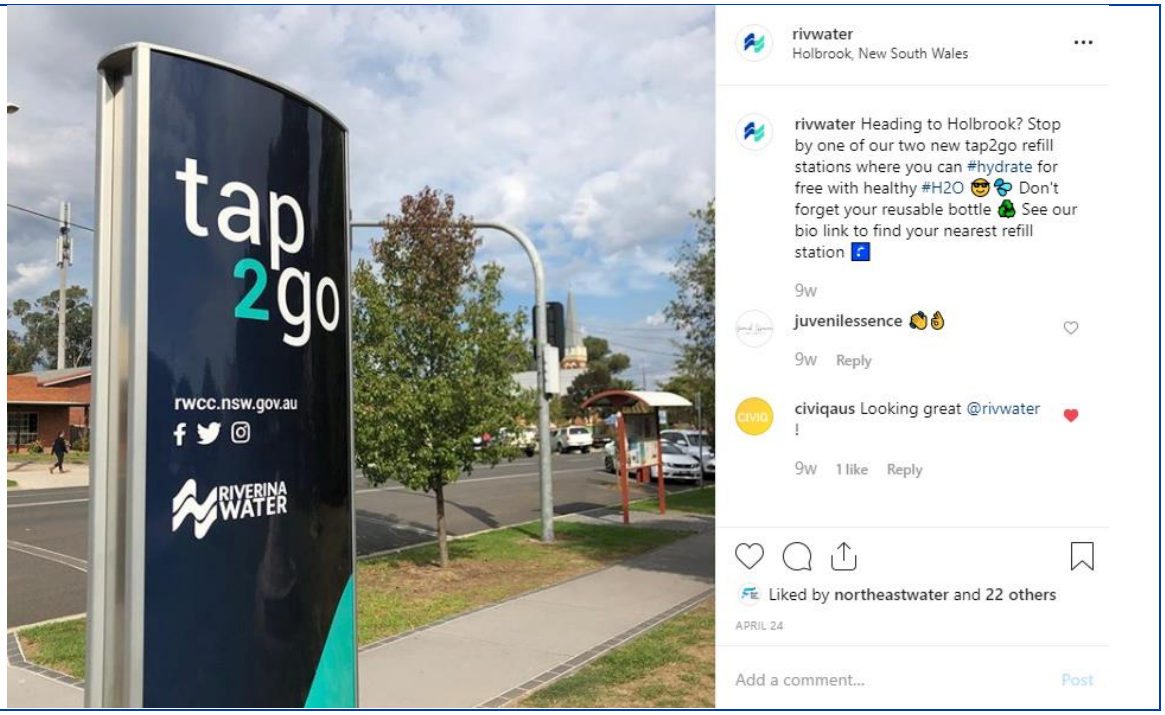
Use our playlist of 4 min water-themed songs as a shower timer

Get your **@justinbieber** on or give us your best **@kaseychambers**

http://bit.ly/ShowerTunesRW
pic.twitter.com/YyDJuihkOT

Impressions	107
Total engagements	5
Media engagements	3
Likes	1
Profile clicks	1

Instagram	
Number of posts	15 (1.15 per week)
Total followers	442
New followers	+61
Total post likes (not including video views)	184
Average post likes (not including video views)	13.14
Total videos	1
Total video views	75
Average video views	n/a
#RiverinaWater use	0
Top post – Holbrook refill station (see below)	Likes: 23 Comments: 2 Date: 24 April 2019



LinkedIn	
Number of posts	11 (.85 per week)
Total followers	252
New followers	+11
Total post impressions (this is number of people who saw each post once)	2447
Average impressions per post	222.45
Top post – Holbrook refill station (see below)	Impressions: 422 Clicks: 12 Likes: 12 Comments: 0 Dates: 24 April 2019

YouTube	
Number of posts	0
Total followers	1
New followers	1

Other digital platforms

Bitly	
Number of links	18
Total clicks	735
Average clicks	40.83
Top link – Customer Service ole	Clicks: 319 Top referrer platform: Facebook (304 clikcs) Date : 24 June 2019

Website	
Users	Approx 10k
Page views	53,680
Most viewed pages	• Average water use – 18,032 • Homepage – 8,907 • Employment - 2819
Session duration	00.01.18
Top devices	Desktop – 66.7 per cent Mobile – 27 per cent Tablet – 6.3 per cent

Google search
Where customers view our organisation on Google: • Listing on search – 5.61k • Listing on maps – 3.66k

Media - 19 December – 31 March 2019 (14.5 weeks)

Content and coverage	
Media releases	3
Media statements	0
Media alerts	0
Media enquiries	9 (includes 5 enquiries which didn't result in media)
Total media mentions	9
Media mentions from media releases/statements	3
Media mentions from media enquiries	3 + 1 syndicated story
Passive media mentions (not a result of a media release or response to a media enquiry)	1

Media release/statement coverage

Date	Media release	Coverage
6 May 2019	Payday for pensioners with rebate increase while water rates stay on hold	Riverina Water County Council proposes pensioner rebate increase while water rates stay on hold – Daily Advertiser
30 April 2019	Riverina Water customers satisfied with service and water quality	Riverina residents' satisfaction with water quality drops but remains high for delivery service – Daily Advertiser
15 April 2019	Contracts awarded for multimillion-dollar reservoir projects	Riverina Water County Council awards contracts for multi-million-dollar Willans Hill reservoir projects – Daily Advertiser

Media enquiry coverage

Date	Outlet/medium	Coverage
6 May 2019	ABC Riverina/radio	ABC Riverina radio
7 May 2019	Nine News/TV	Nine News bulletin
29 May 2019	Daily Advertiser/print	Riverina water supply: region's authorities due for state talks over dam levels Parts of syndicated in The Young Witness

29 June	Daily Advertiser/print	Riverina Water treatment flow cuts off road to West Wagga homes

Passive coverage

Date	Outlet/medium	Coverage
11 April 2019	Harden Murrumburrah Express/print	Wagga City and Snowy Valleys depart Riverina Eastern Regional Organisation of Councils

11. Operational Plan – Performance Targets

RECOMMENDATION: that the report detailing progress, as at 30 June 2019, achieved towards the various objectives set out in the 2018/2019 Operational Plan be noted and received.

In accordance with the provisions of Section 407 of the Local Government Act 1993, I report to Council on the progress achieved in the year for the various Key Performance Indicators set out in the 2018/2019 Operational Plan.

Services

Measure	KPI	Progress to 30 June 19
Customer Satisfaction Rating	>4 (out of 5)	4.4 (out of 5)
Water Quality Satisfaction	>4 (out of 5)	3.9 (out of 5)

Asset Replacement

Measure	KPI	Progress to 30 June 19
Projects completed from Capital Works Program	>85%	By number 68% By budget 85%

Demand Management

Measure	KPI	Progress to 30 June 19
Peak Day Demand (weekly average)	<65 ML	76.5 ML

WHS

Measure	KPI	Progress to 30 June 19
Number of days lost through injury	< previous period	2018 9 2019 14
Percentage of sick leave hours to ordinary hours worked	<3.5%	3.20% 3.40%
Total hours worked compared to time lost through injury & illness	< previous period	0.05% 0.08%

Environmental Protection

Measure	KPI	Progress to 30 June 19
Power used per Ml of water produced KWh	< same period last year	2017/2018 472 kwh 2018/2019 409 kwh
Power used per Ml of water produced $	< same period last year	$229 $198

Equal Employment Opportunity

Measure	KPI	Progress to 30 June 19
Number of legitimate EEO complaints resolved	100%	Nil lodged
Percentage of staff returning from parental leave	100%	100%

Charges and Fees

Measure	KPI	Progress to 30 June 19
Level of water charges overdue compared to water sales for previous 12 months	<5%	2.34%
Level of Sundry Debtor accounts overdue compared to debtors raised for previous 12 months	<5%	1.88%

12. Pecuniary interest register- disclosure of interests

RECOMMENDATION: that the report on disclosure of interests be received

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Sections 441-448 of the Local Government Act, 1993, specify that returns in relation to disclosures of interest, are to be completed by councillors and designated persons, that is, General Manager and other senior staff of council.

The returns must be completed and lodged with the General Manager within three months after 30th June 2019.

The returns have been issued to each Councillor and designated persons to be completed and lodged with the General Manager by 30 September 2019.

13. Proposed arrangements for 2019/20 Christmas closedown period

RECOMMENDATION:

a) that Council acknowledge the outstanding involvement and effort of staff as reflected in the results of the 2019 Customer Satisfaction Survey;

b) that in recognition of that effort, and on a "one-off basis" that Council grant all staff two days' special leave to be taken as part of the 2019/20 Christmas Closedown period (or at later time for those staff rostered onto the skeleton crew during the Christmas closedown period.)

Council has for many years ceased non-essential operations at the end of December and resumed again in early January. The matter has not been previously reported to the Board and the General Manager has implemented the arrangements following discussion with the Chairperson.

This report has been prepared to address both the Christmas shutdown period and also in response to a resolution of Council at its June meeting wherein Council resolved:

> *to request executive staff to suggest an appropriate mechanism for congratulating staff (in relation to the staff's contribution to the positive results as revealed in the 2019 Customer Satisfaction Survey) (Resolution:19/99)*

This report proposes that Council acknowledge the staff's involvement in the positive community satisfaction survey results via granting two days' paid special leave during the Christmas shutdown period.

The Executive Team have discussed the 2019/20 Christmas/ New Year period. Given the timing of Christmas day being a Wednesday as well as New Year Day Public Holiday being a Wednesday, the Executive considered a two week Christmas shutdown from Monday 23 December to Friday 3 January 2020 inclusive.

Such an arrangement would require staff to bank up to six days of Rostered Days Off (RDO's), take annual leave, time in lieu or a combination of all the above. The granting of two days' special leave would require staff to bank up to four days of RDO's, take annual leave, time in lieu or a combination of the above

An alternative would be to resume essential operations on Thursday 2 January 2020 (and it could be reasonably expected that many staff would seek to take annual leave for that day and the following day to extend their break and return to work on Monday 6 January 2020)

The granting of two days' special leave would allow the proposal to proceed with minimal impact on our customers. The cost would be approximately $40,000 in lost productivity (or approximately $380 per staff member).

The author of the report seeks the views of Board Members as to the proposal. The matter has been discussed with the Chairperson who requested the proposal be put to the Board.

If endorsed by the Board, an adjustment to the 2019/20 Delivery Plan budget would be made during the March 2020 Quarterly Review. By way of information approximately 10 percent of staff have "excessive leave balances" which are under active management by managers and supervisors. This percentage is within industry standards and is reducing.

Of course, the December/January period is a peak period for water production, distribution and consumption. Each year a skeleton crew is put in place to respond to breaks or interruptions to service. Those staff are entitled to access the same leave provisions at a later time in the year and this works effectively.

14. Minutes Riverina Water Audit and Risk Committee 24 July 2019

RECOMMENDATION: that the minutes of the Riverina Water Audit & Risk Committee held 24 July 2019 be noted.

MINUTES of Audit and Risk Committee Meeting held at Holbrook Library Complex, Holbrook on Wednesday 24 JULY 2019 COMMENCING AT 9.40 AM

PRESENT: Mr David Maxwell (Chairperson); Clr Yvonne Braid OAM; Mr Bryce McNair, Mr Phillip Swaffield, Mr Steve Prouse, Mr Bede Spannagle (Director Engineering), Ms Emily Tonacia (Manager Corporate Services), Mr Simon Thomson (Manager Governance and HR); Mr Jason Ip (Manager Operations); Ms Wendy Reichelt (Governance & Records Officer)

APOLOGIES: Mr Andrew Crakanthorp (General Manager)

MINUTE TAKER: Ms Alison Herbst

AGENDA ITEM	DECISION
1. ATTENDANCE AND APOLOGIES	
The General Manager, Andrew Crakanthorp, was noted as an apology	
2. DECLARATION OF INTERESTS	
No declarations of interest	
3. CONFIRMATION OF MINUTES PREVIOUS MEETING 22 May 2019	
Recommendation:	
On the motion of Mr B McNair and Clr Y Braid OAM that the minutes of the Audit and Risk Committee meeting held 22 May 2019 be confirmed as a true and accurate record.	**CARRIED 2019-JUL-01**

4. BUSINESS ARISING

None

5. DRAFT FINANCIAL STATEMENTS

Emily advised on track for Review of Draft at September Meeting

6. EXTERNAL AUDIT

6.1 EXTERNAL AUDIT REPORT – INTERIM MANAGEMENT LETTER

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the Audit and Risk Committee:

a) Suggests that management re-visit the management response to Issue 3: Fraud Control framework

b) Request a progress report on a schedule of policy reviews to the next meeting

c) Request that uncompleted matters be included in the follow up Matrix

CARRIED
2019-JUL-02

7. INTERNAL AUDIT

7.1 INTERNAL AUDIT REPORT – TREASURY OPERATIONS AND INVESTMENTS

Recommendation:

On the motion of Clr Y Braid OAM and Mr B McNair that the Audit and Risk Committee receive and note the Treasury Operations and Investments internal audit report and endorse the management responses and proposed actions.

CARRIED
2019-JUL-03

7.2 INTERNAL AUDIT REPORT - WATER BILLING AND DEBT RECOVERY

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the Audit and Risk Committee receive and note the Water Billing and Debt Recovery internal audit report and endorse the management responses and proposed actions.

CARRIED
2019-JUL-04

8. OTHER REPORTS

8.1 REPORT FROM MANAGER OPERATIONS

Recommendation:

On the motion of Clr Y Braid OAM and Mr B McNair that the Audit and Risk Committee receive and note the verbal report from the Manager Operations, Mr Jason Ip, with thanks and congratulations.

CARRIED
2019-JUL-05

8.2 GENERAL MANAGER CONFIDENTIAL REPORT (VERBAL)

As the General Manager was an apology at the meeting, no report was given. However, Ms Wendy Reichelt advised that the General Manager had requested her to convey to the meeting that a letter to the Office of Local Government regarding the matter of the outstanding ARIC guidelines has been drafted. Additionally, that the General Manager had spoken to a Department representative in Sydney the previous week on this matter. This information was noted by the meeting.

8.3 BRIEFING ON THE WTP CONTRACT WITH UGL AND CONTRACT COMPLETION STRATEGY (CONFIDENTIAL)

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the Audit and Risk Committee receive and note the confidential report on the WTP Contract with UGL and contract completion strategy.

CARRIED
2019-JUL-06

8.4 DWMS IMPLEMENTATION SUPPORT – FINAL REPORT FROM BLIGH TANNER

Recommendation:

On the motion of Clr Y Braid OAM and Mr B McNair that the Audit and Risk Committee receive and note this report and the attached report by Bligh Tanner, noting that it is a key document for the current audit on the water quality and Systems Monitoring being undertaken by the Internal Auditor.

CARRIED
2019-JUL-07

8.5 RIVERINA WATER COMMUNITY GRANTS PROGRAMS

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the Audit and Risk Committee receive and note the report on the Riverina Water Community Grants program

CARRIED
2019-JUL-08

8.6 RIVERINA WATER RISK REGISTER AND PROFILE

Recommendation:

On the motion of Clr Y Braid OAM and Mr B McNair that the Audit and Risk Committee receive and note the report on the ongoing development of the corporate risk register and initial analysis of this register

CARRIED
2019-JUL-09

8.7 LEGISLATIVE COMPLIANCE REGISTER

Recommendation:

On the motion of Clr. Y. Braid OAM and Mr. B. McNair that the Audit and Risk Committee receive and note the annual report to the Committee on the status of the Legislative Compliance Register.

CARRIED
2019-JUL-10

8.8 WHS COMMITTEE MINUTES

Recommendation:

On the motion of Clr Y Braid OAM and Mr B McNair that the minutes of the WHS Committee be received and noted.

CARRIED
2019-JUL-11

9 COMMITTEE OPERATIONS

9.1 DRAFT RIVERINA WATER AUDIT AND RISK COMMITTEE REPORT YEAR ENDED 30 JUNE 2019

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the Audit and Risk Committee annual report as amended by this meeting, be adopted and formally presented by the Chairman at the next Riverina Water Board meeting on 21 August 2019.

CARRIED
2019-JUL-12

9.2 COMMITTEE ACTION PLAN

Recommendation:

On the motion of Mr. B. McNair and Clr. Y. Braid OAM that Audit and Risk Committee updated Action Plan be noted.

CARRIED
2019-JUL-13

9.3 AUDIT FOLLOW-UP MATRIX

Recommendation:

On the motion of Mr B McNair and Clr Y Braid OAM that the revised four year internal audit plan be adopted and draft scopes be submitted at the Audit and Risk Committee Meeting in September.

CARRIED
2019-JUL-14

Being no further business the meeting was closed.

Meeting close - 12.10pm

Next meeting - Wednesday 18th of September 2019 at Riverina Water, 91 Hammond Avenue Wagga Wagga

15. Electricity Supply Contract

RECOMMENDATION: that Council consider the report "Electricity Supply Contract", whilst the meeting is closed to the public, as it relates to commercial information the disclosure of which would prejudice the commercial position of the person who supplied it, as prescribed by Section 10A(2)(c) of the Local Government Act 1993.

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16. Annual Performance Review – General Manager

RECOMMENDATION: that Council consider the Chairman's Report – General Manager Annual Performance Review for period ending 30 June 2019, whilst the meeting is closed to the public as it is relating to personnel matters about an individual, as prescribed by Section 10A(2)(a) of the Local Government Act 1993.

17. Riverina Water Resolution Sheet

Council Resolution Sheet – Meeting held 21 August 2019				
Report Ref	**Subject**	**Responsible Officer**	**Council Decision**	**Action Taken**
Meeting held 28 February 2018				
18/12	New Meeting Room	GM	Council make provision in the 2018/19 Capital Works budget for the completion of the Board Room in the Stores Building and that the General Manager proceed with preparing an appropriate design and fit out, supported by an estimate of the works.	Work on the fit-out of the new room commenced recently. The internal walls have been erected. Local companies are undertaking most of the work including items such as furniture, carpet, shelving, the kitchen and all audio and visual inclusions. Council's electricians are doing the electrical work. It is expected that the December meeting of the Board will be held in the new room.
Meeting held 18 October 2018				
18/167	Purchase of Land for Storage and Potential Access	DE	RESOLVED, on the motion of Clrs. Braid and Funnell that: (a) Council purchases land zoned RU1 bordering Kooringal Road, comprised of: Part Lot 5, DP 588177 Part Lot 17, DP 863322	The plan of survey of the land to be purchased has been completed. The current owner is responsible for lodging a subdivision application and this process has commenced. Exchange of the contracts took place in June and

			Part Lot 15, DP 842485 for operational and access requirements in accordance with Section 187 of the Local Government Act 1993. (b) Council purchase land zoned RU1 and IN2 land bordering Kooringal Road, comprised of: Part Lot 5, DP 588177 Part Lot 17, DP 863322 for operational and access requirements in accordance with Section 187 of the Local Government Act 1993.	settlement is expected in this calendar year. The current owners have been asked to redirect a stormwater pipe that directs stormwater on to the land to be acquired prior to settlement taking place.
18/168	PFAS matter	DE	RESOLVED on the motion of Clrs. Funnell and Quinn that the report be received and that Council be kept appraised of further developments in the management of the matter.	A verbal briefing will be provided to Council at this meeting
Meeting held 26 June 2019				
19/103	Contract W.195 – Water Treatment Plant (WTP) Contract Variation	DE	RESOLVED on the motion of Clrs. Funnell and Meyer OAM that Council note the report and proceed with Option 4 as outlined in the body of this report.	The replacement lamella filters have been manufactured and are being shipped to Australia. The filters are due to be installed in October 2019 and completed by December 2019
19/104	Purchase of Land for Future Operational Purposes	DE	RESOLVED on the motion of Clrs. Funnell and Braid OAM that Council purchase Lot 31 DP 1063553 zoned RE1 on the corner of Copland St and Kooringal St for operational requirements in accordance with Section 187 of the Local Government Act 1993.	Contracts have been exchanged and the deposit paid by Council. The current owner is arranging the removal of waste from the site prior to settlement which should occur within six weeks.

Director of Engineering's Reports To Riverina Water Meeting 21 August 2019

18. Works Report covering June 2019

RECOMMENDATION: that this report be received

- Works Report for June 2019 (to be sent separately)

19. Works Report covering July 2019

RECOMMENDATION: that this report be received

- Works Report for July 2019 (to be sent separately)

20. Land Purchase – Pleasant Hills Water Filling Station Relocation

RECOMMENDATION: that Council consider the report "Land Purchase – Pleasant Hills Water Filling Station Relocation", whilst the meeting is closed to the public, as it relates to commercial information the disclosure of which would prejudice the commercial position of the person who supplied it, as prescribed by Section 10A(2)(c) of the Local Government Act 1993.