



*** AGENDA ***

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**GENERAL MANAGER'S REPORT
TO THE COUNCIL**

20th April 2011

The Chairperson and Councillors:

1. FINANCIAL STATEMENTS – LIST OF INVESTMENTS

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 28th February and 31st March 2011 as attached (refer pages 2 to 5).

RECOMMENDED that the report detailing Council's external investments for the months of February and March 2011 be received.

2. QUARTERLY BUDGET REVIEW – PERIOD ENDED 31ST MARCH 2011

The Quarterly Review of Council's Budget for the period ended 31st March 2011 is submitted for examination by the Council (refer pages 6 to 14) for examination by the Council.

The anticipated operating result for 2010/2011 is a surplus of \$1,044,595. The original estimate operating result was for surplus of \$2,724,595.

Notes on Operating Statements:

Management Expenditure

- Retirement Payouts of \$750,000 (Nil effect on bottom line – funded from ELE reserves)
- Asset revaluations of \$50,000
- Anticipated additional legal costs and special audit costs - \$40,000.

Capital Expenditure

- Deferred Mangoplah Reservoir to 2011/12 months - \$347,000
- Bellvue Interconnection deferred to 2012/13 - \$250,000

Revenues:

User Charges

- Further reduction in water usage as a result of water target campaign and wet weather.

RECOMMENDED that the Quarterly Budget Review for the period ended 31st March 2011 be received.

Monthly Investment Report as at 28/2/11

a) Council's Investments as at 28/2/11

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Performance Benchmark	Benchmark Rate	Percentage of Portfolio	Principal Value	Market Value
Term Deposits										
Wagga Mutual Credit Union	15/12/2010	180	13/06/11	Unrated	6.40	BBSW	4.76	18.073%	\$500,000.00	\$500,000.00
Westpac	14/02/2011	60	15/04/11	A-1	5.25	BBSW	4.82	18.073%	\$500,000.00	\$500,000.00
Bendigo Bank	15/12/2010	180	13/06/11	A-2	6.00	BBSW	4.76	9.036%	\$250,000.00	\$250,000.00
Bendigo Bank	15/12/2010	180	13/06/11	A-2	6.00	BBSW	4.76	9.036%	\$250,000.00	\$250,000.00
Defcredit	21/12/2010	90	21/03/11	Unrated	6.00	BBSW	4.82	9.036%	\$250,000.00	\$250,000.00
Cash Deposit Account								63.254%	\$1,750,000.00	\$1,750,000.00
T Corp										
T Corp				A-1+	5.13	Cash Rate	4.75	0.163%	\$4,497.00	\$4,497.00
LGFS (Fixed Out Perf)										
LGFS				Aaf+	5.42	UBSA Bank Bill Index	4.92	24.334%	\$673,223.14	\$673,223.14
LGFS				A-2	5.25	Cash Rate	4.75	12.250%	\$338,895.47	\$338,895.47
TOTAL INVESTMENTS								36.746%	\$1,016,615.61	\$1,016,615.61
Cash at Bank								100.000%	\$2,766,615.61	\$2,766,615.61
TOTAL FUNDS										\$3,110,373.02

b) Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted		\$0.00
Internally Restricted	Employee Leave Entitlements	\$1,092,000.00
	Mains Replacement	\$1,000,000.00
	Sales Fluctuation	\$600,000.00
Unrestricted Funds		\$2,692,000.00
TOTAL FUNDS		\$3,110,373.02

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

CERTIFICATE

I hereby certify that all the above investments have been made in accordance with the provision of Section 625 of the Local Government Act 1993 and the regulations thereunder.

M. Curran

M Curran

FINANCE / ADMINISTRATION MANAGER

Monthly Investment Report as at 31/3/11

a) Council's Investments as at 31/3/11

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Performance Benchmark	Benchmark Rate	Percentage of Portfolio	Principal Value	Market Value
Term Deposits										
Wagga Mutual Credit Union	15/12/2010	180	13/06/11	Unrated	6.40	BBSW	4.79	20.645%	\$500,000.00	\$500,000.00
Westpac	14/02/2011	60	15/04/11	A-1	5.25	BBSW	4.82	20.645%	\$500,000.00	\$500,000.00
Bendigo Bank	15/12/2010	180	13/06/11	A-2	6.00	BBSW	4.79	10.323%	\$250,000.00	\$250,000.00
Bendigo Bank	15/12/2010	180	13/06/11	A-2	6.00	BBSW	4.79	10.323%	\$250,000.00	\$250,000.00
Cash Deposit Account								61.936%	\$1,500,000.00	\$1,500,000.00
T Corp				A-1+	5.22	Cash Rate	4.75	20.916%	\$506,558.61	\$506,558.61
LGFS (Fixed Out Perf)				AaF+	5.57	UBSA Bank Bill Index	5.07	15.509%	\$375,613.45	\$375,613.45
LGFS				A-2	5.25	Cash Rate	4.75	1.638%	\$39,673.02	\$39,673.02
TOTAL INVESTMENTS								38.064%	\$921,845.08	\$921,845.08
Cash at Bank								100.000%	\$2,421,845.08	\$2,421,845.08
TOTAL FUNDS										\$345,224.09
										\$2,767,069.17

b) Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted		\$0.00
Internally Restricted	Employee Leave Entitlements	\$1,092,000.00
	Mains Replacement	\$1,000,000.00
	Sales Fluctuation	\$600,000.00
Unrestricted Funds		\$2,692,000.00
TOTAL FUNDS		\$75,069.17
		\$2,767,069.17

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

CERTIFICATE
 I hereby certify that all the above investments have been made in accordance with the provision of Section 625 of the Local Government Act 1993 and the regulations thereunder.

M. Curran
M Curran
FINANCE / ADMINISTRATION MANAGER

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget 2010/11	Current Budget 2010/11	Original Budget 2010/11	QBR Variation 31/3/11	Comments
Water Supply					
Revenue					
Rates & Service Availability Charges					
Rates & Availability Charge - Residential	-2,406,000	-2,406,000	-2,406,000		
Rates & Availability Charge - Commercial	-254,000	-254,000	-254,000		
Rates & Availability Charge - Industrial	0	0			
Rates & Availability Charge - Other	-60,000	-60,000	-60,000		
	-2,720,000	-2,720,000	-2,720,000	0	
User Charges					
Sales of Water - Residential	-7,468,000	-8,118,000	-8,718,000	650,000	Low sales due to wet weather
Sales of Water - Commercial	-3,593,000	-3,843,000	-4,103,000	250,000	Low sales due to wet weather
Sales of Water - Industrial	0	0			
Sales of Water - Other	-396,000	-526,000	-566,000	130,000	Low sales due to wet weather
	-11,457,000	-12,487,000	-13,387,000	1,030,000	
Grants					
Rates Pensioner Rebate	-215,000	-215,000	-215,000		
Other Revenues					
Temp Transfer Water	-120,000	-120,000	-120,000		
Rents	-7,000	-7,000	-7,000		
Lease Land	-500	-500	-500		
Lease Motor Vehicle	-7,500	-7,500	-7,500		
Section 603 Certificates	-90,000	-90,000	-90,000		
Sundry Income	-80,000	-80,000	-5,000		
Sundry Income (Scrap Tender)	-15,000	-15,000	-15,000		

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget 2010/11	Current Budget 2010/11	Original Budget 2010/11	QBR Variation 31/3/11	Comments
Connect Fee	-260,000	-235,000	-235,000	-25,000	Higher than budgeted sales
Plumbing Permits	-22,000	-22,000	-22,000		
	-602,000	-577,000	-502,000	-25,000	
Interest on Investments	-260,000	-260,000	-120,000		
Contributions					
Sale of Plant	-364,000	-364,000	-364,000		
Total Revenue	-15,618,000	-16,623,000	-17,308,000	1,005,000	
Expenditure					
Management					
Administration					
Admin, Expenses, Salaries	1,030,000	530,000	480,000	500,000	Retirement payouts
Advertising	40,000	40,000	40,000		
Bank Charges	25,000	25,000	25,000		
Cleaning	32,000	32,000	32,000		
Commission on Receipts	100,000	100,000	100,000		
Consulting Fees	160,000	80,000	80,000	80,000	Asset valuations as required by DLG Code of Accounting Practice
Demand Management	300,000	300,000	300,000		
Depot & Waterworks Administration	508,000	258,000	218,000	250,000	Retirement payouts
Insurances	127,000	127,000	127,000		
IT Costs	150,000	150,000	150,000		
Meter Reading	160,000	160,000	160,000		

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget	Current Budget	Original Budget	QBR Variation	Comments
	2010/11	2010/11	2010/11	31/3/11	
Postage	68,000	68,000	68,000		
Printing & Stationery	91,000	91,000	91,000		
Rates	57,000	57,000	57,000		
Restriction Costs	5,000	5,000	5,000		
Subscriptions	18,000	18,000	18,000		
Sundries	58,000	38,000	38,000	20,000	Additional special legal services
Survey	5,000	5,000	5,000		
Telephones	88,000	88,000	88,000		
Training - Administration	22,000	22,000	22,000		
TV/Radio	65,000	65,000	65,000		
Water Directorate	10,000	10,000	10,000		
Govern - Audit Fees	41,000	21,000	21,000	20,000	Additional special audit services
Govern - Councillor Fees	78,000	78,000	78,000		
Govern - REROC Membership	5,000	5,000	5,000		
Govern - Shires Association	2,000	2,000	2,000		
Govern - Tax Equivalent - Donations	30,000	30,000	30,000		
	3,275,000	2,405,000	2,315,000	870,000	
Engineering					
Salaries	803,000	803,000	733,000		
Training	21,000	21,000	21,000		
Motor Vehicle	16,000	16,000	16,000		
	840,000	840,000	770,000	0	
Operations					
Purchase of Water	65,000	65,000	65,000		
Working Exp & Maintenance					
Services & Meters M&R	380,000	380,000	420,000		
Tools & Equipment M&R	48,000	48,000	58,000		
Sundries - Uniforms	46,000	46,000	46,000		

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget	Current Budget	Original Budget	QBR Variation	Comments
	2010/11	2010/11	2010/11	31/3/11	
Award Allowances	125,000	125,000	95,000		
Pumping Stations M&R	525,000	525,000	525,000		
Reservoirs M&R	64,000	64,000	64,000		
Systems Operations	1,110,000	1,110,000	1,070,000		
Mains M&R	820,000	820,000	620,000		
Residences M&R	8,000	8,000	8,000		
Building & Ground Maintenance	465,000	465,000	315,000		
Training	262,000	262,000	342,000		
	3,853,000	3,853,000	3,563,000	0	
Energy Costs	1,868,000	1,868,000	2,058,000		
Chemical Costs	560,000	560,000	650,000		
Miscellaneous					
ELE - Accrual	1,107,000	1,107,000	1,107,000		
ELE - Taken	-1,923,595	-1,173,595	-1,173,595	-750,000	Retirement payouts from ELE reserve
Public Holidays	156,000	156,000	156,000		
Sick Leave Loyalty Bonus	70,000	70,000	70,000		
Workers Compensation Insurance	180,000	180,000	180,000		
Superannuation	890,000	890,000	890,000		
Payroll Tax	395,000	395,000	395,000		
FBT	47,000	47,000	47,000		
Workers Compensation Claim	5,000	5,000	5,000		
Plant Income	-340,000	-340,000	-340,000		
Stores Overheads	-55,000	-55,000	-55,000		
Pensioner Rebates	340,000	340,000	340,000		
On-Cost Capital Works	-650,000	-650,000	-650,000		
	221,405	971,405	971,405	-750,000	

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget	Current Budget	Original Budget	QBR Variation	Comments
	2010/11	2010/11	2010/11	31/3/11	
WDV - Sale of Assets	337,000	337,000	337,000		
Depreciation					
System Assets	3,534,000	3,534,000	3,534,000		
Plant & Equipment	920,000	920,000	920,000		
Total Expenditure	15,473,405	15,353,405	15,183,405	120,000	
Operating Result-Before Capital Amounts Surplus / (Deficit)	144,595	1,269,595	2,124,595	-1,125,000	
Capital Grants					
Developer Provided Assets	-900,000	-900,000	-600,000		
Capital Contributions					
Total Capital Grants & Cont	-900,000	-900,000	-600,000	0	
Operating Result Surplus / (Deficit)	1,044,595	2,169,595	2,724,595	-1,125,000	
ADD Expenses not involving flows of Funds					
Depreciation	-4,454,000	-4,454,000	-4,454,000	0	
ELE	816,595	66,595	66,595	750,000	
Total Expenses not involving flows of Funds	3,637,405	4,387,405	4,387,405	-750,000	
ADD Non-Operating Funds employed					
Carrying Amount of Assets Sold	-337,000	-337,000	-337,000	0	
Transfer from Restricted Assets - ELE	-1,923,595	-1,173,595	-1,173,595	-750,000	
Plant Profit utilised					
Total Non-Operating Funds employed	2,260,595	1,510,595	1,510,595	750,000	

RIVERINA WATER COUNTY COUNCIL
 QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

Description	Revised Budget 2010/11	Current Budget 2010/11	Original Budget 2010/11	QBR Variation 31/3/11	Comments
SUBTRACT Funds deployed for Non-Operating Purposes					
Acquisition of Assets					
Management	2,270,000	2,270,000	2,720,000		
Sources	667,000	667,000	667,000		
Treatment	870,000	870,000	3,170,000		
Distribution	5,923,000	6,520,000	6,520,000	-597,000	Remove Bellvue interconnection & Mangoplah reservoir
Total Acquisition of Assets	9,730,000	10,327,000	13,077,000	-597,000	
Transfer to Restricted Assets - ELE	1,107,000	1,107,000	1,107,000	0	
Total Funds deployed for Non-Operating Purposes	10,837,000	11,434,000	14,184,000	-597,000	
Cash Result After Capital Surplus/(Deficit)	-3,894,405	-3,366,405	-5,561,405	-528,000	

QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

RIVERINA WATER COUNTY COUNCIL			
Income Statement			
	Actual 30/6/09	Actual 30/6/10	Budget 2010/11
Income from continuing operations			
Revenue:			
Rates & Annual Charges	-2,573,000	-2,588,000	-2,720,000
User Charges & Fees	-12,557,000	-12,983,000	-11,117,000
Interest & Investment Revenue	-547,000	-308,000	-260,000
Other Operating Revenues	-984,000	-832,000	-602,000
Grants & Cont's provided for Operating Purposes	-197,000	-196,000	-215,000
Grants & Cont's provided for Capital Purposes	-1,309,000	-1,972,000	-900,000
Other Income:			
Net gain from the disposal of assets	-90,000	0	-27,000
Share of interests in Joint Ventures & Associated Entities using the Equity Method			
Total Income from continuing operations	-18,257,000	-18,879,000	-15,841,000
Expenses from continuing operations			
Employee Benefits & On-Costs	5,405,000	5,828,000	6,540,405
Borrowing Costs			0
Materials & Contracts	2,386,000	2,627,000	3,239,000
Depreciation & Amortisation	4,107,000	4,380,000	4,454,000
Impairment		1,100,000	
Other Operating Expenses	2,396,000	2,354,000	563,000
Interest & Investment Losses			
Net Losses from the Disposal of Assets		11,000	
Share of interests in Joint Ventures & Associated Entities using the Equity Method			
Total Expenses from continuing operations	14,294,000	16,300,000	14,796,405
Operating Result from continuing operations	3,963,000	2,579,000	1,044,595
Share Attributable to Minority Interests	0	0	0
Net Operating Result before capital grants & contributions	2,654,000	607,000	144,595

QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

RIVERINA WATER COUNTY COUNCIL			
Balance Sheet			
	Actual 30/6/09	Actual 30/6/10	Budget 2010/11
ASSETS			
Current Assets			
Cash & Cash Equivalents	7,671,000	8,193,000	4,682,000
Investments	0	0	0
Receivables	2,292,000	2,436,000	1,236,000
Inventories - Other	1,133,000	1,926,000	1,926,000
Other	46,000	252,000	252,000
Total Current Assets	11,142,000	12,807,000	8,096,000
Non-Current Assets			
Investments	0	0	0
Receivables	0	0	0
Inventories - Other	0	0	0
Infrastructure, Property, Plant & Equip't	151,947,000	153,779,000	158,718,000
Investments Accounted for using the equity method	0	0	0
Investment Property	0	0	0
Intangible Assets	3,608,000	2,508,000	2,508,000
Non-current assets classified as "held for sale"	0	0	0
Other	0	0	0
Total Non-Current Assets	155,555,000	156,287,000	161,226,000
TOTAL ASSETS	166,697,000	169,094,000	169,322,000
LIABILITIES			
Current Liabilities			
Payables	864,000	464,000	464,000
Borrowings	0		0
Provisions	1,614,000	1,823,000	993,405
Total Current Liabilities	2,478,000	2,287,000	1,457,405
Non-Current Liabilities			
Payables	0	0	0
Interest Bearing Liabilities	0	0	0
Provisions	1,621,000	1,630,000	1,643,000
Total Non-Current Liabilities	1,621,000	1,630,000	1,643,000
TOTAL LIABILITIES	4,099,000	3,917,000	3,100,405
Net Assets	162,598,000	165,177,000	166,221,595

QUARTERLY BUDGET REVIEW - PERIOD ENDED 31 MARCH 2011

RIVERINA WATER COUNTY COUNCIL			
Cash Flow Statement			
	Actual 2008/09	Actual 2009/10	Budget 2010/11
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates & Annual Charges	2,495,000	2,510,000	2,720,000
User Charges & Fees	12,311,000	13,196,000	12,317,000
Interest Received	549,000	269,000	260,000
Grants & Contributions	1,441,000	2,170,000	1,115,000
Other Operating Receipts	984,000	832,000	602,000
<u>Payments</u>			
Employee Costs	-5,675,000	-6,232,000	-7,357,000
Materials & Contracts	-2,386,000	-2,813,000	-3,239,000
Interest Paid			0
Other Operating Payments	-1,660,000	-3,187,000	-563,000
Net Cash Provided by (used in) Operating Activities	8,059,000	6,745,000	5,855,000
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Proceeds from sale of Investments	681,000		
Proceeds from sale of Assets	365,000	437,000	364,000
Proceeds from sale of Real Estate			0
Proceeds from sale of Shares in Companies			0
Repayments from Deferred Debtors			0
Contributions to joint ventures by minority interests			0
Distribution received from associated entities			0
Other Proceeds			
<u>Payments</u>			
Purchase of Investments			
Purchase of Assets	-8,658,000	-6,660,000	-9,730,000
Purchase of Real Estate			0
Purchase of Shares in Companies			0
Loans to Deferred Debtors			0
Distributions from joint ventures to minority interests			0
Other	-3,608,000		0
Net Cash provided by (used in) Investing Activities	-11,220,000	-6,223,000	-9,366,000
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings & Advances			0
Other Proceeds			
<u>Payments</u>			
Repayments of Borrowings & Advances	0		0
Repayment of Finance Lease Liabilities			
Net Cash provided by (used in) Financing Activities	0	0	0
Net Increase (Decrease) in Cash Held	-3,161,000	522,000	-3,511,000
Adj due to Accounting Standard Changes			
Cash Assets at Beginning of Reporting Period	10,832,000	7,671,000	8,193,000
Cash Assets at End of Reporting Period	7,671,000	8,193,000	4,682,000

3. OPERATIONAL PLAN - PERFORMANCE TARGETS

In accordance with the provisions of Section 407 of the Local Government Act 1993. I report to Council the progress achieved in the year for the various objectives set out in the 2010/2011 Operational Plan:

	2010/11		Exp to date \$'000	Progress as at 31 st March 2011
	Wagga Urban \$'000	Townships & Rural \$'000		
MANAGEMENT				
Strategies				
IWCM	130		65	Strategy on target
Demand Management	500		45	Nature strip rebate scheme deferred due to liability issues. Other promotions continuing.
Sub-Total Management	630		110	
Land & Buildings for Admin, Depots & Workshops				
Administration Office	15	15	1	
Depot buildings			1	
Waterworks, new workshops	550		15	Tender W144 awarded to MJM Consulting Engineers. Reports received for energy efficiency, site soil classification, consultation and investigations. Architectural drawings received. MJM also engaged to design levee for flood proofing site.
Access, parking, landscaping	75	35	2	Purchase order issued for repair work. Trees removed from north side of existing carpark. Carpark design commenced. DA required due to retaining wall height.
Environmental works (incl. Marshalls Creek)	30		2	Continuing
Depot Residence	5			Continuing
Sub-Total Land & Buildings for Admin, Depots & Workshops	675	50	21	
Plant and Equipment				
Information Technology, upgrade	150		144	Routine replacement of PC's PC purchased for new staff.
Office furniture and equipment	25	5	33	Office furniture installed at east end of Administration building including carpet.
Working plant and vehicles-purchase.	830		754	On track.
Fixed plant/ tools/ equipment	65	10	22	On track.
SCADA system, upgrades	140		67	Nth Wagga water supply control systems upgrade under trial. Commissioned additional solar powered electronic meters.
CAD/GIS/Asset Manage. system	100		3	Planning commenced
Communications equipment	40		16	Routine replacement of mobile phones & car kits continuing
Sub-Total Plant and Equipment	1350	15	1039	
TOTAL MANAGEMENT	2655	65	1170	

SOURCES				
Bores renew/refurbish/decommission	212	355	200	East Wagga Bore 2 relining and riserless installation completed. Walla Walla Bore No1 inspected.
Bores Additional	50		0	
Groundwater yield analysis	50		0	Modelling 90% completed. Water Sharing Plan consultation with NSW OW.
TOTAL SOURCES	312	355	200	
TREATMENT				
Treatment plants, general improvements, Wagga	165	30	16	Ongoing
Treatment plants, Safety Equipment	20	5	2	Ongoing
Wagga Pilot Plant	40		35	DAF plant refined. DAF jar tester purchased for lab testing.
Specific Treatment Plant Improvements	25	15	19	On track
Treatment plants, refurbish (incl. Wagga WTP preconstruction, Urana, Morundah)	1300	100	0	Commenced investigation to determine treatment process upgrade for Oura WTP.
Wagga Ancillary Works	500		0	Planning continues
West Wagga - Bulk Chlorine Storage				
AV Power Line Relocation for Wagga WTP	950		0	Design of HV power lines in progress. Consultant engaged to complete the Cable design report required for underground 66kV specified. Negotiations with CE ongoing.
Laboratory Equipment	10	10	0	
TOTAL TREATMENT	3010	160	72	
DISTRIBUTION				
Pump Stations				
Pump stations, General Improvements	20		3	Ongoing
Pump stations, flow recorders	150	50	5	Ongoing
Renew Pumps, Motors & Switchboards	320	50	91	Big k and little k controls automated and under trials.
Upgrade pumps/additional pumps	140	110	17	The Rock pump station electrical metering upgraded completed.
Refurbish pipework/fittings/structures	50			Not commenced.
Sub-Total Pump Stations	680	210	116	
Mains				
System improvements	250	20	165	Improvements in the areas of Boorooma and Glenfield
Reticulation Mains extensions	100	30	179	Extensions in Boorooma and Tatton and Governors Hill.
Reticulation etc for developers	310	20	500	Quotes and Hydraulic Analysis for Governors Hill and Boorooma completed.
Trunk mains extensions				
Piping Urana Channel			149	Installation and connection completed to pumping station
Renew reticulation mains (inc. central Wagga, Turvey Park and The Gap)	400	150	564	Work completed in Croaker, Dalton and side streets.

Renew trunk mains (inc. Bomen)	300	600	276	Jennings Lane, Henty – construction well advanced Design for Bomen stage one – 80% complete.
Sub-Total Mains	1360	820	1833	
Reservoirs				
Rural Reservoir and trunk main analysis		130	96	Preliminary options report received from consultant and reviewed.
Other new reservoirs (Springvale, Forest Hill, Shires)	1105	630	1580	Red Hill reservoir concrete tank construction complete and roof installed Preliminary sizing of Collingullie Reservoir completed Preliminary sizing for Mangoplah High level Reservoir completed
Reservoirs, protective treatments	20	90	0	
Reservoirs, refurbish		30	1	
Reservoirs, upgrade ladders and access	10	10	21	
Reservoirs, control valves and systems	20	125	79	The Rock electronic metering and control valve upgrade completed. Rand Reservoir reticulation electronic meter installed and control system partly constructed.
Sub-Total Reservoirs	1155	1015	1777	
Services				
Hydrants & valves refurbish	60	60	95	Ongoing program
Service connections, new	420	60	287	As required
Renew Services	120	30	162	As required
Sub-Total Services	600	150	544	
Meters				
Water meters, replacement/upgrade	200	45	397	Completed replacement program.
Water meters, routine replacements	100	20	24	As required
Water meters, additional (new services)	20	5		As required.
Remote metering	10	40	57	As required
Standpipe replacement	30	60		8 units installed
Sub-Total Meters	360	170	478	
TOTAL DISTRIBUTION	4155	2365	4748	
TOTALS	10132	2945	6190	
GRAND TOTALS WAGGA AND SHIRES		13077	6190	

Services

Strategies / Actions	Progress to 31 st March 2011
- Monitor urban and rural per capita demands and determine if they significantly exceed the design peak demand levels of service.	Average kilolitres per quarter not exceeding design.
- Manage demand effectively using a range of measures	Treated water consumption and water targets in MI per day
- Regularly monitor urban and village growth, and augment supply as required in line with ten year plan, and current needs	Customer needs met
• Maintain network analysis of Wagga urban water system	Consultants completed model and being utilised by staff.
• Maintain the water supply infrastructure in good working order.	Some but infrequent breakdowns.
• Monitor the operation of the water supply system to ensure continuity of supply.	Continuity of supply maintained.
- Reinforce throughout the organisation that we are customer orientated.	Responses have been timely.
- Maintain a request and complaint handling system that ensures both attention to the request and advice of action taken or to be taken.	System up to date and reports completed.
- Use customer newsheets to disseminate information to customers. - Utilise the local media when appropriate to increase awareness within the community. - Meet with sectional or interest groups or invite them to meet with us to communicate and receive feedback on relevant issues.	Numerous media outlets used to advise customers on demand management and standpipe changes. Interest groups met re demand management and IWCM.
- Increase inspection and documentation of consumer pipework where there is potential for contamination from backflow.	Required protection devices in use. New standpipe regime reinforces backflow protection.

Asset Replacement

Strategies / Actions	Progress to 31 st March 2011
Develop and maintain a rolling replacement plan for all assets with review every 3 years.	Program documented and executed.
Identify potential system capacity deficiencies and incorporate in capital works programme.	Monitoring, pressure testing and failure analysis continuing.
Maintain water network analysis programme to identify timetable of system improvements and extensions.	Network model calibrated and run.
Utilise Asset Register and associated technology and pipeline breakage history to determine the timing of mains replacement to minimise over all costs.	Pipe break definitions improved in reports. Major replacements being documented in IWCM.

Human Resources

Objective/Goal

Riverina Water's OH&S goal for 2010/11 is **ZERO HARM AT WORK – to be achieved through eliminating unsafe behaviours and/or conditions** which will result in providing a safe workplace and systems of work. Our aim over the period 1st July 2010 – 30th June 2011 is to implement the following strategies to achieve the overall objective / goal for this 12-month period.

Objectives	Means of Achieving	Progress to 31 st March 2011
Continue promotion of responsibilities within the OHS Management System	<ul style="list-style-type: none"> • Promote OHS responsibilities to Management, Supervisors & employees through utilisation of "Expectation checklists" during face-to-face discussion groups. 	All individuals within the organisation fully aware of their responsibilities in relation to safety & actively undertaking their safety role.
Provide effective staff support	<ul style="list-style-type: none"> • Provide on-going promotion of Riverina Water's 'Employee Assistance Program' that provides free professional counselling to staff and their immediate families • Promote usage of Progressive Disciplinary & Grievance Procedure 	<p>In house promotion in Safety Newsflash articles Self-referral to counselling service (verified by quarterly report from provider)</p> <p>More timely & effective resolution of conflict. Use Work Improvement Notice (WIN) for non-compliance issues if direct contact with employee does not resolve unacceptable behaviour or actions.</p>
Improve Communication and Consultation	<ul style="list-style-type: none"> • Continue promotion of "Take & Break & Talk Safety" & incentive by way of rewards (i.e. Kit Kats / Fruit / Luncheon) to teams who engage the OHS Coordinator during their team discussion • OHS Coordinator to receive & record team meeting sheets • Quarterly meetings involving Dept. Managers and their respective work teams. 	<p>Monthly meetings held with all work teams with documented evidence being provided by Supervisors. Bullying and harassment training completed for all staff.</p> <p>Outstanding issues raised discussed with management & outcomes reached with feedback directly to the work team within a reasonable time frame.</p> <p>Diary or other appropriate recording of meetings with timely feedback to employees on raised issues.</p>
Continue on-going OHS training of new & existing staff	<ul style="list-style-type: none"> • Undertake inductions of new staff. • Continue internal and external training programs for staff. • As procedures/SWMS are released, appropriate training or instruction is given. 	<p>Induction & review of all new staff (evidence available through completion of Individual Induction Booklets). Annual training plan in place and skills gap analysis.</p> <p>New training applications issued for 2011 training plan.</p>
Develop & Review Safe Work Procedures	<ul style="list-style-type: none"> • Review, reformat & consolidate existing SWMS • Ongoing review of OHS Policies & procedures with a view to their effectiveness and legal compliance 	<p>Up to date supervisor manuals.</p> <p>Review all current policies/procedures continuing. Internal survey of staff and supervisors completed and actions commenced.</p>

Objectives	Means of Achieving	Progress to 31 st March 2011
Develop & complete an annual CIAP (Continuous Improvement Action Plan)	<ul style="list-style-type: none"> Develop CIAP in consultation with Senior Management following annual OHS audits <ul style="list-style-type: none"> Internal audits StateCover Self Evaluation Tool 	<p>CIAP developed & progress made on required actions</p> <p>>95% evaluation result</p>
Identification of hazards & elimination/reduction of risks	<ul style="list-style-type: none"> Workplace inspections to be undertaken every 4-6 months Timely reporting of accident/incidents/near misses Hazard register in place 	<p>Inspection schedules up to date. Identified issues controlled within an appropriate time frame.</p> <p>All reports received within the required timeframes</p> <p>Interim controls in place immediately, permanent controls considered, reviewed 6 monthly by management. Feedback to be given to staff.</p>

Environment Protection

Strategies / Actions	Progress to 31 st March 2011
Water returned to the environment from the filtration plant will be monitored for quality.	EPA standards achieved.
All field work-sites will be protected and restored to eliminate degradation.	No soil loss or siltation. Vegetation restored. Flood issues addressed satisfactorily.
Soiled water from Urban field site works will be returned for proper disposal.	No soiled water entering town drainage systems.
Electrical efficiency will be considered in infrastructure design.	Electrical efficiency taken into account.
Marshalls Creek environmental project to restore native vegetation and protect creek bed.	Native vegetation restored. Stable creek bed.
Fleet replacements to consider environmental criteria	Models and efficiencies monitored.
Decommission of Bores	None this quarter

Finance & Revenue

Strategies / Actions	Progress to 31 st March 2011
Stepped tariff, with a differential applying between Wagga Wagga & Rural, subject to some concession for large year round users.	Stepped pricing applied.
New capital works are to continue to require capital contributions from developers. Specific works will be at full cost to the developer while headworks will be partly developer and partly water sales funded, as per the Development Servicing Plan	Funding balance achieved.

RECOMMENDED that the report detailing the progress achieved towards the various objections set out in the 2010/2011 Operational Plan be noted and received.

4. LOCAL GOVERNMENT AND SHIRES ASSOCIATION OF NEW SOUTH WALES - 2011 WATER MANAGEMENT CONFERENCE

The Local Government Shires Association's Water Management Committee has advised that the 2011 conference will be held at Grafton, 14th to 16th September 2011, and hosted by Clarence Valley Council. The Conference will explore the changing landscape of water management and its implications for local government.

The programme structure includes a number of key note speakers, the water managers' forum, a local field trip, workshops on current issues and trade displays of industry products and government agencies.

The conference is of benefit to Council as a way of keeping up with changes and networking with other councils.

The 2010 conference was held in Orange with the Chairman attending as Council's delegate with the Deputy Chairman, General Manager and Director of Engineering attending as observers.

RECOMMENDED that:

- a) Council be represented at the Local Government Shires Association 2011 Water Management Conference,
- b) the Chairman or his nominee attend as a delegate,
- c) nominations of other delegates to attend be called, and
- d) the General Manager and Director of Engineering or their nominees attend as observers

5. SHIRES ASSOCIATION OF NEW SOUTH WALES - G DIVISION ANNUAL CONFERENCE

The Shires Association of New South Wales - G Division Annual Conference was held on Thursday, 31st March 2011 at the Temora Services Club and was attended by Chairperson Cllr Rod Kendall and General Manager.

Goldenfields Water County Council Deputy Chairperson Cllr Chris Manchester welcomed delegates.

Cllr Bruce Miller, President of the shires Association of New South Wales gave an address which included the following points:

- Pre-election responses were received from the major political parties prior to the state election. The most comprehensive response was from the Liberal National party
- Comments were made about the Infrastructure Australia Report into the management of water utilities in regional New South Wales. A submission was prepared by the LGSA debunking many aspects of this report.
- The Chairman of the Murray Darling Basin Authority, Mr Craig Knowles, has been invited to address the Annual Conference of the Shires Association of New South Wales.
- An update on the one Association proposal was given. 27 of the 29 points adopted at the Special Conference of the Shires Association have been

accepted by the Executive of the Local Government Association. The two exceptions being the zone system in country areas and the election of delegates.

- Continued push to have local government included as part of the Australian Constitution.
- Management and funding of emergency services in New South Wales and the modernisation of local government.

Additional addresses were made by Brian O'Mara Local Government Procurement and Mr Derrick Hines, Account Manager Government, Country Energy.

Motions put to the conference by the various councils, that were adopted, will now be included for consideration at the Shires Association Annual Conference.

Submitted for the Council's information.

RECOMMENDED that the information be received and noted.

6. DRAFT OPERATIONAL PLAN 2011/2012

The Draft Operational Plan that follows in this Report for the period 1st July 2011 to 30th June 2012 is submitted for the Council's consideration.

Workshops to assist in the development the budget were held on 24th February and 6th April 2011. At the last workshop, the Director of Engineering displayed graphs indicating the consumption levels of sample properties in various parts of Wagga Wagga and the effect of reducing the tariff step to 100 KI. The graphs are reproduced, at the request of a Councillor, showing the effect of reducing the tariff step to the recommended 125 KI.

RECOMMENDED that in accordance with section 405, Local Government Act, 1993 the Draft Operation Plan to be placed on public exhibition; and, that it be on display at the Administrative Headquarters, Hammond Avenue Wagga Wagga.

7. GOODS AND SERVICES TAX (GST) - COMPLIANCE REQUIREMENTS

Council is required to supply a Certificate of Confirmation to the Department of Local Government regarding its compliance with GST requirements. The Certificate is required to be signed by the Chairperson, General Manager, another councillor and the Responsible Accounting Officer.

The Certificate is due by 1 June, each year.

RECOMMENDED that the Chairperson and Deputy Chairperson be authorised to sign the Certificate of Compliance with Goods and Services Tax requirements.

8. PURCHASE OF iPADS FOR USE BY COUNCILLORS

At Council's meeting held 24 February 2011 I indicated that I would report to council on the costs of supplying an iPad to each councillor for use in receiving Council reports. Since that time Apple have released a new model of the iPad. This new model has improved features and longer battery life. The cost of each iPad would be less than \$1000 each.

The iPad would remain the property of Riverina Water County Council.

For the iPad to work effectively they would need either next G telephone coverage from Telstra or alternatively, have access to wireless internet at the home of the councillor. Wireless internet can be arranged at little cost if not already installed.

RECOMMENDED that provision of \$10,000 be made in Council's Draft Operating Plan (2011/12) for the supply of an iPad for use by each councillor.

9. DRAFT POLICY FOR PLANT PURCHASE AND DISPOSAL

Council has previously adopted a policy for the purchase and disposal of plant. This Policy is now in need of revision in light of modern practices for disposal of plant.

The previous policy did not have a provision included for the disposal of plant by public auction. A provision permitting such action has now been included. The other major change in the Draft Policy is a provision that specifically prohibits the sale of plant to Council Staff without a specific resolution of the Council.

A revised draft policy has been drawn up and is attached for Council's consideration.

RECOMMENDED that Council adopt the Draft Policy for Plant Purchase and Disposal.

10. DRAFT POLICY FOR THE USE OF CORPORATE CREDIT CARDS

Council staff have followed internal guidelines for the use of Corporate Credit Cards for some time.

It is not apparent whether a formal policy has ever been adopted by Council for the use of Corporate Credit Cards. A draft policy has been developed and is attached to Council for consideration.

The aim of the policy is to provide a clear framework to staff:

- to allow the use of corporate credit cards,
- to give staff clear concise guidelines outlining Corporate Credit Card use, and
- to reduce the risk of fraud and misuse of corporate credit card.

The application of this Policy is to be done in conjunction with Riverina Water County Council's Code of Conduct and the legislative requirements of the Local Government Act.

RECOMMENDED that Council adopted the draft corporate card policy, as submitted.

11. DRAFT POLICY FOR THE INVESTMENT OF COUNCIL FUNDS

It is necessary for Council to adopt a policy regarding the investment of Council funds.

A draft policy has been prepared and is attached for Council's consideration.

The draft policy takes into account the requirements of the Local government Act, 1993, Local Government (General) Regulation 2005, Ministerial Investment Orders and general advice from the Division of Local Government.

RECOMMENDED that Council adopt the draft investments policy as submitted.

12. MANAGEMENT LETTER, INTERIM AUDIT 2011

Councils Auditors, John L Bush and Campbell, have submitted a Management Letter relating to their recently completed Interim Audit.

The Auditors completed the interim audit testing on the 16th and 17th of March 2011. A copy of the Management Letter is attached for councillor's information

It should be noted that a number of matters were raised by the auditors. Each of these has been addressed in a response by management staff.

In the normal course of events such a Management Letter would be submitted to an Audit Committee. Riverina Water County Council does not at present have an Audit Committee. It is proposed to form such committee in the near future. Discussions have being held with staff of Wagga Wagga City Council regarding the possibility of sharing resources in this matter, particularly relating to the employment of specialist internal auditor.

RECOMMENDED that the Interim Management Letter from Council's auditors be received and noted

13. GENERAL MANAGER'S PERFORMANCE MANAGEMENT

Draft Guidelines for the Appointment and Oversight of General Managers were issued by the Division of Local Government in November 2010. These guidelines are aimed at assisting councillors to meet their obligations under the Local Government Act, 1993, the Local Government (General) Regulation, 2005 and the Standard Contract for General Managers when recruiting, appointing, reappointing and overseeing general managers.

The guidelines, which were developed in consultation with the Local Government and Shires Association and Local Government Managers Australia (NSW), are designed to provide a summary of a set of essential matters that must be addressed by councils when engaging in these processes.

Part of the process for the overseeing general managers is the appointment of a panel to manage the General Manager's performance review.

The recommendation of the draft guidelines recommend the establishment of a performance review for Council to delegate the task of performance reviews of the general manager to this panel.

The Draft Guidelines state that performs review panels should comprise the Mayor (Chairman), Deputy Mayor (Deputy Chairman), another councillor nominated by Council and a councillor nominated by the General Manager. The council's governing body might also consider including an independent observer on the panel. Panel members should be trained in the performance management of General Managers.

The role of forms panel includes:

- conducting performance reviews
- report on the findings and recommendations of those reviews to Council
- development of the performance agreement

The Council and General Manager may agree on the involvement of an external facilitator to assist the process of performance appraisal and the development of new performance plans. This person should be selected by the governing body of Council or the performance review panel.

All Councillors not on the panel can contribute to the performance review process by providing feedback to the Chairman on the General Manager's performance.

Councillors should be notified of relevant dates in the performance review cycle and be kept advised of the panel's findings and recommendations

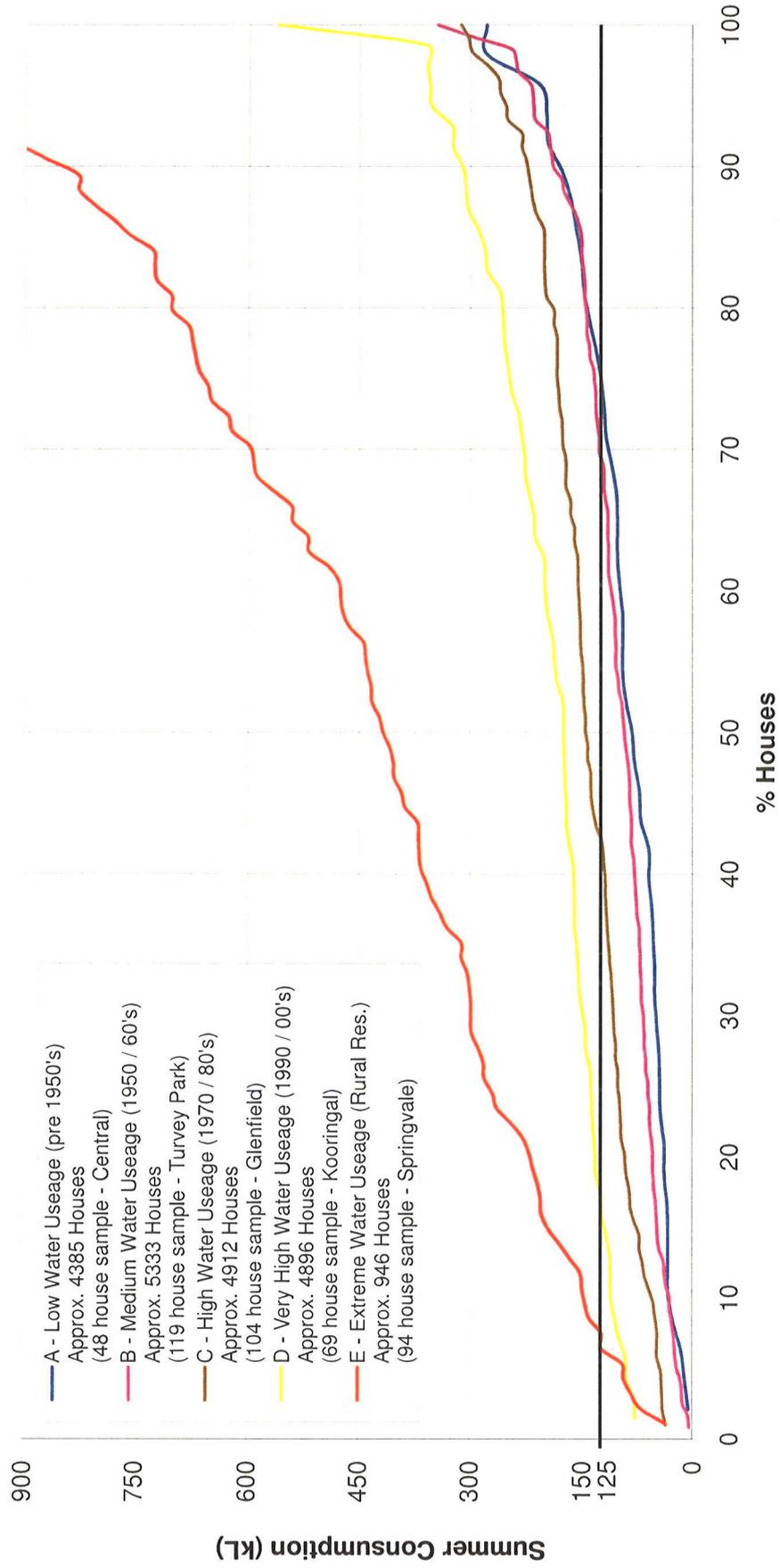
The panel should report back to the governing body of council in a closed session the findings and recommendations of its performance review soon as practicable following in the performance review. The General Manager should not be present at that meeting.

RECOMMENDED that Council appoint a performance review panel comprising the Chairman, Deputy Chairman and at least one other councillor.

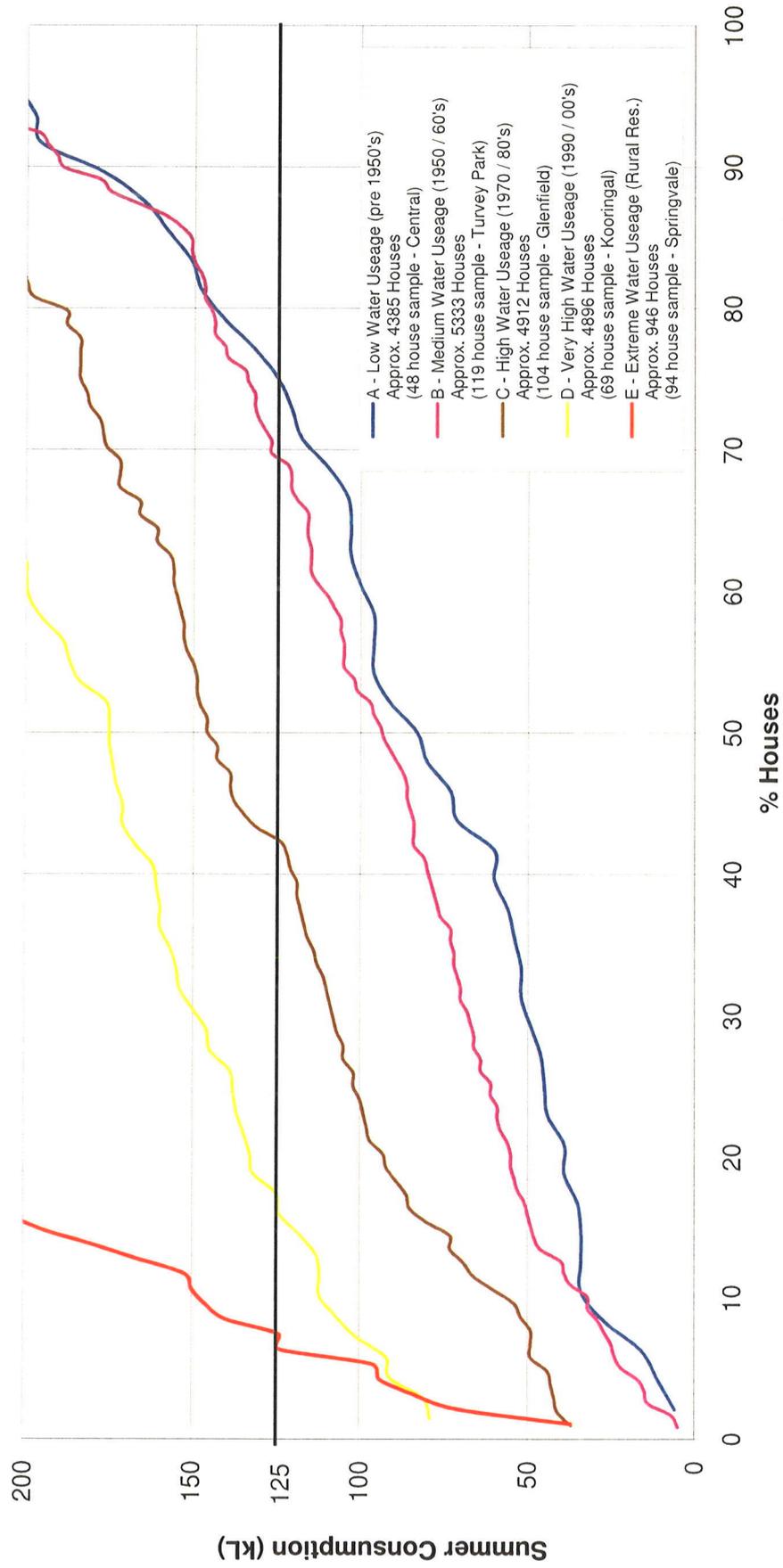


G.J. Haley
GENERAL MANAGER

Waagga Wagga Demand Distribution - Summer Quarter 2009/10



Wagga Wagga Demand Distribution - Summer Quarter 2009/10



Policy 3.1 PLANT PURCHASE & DISPOSAL

POLICY NAME:	Plant Purchase and Disposal
POLICY NO:	3.1
MINUTE NO:	94/332
ADOPTION DATE:	24/8/1994
NEXT REVISION DATE:	April 2014
LAST REVISED:	August 1994

Riverina Water operates a range of vehicles and plant to enable it to best serve the customers in the provision and distribution of water.

This policy applies only to plant owned by council. Other items may be leased or hired from third parties.

Vehicles and plant are selected for purchase on factors including:

- a) the item, make or model best suited to the purpose.
- b) reliability, service costs, operator preference, reputation and running costs
- c) purchase cost and resale potential.

The cost of updating plant by purchasing or replacing items at appropriate times will be partly met by income from internal hire rates and disposal income.

Preference is that vehicles be purchased under the NSW procurement contract or with substantial industry discounts.

Preference will be given for vehicles to be replaced at 40,000 km or two years, whichever occurs first, to minimise changeover costs.

Preference is that earthmoving plant and trucks be replaced in excess of two years following individual assessment of deterioration, reliability, frequency of use, and improved technology as key factors.

Plant items need not be replaced due to age where an assessment of serviceability has been conducted and a determination made that the plant item is serviceable.

Vehicles requiring replacement will be advertised locally and/or specification sheets given to local motor dealers.

Major plant purchases are broadly advertised as open tenders.

Vehicles and plant will be disposed of using the most financially advantageous method.

Acceptable methods include:

1. Auction. (Reserves set at market values)
2. Dealer trade. (Minimum of 3 trade prices required)
3. Private sale by sealed tender following approved procedures

No process favouring disposal to staff will be conducted without a specific council resolution.

Policy 1.15 CORPORATE CREDIT CARD

POLICY NAME:	Corporate Credit Card Policy
POLICY NO:	1.15
MINUTE NO:	
ADOPTION DATE:	
NEXT REVISION DATE:	April 2014
LAST REVISED:	

1. OBJECTIVE:

Riverina Water County Council Corporate Credit Cards are provided to members of staff to enable the purchase of goods in the following situations:

- ONLY for Council business activities
- When outside the region on business
- For minor purchases where a Council order is not able to be accepted
- For the purchase of goods in accordance with Council's Purchasing Policy

Riverina Water County Council Corporate Credit Cards do not have a cash advance facility and are not enabled with a personal identification number.

This policy provides a clear framework to:

- Allow the use of corporate credit cards
- To provide Riverina Water County Council staff issued with a corporate credit card clear and concise guidelines outlining corporate credit card use
- To reduce the risk of fraud and misuse of the corporate credit card

The application of this policy is to be in conjunction with the Riverina Water County Council Code of Conduct and any legislative requirements of the Local Government Act that may be enforced.

2. ELIGIBILITY AND APPLICATION PROCEDURES FOR NEW CORPORATE CREDIT CARDS:

A new corporate credit card application can only be approved by the General Manager, or in the case the card is for the General Manager, approval is provided by the Chairperson.

Corporate credit cards will only be issued when it is established that the anticipated use of the card warrants such.

Riverina Water County Council staff that are issued with corporate credit cards will be responsible for any purchases that are made on such during the daily operations of Riverina Water County Council. Minor purchases where corporate credit cards are becoming the normal method of payment include the one off purchase of Australian Standards, other regulatory items and emergency items. Items that are able to be purchased via a Council order will not be purchased on a corporate credit card.

3. CORPORATE CREDIT CARDHOLDER RESPONSIBILITIES:

- 1 Ensure corporate credit cards are maintained in a secure manner and guarded against improper use.

- 2 Corporate credit cards are to be used only for Riverina Water County Council official activities, there is no approval given for any private use.
- 3 All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- 4 Credit limits are not to be exceeded.
- 5 Purchases on the corporate credit card are to be made in accordance with Riverina Water County Council's Purchasing Policy.
- 6 Reconciliation is to be completed within seven days of the date of the corporate credit card statement being issued.
- 7 Corporate credit cards are to be returned to the Finance / Administration Manager on or before the employee's termination date with a full acquittal of expenses.
- 8 All cardholder responsibilities as outlined by the card provider.

4. CORPORATE CREDIT CARD RECONCILIATION PROCEDURES:

- 1 Corporate Credit Card statement accounts will be issued to the relevant cardholder who will, within seven days, acquit the transactions on the account.
- 2 Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.
- 3 Transactions shall be accompanied by a detailed explanation of why the expense was incurred.
- 4 Transactions shall be accompanied by a job number for costing purposes.
- 5 If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the General Manager for a decision.
- 6 Should approval of expenses be denied by the General Manager, recovery of the expense shall be met by the cardholder.
- 7 The cardholder shall sign and date the credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.

5. REVIEW OF CORPORATE CREDIT CARD USE:

The cardholder's supervisor shall review and approve the monthly expenditure undertaken by the cardholder. All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the General Manager for a decision.

Quarterly reviews of expenditure shall be undertaken by the Payments Officer to ensure the integrity of the purchases. External scrutiny of the credit card expenditure will also be encouraged as part of the external audit process of Council's finances.

6. PROCEDURES FOR LOST, STOLEN AND DAMAGED CARDS:

The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Finance / Administration Manager of the loss or theft on the next working day.

Advice of a damaged card is to be provided to the Finance / Administration Manager who will organise a replacement card.

Corporate Credit Cardholder Agreement

I (insert cardholder name) acknowledge and accept the below listed conditions of use of the Riverina Water County Council Corporate Credit Card:

1. Ensure corporate credit cards are maintained in a secure manner and guarded against improper use.
2. Corporate credit cards are to be used only for Riverina Water County Council official activities, there is no approval given for any private use.
3. All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
4. Credit limits are not to be exceeded.
5. Observe all cardholder responsibilities as outlined by the card provider.
6. Purchases on the corporate credit card are to be made in accordance with Riverina Water County Councils Purchasing Policy.
7. Reconciliation is to be completed within seven days of the date of credit card statement being issued on the supplied template.
8. Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.
9. Transactions shall be accompanied by a detailed explanation of why the expense was incurred.
10. Transactions shall be accompanied by a job number for costing purposes.
11. If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the General Manager for a decision.
12. Should approval of expenses be denied by the General Manager, recovery of the expense shall be met by the cardholder.
13. The cardholder shall sign and date the corporate credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.
14. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Finance / Administration Manager on the next working day.
15. Credit cards are to be returned to the Finance / Administration Manager on or before the employee's termination date with a full acquittal of expenses.

Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the Riverina Water County Council corporate Credit Card Policy any liability arising may be passed to the cardholder.

The use of a Riverina Water County Council Corporate Credit Card is subject to the provisions of the Code of Conduct of Riverina Water. Serious transgression of the above listed responsibilities or the code of Conduct may result in an appropriate referral under the Crimes Act 1900 and/or termination of employment.

Signed: (cardholder)

Date: (insert date)

Witness Name: (insert name)

Witness Signature: (signature)

Date: (insert date)

Policy 1.16 INVESTMENTS

POLICY NAME:	Investments
POLICY NO:	1.16
MINUTE NO:	
ADOPTION DATE:	
NEXT REVISION DATE:	April 2014
LAST REVISED:	

OBJECTIVE:

To provide a framework for the investing of Council's funds at the most favourable rate of interest available to it at the time whilst having due consideration of risk and security for that investment type and ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given to the preservation of capital, liquidity, and the return of investment:

- Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
- Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

POLICY

1. Authority for Investment

All investments are to comply with the following:

- Local Government Act 1993;
- Local Government (General) Regulation 2005;
- Ministerial Investment Order;
- Local Government Code of Accounting Practice and Financial Reporting;
- Australian Accounting Standards; and
- Division of Local Government Circulars.

2. Delegation of Authority

Authority for implementation of the Investments Policy is delegated by Council to the General Manager in accordance with the *Local Government Act 1993*.

The General Manager may in turn delegate the day-to-day management of Council's Investments to the Finance & Administration Manager.

Officers' delegated authority to manage Council's investments shall be recorded and required to acknowledge they have received a copy of this policy and understand their obligations in this role.

3. Prudent Person Standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

4. Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest.

5. Approved Investments

Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government.

6. Prohibited Investments

In accordance with the Ministerial Investment Order, this investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow;
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

7. Risk Management Guidelines

Investments obtained are to be considered in light of the following key criteria:

- Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value (considering the time value of money);
- Diversification – setting limits to the amounts invested with a particular financial institution or government authority to reduce credit risk;

- Credit risk – the risk that a council has invested in fails to pay the interest and or repay the principal of an investment;
- Market Risk - the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;
- Liquidity Risk - the risk an investor is unable to redeem the investment at a fair price within a timely period; and
- Maturity Risk - the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities.

8. Investment Advisor

The Council's investment advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

9. Investment Guidelines

Investments are to comply with three key criteria relating to:

- (a) **Portfolio Credit Framework:** - limit overall credit exposure of the portfolio;
- (b) **Counterparty/Institution Credit Framework:**-limit exposure to individual institutions based on their credit ratings. and;
- (c) **Term to Maturity Framework:** - limits based upon maturity of securities.

(a) Portfolio Credit Framework

The portfolio credit guidelines to be adopted will be based on the Standard & Poors (S&P) ratings system criteria. The maximum available limits in each rating category are as follows:

OVERALL PORTFOLIO CREDIT LIMITS			
Long Term Credit Ratings	Short Term Credit Ratings	Maximum percentage of Portfolio	Definition
AAA Category	A-1+	100%	Extremely strong capacity to pay
AA Category	A-1	100%	Extremely strong capacity to pay
A Category	A-2*	75%	Strong capacity to pay
BBB Category*	A-3*	40%	Adequate capacity to pay
Unrated Category*	Unrated*	40%	Unrated eg. building societies

* Investments with counterparties below A Category (Long Term) and below A-1 (Short Term) are to be restricted to Authorised Deposit Taking Institutions (such as banks, building societies and credit unions) regulated by, and subject to the prudential standards of the Australian Prudential Regulation Authority (APRA).

(b) Counterparty/Institution Credit Framework

Exposure to individual counterparties/financial institutions will be restricted by their S&P rating so that single entity exposure is limited, as detailed in the table below:

INDIVIDUAL INSTITUTION LIMITS			
Long Term Credit Ratings	Short Term Credit Ratings	Maximum percentage of total investments with any one institution	Definition
AAA Category	A-1+	60%	Extremely strong capacity to pay
AA Category	A-1	50%	Extremely strong capacity to pay
A Category	A-2*	40%	Strong capacity to pay
BBB Category*	A-3*	30%	Adequate capacity to pay
Unrated Category*	Unrated*	30%	Unrated eg. building societies

* Investments with counterparties below A Category (Long Term) and below A-1 (Short Term) are to be restricted to Authorised Deposit Taking Institutions.

The short-term credit rating limit will apply in the case of discrepancies between short and long-term ratings. If any of Council's investments are downgraded such that they no longer fall within these investment policy guidelines, they will be divested as soon as is practicable.

(c) Term to Maturity Framework

The investment portfolio is to be invested within the following terms to maturity constraints:

Overall Portfolio Term to Maturity Limits		
	Minimum	Maximum
Portfolio % < 1 Year	65%	100%
Portfolio % > 1 Year < 3 Years	0%	20%
Portfolio % > 3 Years < 5 Years	0%	15%
Portfolio % > 5 Years	0%	0%

Individual Investment Maturity Limits		
Non Authorised Deposit Taking Institutions (ADIs)	n/a	5 years*
ADI issues rated BBB or above*	n/a	5 years
ADI issues non-rated	n/a	n/a

* This will be the maximum investment term or WAL (weighted average life) for mortgage and asset backed securities.

10. Performance Benchmarks

Performance benchmarks need to be established and should be based on sound and consistent methodology.

Investment	Performance Benchmark
Cash	RBA Cash Rate
Fund	UBSA Bank Bill Index
Direct Investments	AFMA BBSW Rate: Average (term dependent on investment term)

11. Quotations on Investments

Not less than two (2) quotations shall be obtained from authorised institutions when a new direct investment is proposed. Investments may be 'rolled over' with the current holder of the investment within the guidelines set out above.

12. Reporting and Reviewing of Investments

Documentary evidence must be held for each investment and details thereof maintained in an investment Register.

The documentary evidence must provide Council legal title to the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes. The Investment Policy may also be changed as a result of other amendments that are to the advantage of that Council and in the spirit of this policy. Any amendment to the Investment Policy must be by way of Council resolution.

John L
**BUSH &
CAMPBELL**

CHARTERED ACCOUNTANTS

A.B.N. 33 225 395 249

30 March 2011

**Mr Graeme Haley
Riverina Water County Council
PO Box 456
WAGGA WAGGA NSW 2650**

WAGGA WAGGA 2650
30 Blake Street
PO Box 98
Tel (02) 6921 5222
Fax (02) 6921 7539

RECEIVED

BY: 092317

Dear Graeme

Interim Audit 2011

We advise we have completed the interim audit testing of the Riverina Water County Council for the year ending 30 June 2011.

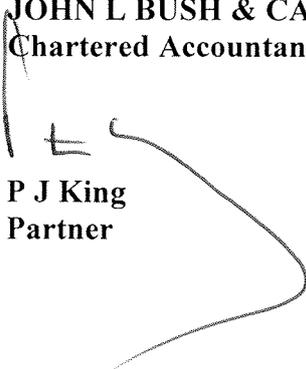
We now enclose:-

- Management letter detailing our audit findings from our interim testing that is to be presented to the Board.
- Our interim bill for services rendered.

Should there be any matter upon which you would like explanation or information please advise us, and we shall be glad to be of service.

Yours faithfully

**JOHN L BUSH & CAMPBELL
Chartered Accountants**


**P J King
Partner**

FINANCE/OFFICE MANAGER

LOCKHART, 2656
141 Green Street
P.O. Box 84
Tel (02) 6920 5101
Fax (02) 6920 5638

TUMBARUMBA, 2653
The Parade
P.O. Box 36
Tel (02) 6948 2018
Fax (02) 6948 2050



25 March 2011

A.B.N. 33 225 395 249

**The Chairperson
Riverina Water County Council
PO Box 456
WAGGA WAGGA NSW 2650**

WAGGA WAGGA 2650
30 Blake Street
PO Box 98
Tel (02) 6921 5222
Fax (02) 6921 7530

Dear Sir,

Interim Management Letter - 2011

We advise that we completed our interim audit testing of Riverina Water County Council on 16th & 17th March 2011. Over these two days we focused our testing on certain aspects of the accounting and internal control system. These aspects included:

- Cash at Bank and on Hand
- Debtors cycle
- Creditors cycle
- Payroll cycle
- Water sales

As you will appreciate this testing has been performed primarily to enable us to express an opinion on the year-end financial report and accordingly would not necessarily detect all internal control weaknesses that may exist in the systems. It is management's responsibility to maintain adequate systems of internal control as a principal safeguard against irregularities which an audit may not disclose.

Pages 2 to 8 of this letter contain the detailed findings from our interim testing. Each matter discussed has a risk rating so as to identify its significance.

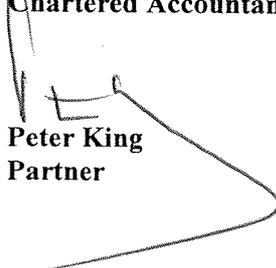
As a guide to the risk rating, a matter with a high rating is one that requires immediate attention, while a medium rating matter generally requires attention within six months. A low rating matter is considered not urgent.

We presented this letter to your General Manager and Finance & Administration Manager, they have provided responses to how each matter has been addressed and these responses have been included in this letter under the section titled Management Response.

We would like to take this opportunity to thank you and your staff for the assistance offered to us during the course of our interim testing. Should you require any further information on the above matters please do not hesitate to contact our office.

Sincerely

JOHN L BUSH & CAMPBELL
Chartered Accountants


Peter King
Partner

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P.O. Box 84
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RIVERINA WATER COUNTY COUNCIL

OVERTIME RECONCILIATION

Observation

As part of our audit testing we selected three pay periods during the year and performed a test on overtime payments. It was noted that the overtime recorded for a number of employees (as per their signed timesheets) did not reconcile with the wages paid to those employees.

Pay Period: 14 December 2010

Employee #	Employee	Department	Overtime Variance
20218	Darrin Burkinshaw	Water Depot (General)	Overpaid by 0.5 hours
20080	Aran Becket	Water Depot (Stores)	Overpaid by 3 hours

Pay Period: 10 February 2011

Employee #	Employee	Department	Overtime Variance
20218	Darrin Burkinshaw	Water Depot (General)	Overpaid by 3.5 hours
30120	Jamie Campton	Shire	Overpaid by 1.25 hours

Implication

The above employees appear to have been paid in excess of their entitlement. Our testing scope was limited to three pay periods and these errors indicate that overtime may have inadvertently been overpaid at various other times during the year.

Recommendation

That further review of overtime payments takes place and that the results of this review are presented to us at our yearend audit visit.

We recommend that as part of the payroll process a step be implemented, where a staff member independent of the payroll process, carryout spot checks on a sample of employees overtime calculations to the individual timesheets.

Risk Rating

High

Management Response

The sample of overtime indicated as having incorrect variances were paid as per Council's enterprise award. You will find below the applicable clause, which states that the employees were entitled to be paid a minimum of four hours overtime in each of these cases.

25. Call Back

- (i) An employee shall be on call back if recalled to work overtime without having received notice before ceasing work.
- (ii) An employee working on call back shall be paid a minimum of four hours work at the appropriate overtime rate for each call back which is less than four hours. Any subsequent

call backs occurring within a four hour period of a call back shall not attract any additional payments. The minimum of four hours does not apply where the call back is continuous with an employee's usual hours of work, except as provided for in subclause (iv) (a). The overtime rate for call backs commences from the time the employee leaves to attend the call back.

(iii) Rest Period after Call Back

The rest period after Call Back shall be as per the Rest Period after Call Out (see 24(vi))

(iv) Call Backs running into normal working hours

(a) Where a Call Back runs into normal working hours, a minimum of 4 hours will be paid at the appropriate overtime rate.

(b) After working to the revised finishing time (see 24 (vi)) the employee may finish work for the day, or, if deemed fit, may continue until normal finish time. Time worked beyond the revised finish time will be paid at appropriate overtime rates.

As part of the payroll process, the General Manager, Director of Engineering and Finance Manager review associated paperwork. Management will in future introduce either the Finance Manager or another employee doing spot checks on overtime calculations.

RIVERINA WATER COUNTY COUNCIL

WATER BILLING ADJUSTMENTS

Observation

There is no review process for adjustments and reversals of water sale charges that are processed in the water billing system.

Implication

The above could result in incorrect adjustments and/or reversals being processed.

Recommendation

That as part of the month end procedures, a process be implemented where a report is produced of all adjustments and reversals that have been entered through the billing system. This report should be reviewed by the Finance Manager to ensure all entries appear reasonable.

Risk Rating

High

Management Response

A copy of any associated meter reading paperwork will now be retained as supporting documentation and a monthly review will be undertaken by the Finance Manager.

Any discrepancies in meters being read incorrectly are rectified when the meter is next read. Management therefore do not feel that this poses a 'high' risk, but will put this check in place to satisfy this issue.

RIVERINA WATER COUNTY COUNCIL

CREDIT CARD – TAX INVOICES

Observation

From the sample of credit card transactions we tested, we found that some transactions were only supported by the EFTPOS receipt and not a tax invoice.

Implication

An EFTPOS receipt does not include full details of the transaction that has occurred and for GST purposes a tax invoice is required to be entitled to claim the GST credits (if the payment is above \$75). It is already a requirement of RWCC's "credit card – condition of use" policy that all expenditure is supported by a tax invoice.

Recommendation

That all staff are reminded of the requirement to supply tax invoices to support all expenditure.

Risk Rating

Low

Management Response

Staff with Council credit cards have been reminded that they are required to provide tax invoices for credit card purchases in future.

RIVERINA WATER COUNTY COUNCIL

EFT PAYMENT – SEGRAGATION OF DUTIES

Observation

The staff member that is responsible for preparing bank reconciliations also has the authority to approve Electronic Funds Transfers (EFT's).

Implication

The above internal control is designed to identify any incorrect payments that have been made.

Recommendation

That the staff member that is responsible for the preparation of the bank reconciliation not be an authorised signatory on the bank accounts.

We have discussed this matter and the matter on page 7 with your Finance Manager. She advised that the reason for the shortage of internal controls in this area is due to low staff numbers. We acknowledge this but at a minimum recommend that at least one of the recommendations on this page or page 6 be implemented.

Risk Rating

Medium

Management Response

The staff member who prepares the bank reconciliation was chosen, due to the segregation of duties in relation to receipting, accounts payable and payroll. Management believes it is more important to have segregation in these areas, than having segregation in relation to being a bank signatory. Due to the limited number of administrative staff, any staff not involved in receipting, accounts payable and payroll are signatories for the bank. The situation is therefore unavoidable. Management would like to advise that the Finance Manager does review the bank reconciliation monthly.

RIVERINA WATER COUNTY COUNCIL

EFT PAYMENT AUTHORISATION

Observation

Only one person is required to authorise Electronic Funds Transfers (EFT's).

Implication

The lack of the above internal control could potentially create an environment where incorrect payments are entered into the creditors system and subsequently paid.

Recommendation

That two people be required to authorise EFT transactions.

Risk Rating

Medium

Management Response

Management would like to advise that electronic payments cannot be authorised by the staff member preparing the file. A separate staff member is required to electronically authorise the payment as well as reviewing associated paperwork. A second staff member is then also required to review and sign associated paperwork. This is also due to the limited number of administrative staff. Management believes that there is sufficient segregation of duties by having a staff member sign electronically and then a second also reviewing and signing payment documentation. If Council were required to have more staff sign electronically, we would have additional issues with staff availability and ensuring pays and payments were made on time.

The only other alternative to having administration staff as signatories, is to have engineering staff as signatories. Management do not think this is a reasonable alternative, as the engineers do not have sufficient resources themselves to spend the time reviewing payments and are regularly not in the office to be able to undertake this task.

RIVERINA WATER COUNTY COUNCIL

ELECTRONIC LEAVE APPLICATIONS

Observation

We were advised by the Finance Manager, that in the near future electronic leave applications are going to be trialed for administration staff. We discussed the process with your Payroll Officer and we would like to carry out further testing on the process when the year-end audit procedures are performed.

Recommendation

That the system be trialed and after any leave applications are processed, the corresponding leave balance is reviewed to ensure it is updated accordingly.

Risk Rating

Medium

Management Response

At this stage, management is only considering this option. No decision has been made in relation to putting this in place. We will advise when a decision is made either way.

**DIRECTOR OF ENGINEERING'S REPORTS
TO COUNCIL MEETING APRIL 2011**

19th April 2011

1 WORKS REPORT COVERING FEBRUARY 2011

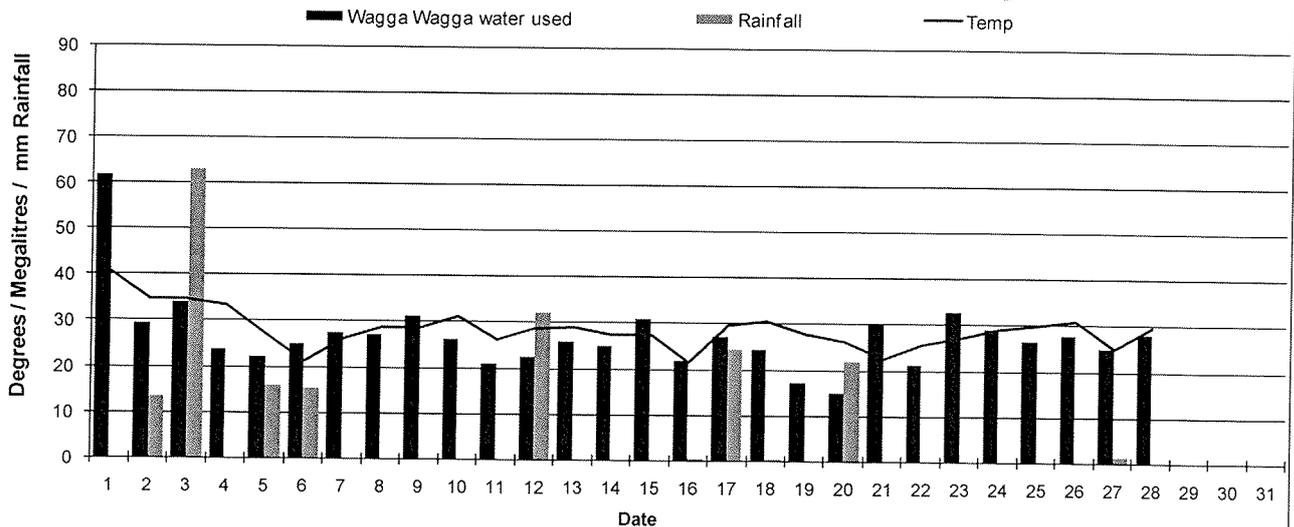
1.1 WATER SOURCED AND USED

February	2009	2010	2011
Rainfall	8.6	82.6	187.8
Wet Days	7	2	10
WATER SOURCED February 2011 (MI)			
North Wagga bores	316.95	198.22	150.83
West Wagga bores	476.89	238.26	216.91
East Wagga bores	302.66	274.81	343.95
Murrumbidgee River	947.97	562.83	142.33
SUB-TOTAL	2,044.47	1,274.12	854.02
Bulgary Bores	73.42	50.45	27.59
Urana Source	15.69	8.05	0.69
Ralvona Bores	46.31	21.96	12.38
Walla Walla Bores	36.21	24.16	15.00
Goldenfields Water Supply System	3.13	3.52	1.84
SUB-TOTAL	174.76	108.14	57.50
Woomargama	4.12	0.43	0.75
Humula	2.18	1.36	0.69
Tarcutta	6.93	3.41	3.09
Oura	7.55	5.21	2.46
Walbundrie	5.63	4.87	2.34
Morundah	1.44	1.31	0.46
Collingullie	11.63	5.25	5.43
SUB-TOTAL	39.48	21.84	15.22
TOTALS	2,258.71	1,404.10	926.74

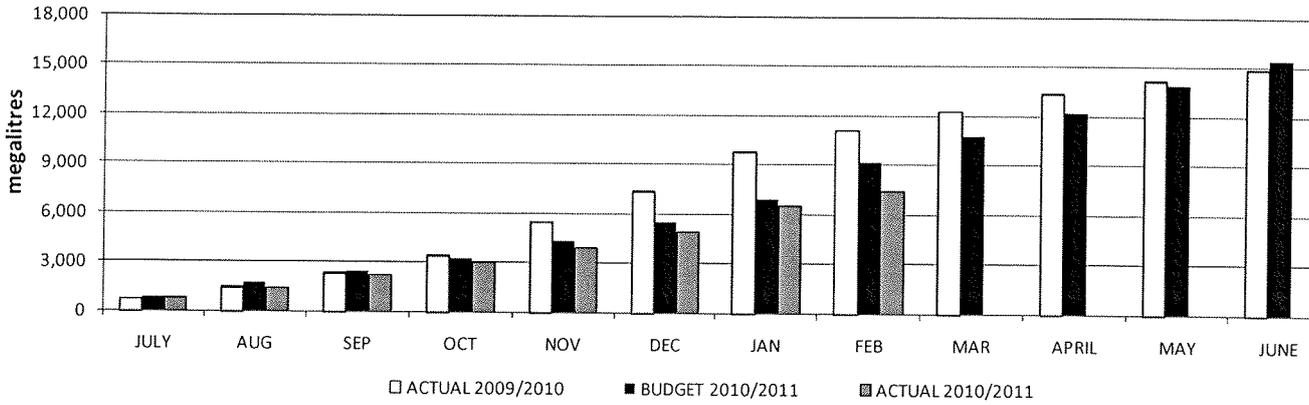
WATER USED February 2011 (MI)

	2009	2010	2011
East Bomen	28.39	17.78	12.43
Estella	111.86	79.31	54.85
North Wagga	132.69	67.15	64.32
Wagga Wagga – Low Level	269.60	183.67	129.52
Wagga Wagga – High Level	1,108.88	653.42	410.96
Wagga Wagga – Bellevue Level	133.68	74.96	38.14
SUB-TOTAL	1,785.10	1,076.29	710.22
Ladysmith	10.48	5.34	3.35
Brucedale	38.01	21.46	15.15
Currawarna	21.57	13.80	7.30
Rural south from Wagga Wagga	200.00	133.67	90.47
Rural from Walla Walla Bore	0.00	24.16	15.00
Milbrulong, Lockhart and Boree Creek	45.83	30.62	13.90
Urana and Oaklands	41.20	25.26	12.85
Holbrook	46.31	21.96	12.38
SUB-TOTAL	403.40	276.27	170.40
Woomargama	4.12	0.43	0.75
Humula	2.18	1.36	0.69
Tarcutta	6.93	3.41	3.09
Oura	7.55	5.21	2.46
Walbundrie/Rand	5.63	4.87	2.34
Morundah	1.44	1.31	0.46
Collingullie	11.63	5.25	5.43
SUB-TOTAL	39.48	21.84	15.22
TOTALS	2,227.98	1,374.40	895.84

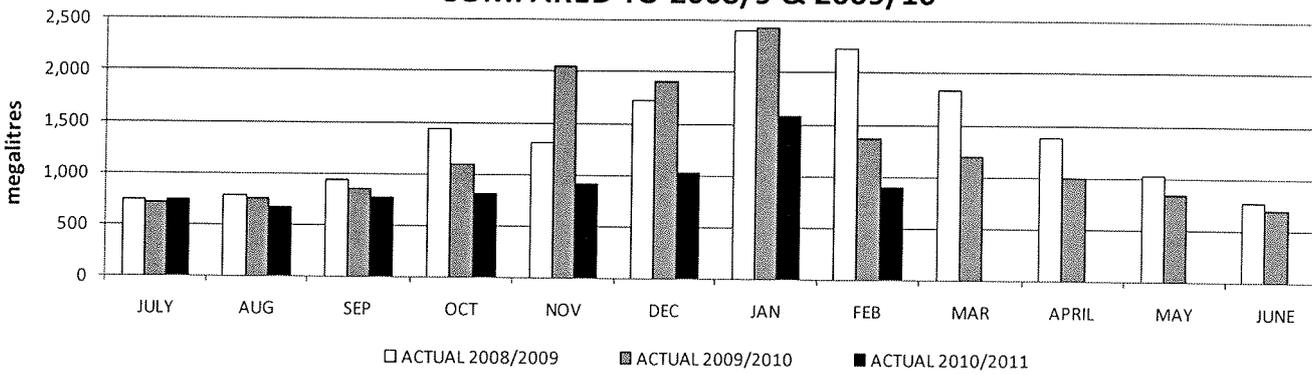
DAILY WATER USED, WAGGA WAGGA, February 2011



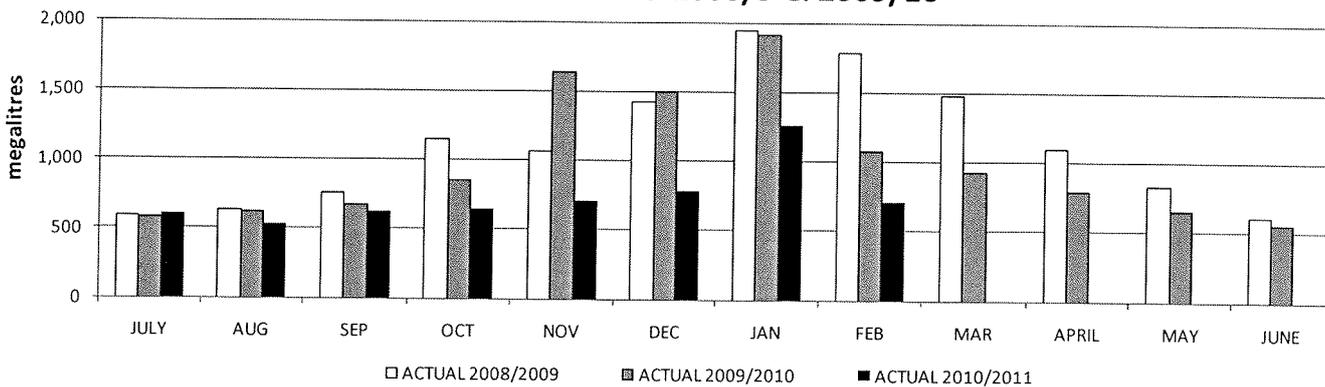
TOTAL CUMULATIVE WATER USED 2010/2011



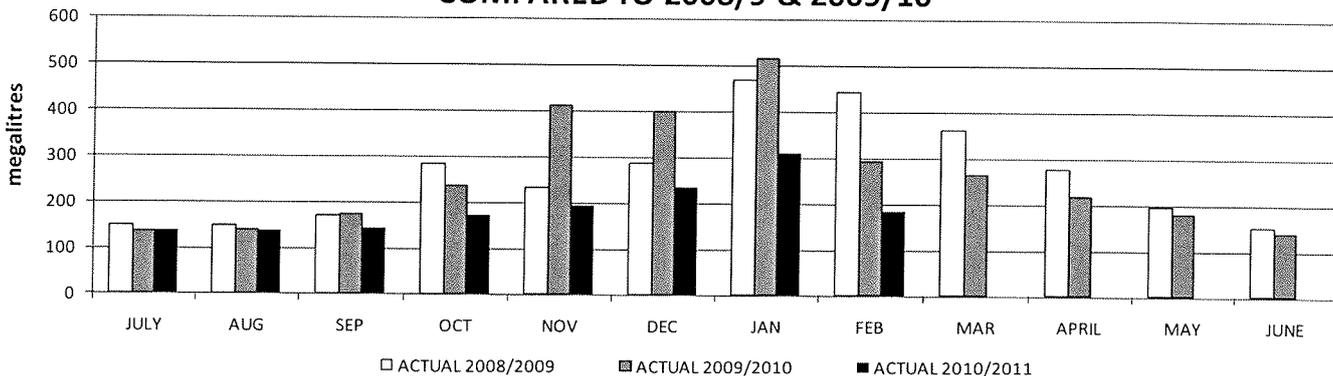
MONTHLY TOTAL WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



MONTHLY WAGGA WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



MONTHLY RURAL WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



1.2 NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF FEBRUARY 2011

Location	New Connect., Residential	New connect., Non Residential	Services Renewed	Services Repaired	Quality Complaints	Supply Complaints *	Customer dealings complaints	Other Complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga Wagga	12	3		56	7	4				18	6	13
Brucedale												
Currawarna												
Euberta												
Humula												
Ladysmith												
Oura					2					1		
San Isidore				1	1							
Tarcutta				1							1	
The Gap										1		
Bulgary												
Collingullie				1								
French Park												
Lockhart				1	1						2	
Mangoplah												
Milbrulong												
Pleasant Hills				1								
The Rock				3		2						
Uranquinty											1	
Yerong Creek												
Culcairn												
Henty												
Holbrook	1			2								
Morven	1											
Walbundrie												
Walla Walla												
Woomargama										1		
Boree Creek												
Morundah					1							
Oaklands				1								
Rand												
Urana				2						1		
TOTAL	14	3	0	69	12	6	0	0	0	22	10	13

1.3 WATER SYSTEM REPAIRS

WAGGA WAGGA								
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI
1	Koorinal & Vincent	Koorinal	150 AC	Pipe Failure (not specified)	No	2:30	10	15
2	1 Springvale Dr	Springvale	150 WPVC	T/ Band Broken/Leaking	No	1:30	10	18
3	Bocquet St	Lake Albert	100 AC	Pipe Failure (not specified)	No	2:00	18	5
9	13 Banks Ave	Koorinal	100 AC	T/ Band Broken/Leaking	No	1:30	29	30
4	27 Hardy Ave	Wagga Wagga	150 AC	Tree Roots	No	1:00	17	18
5	Lot 2 Cooramin St	Estella	100 WPVC	Pipe Failure (not specified)	No	1:30	3	18
6	opp 225 Tarcutta St	Wagga Wagga	100 AC	Pipe Failure (not specified)	Yes	0:00	0	10
7	196 Morgan St	Wagga Wagga	100 AC	Pipe Failure (not specified)	Yes	0:00	0	25
10	4 Clare Ave	Lake Albert	100 BPVC	Pipe Failure (not specified)	No	3:30	18	0
10	Meadow & James	Koorinal	100 AC	Pipe Failure (not specified)	No	3:00	8	9
15	48/50 Overdale Dr	Bourklands	150 WPVC	Pipe Failure (not specified)	No	2:00	28	40
12	Inglewood & Bakers	Lake Albert	150 AC	T/ Band Broken/Leaking	No	1:30	5	18
16	Bruce St	Tolland	200 AC	T/ Band Broken/Leaking	No	2:30	51	27
22	Blake St	Wagga Wagga	100 AC	Pipe Failure (not specified)	Yes	0:00	0	18
27	5 Crisp Dr	Ashmont	150 AC	Tree Roots	No	2:30	0	54
TOTALS						25:00	197	305
Total Breaks – 15		Breaks needing shut off -			12	Breaks affecting customers – 11		

RURAL								
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI
1	YERONG ST	The Rock	100 AC	Pipe Failure - Ground Movement	No	1:00	15	200
2	Yarrabee Street.	Morundah	100 AC	Tree Roots	Yes	0:00	0	100
2	Mt. View	Walla Walla	100 AC	Pipe Failure - Ground Movement	No	3:00	4	200
28	Jennings Rd	Culcairn	200 AC	Pipe Failure - Ground Movement	No	16:00	7	400
5	ILLETTS Lane Counter bdry.	Milbrulong	80 PVC	Pipe Failure (not specified)	No	2:00	3	20
17	Sturt H'way	San Isidore	150 WPVC	Pipe Failure (not specified)	No	1:00	0	54
19	Jennings Rd	Culcairn	200 AC	Pipe Failure - Ground Movement	No	5:30	7	500
21	OLIMPIC HWY	The Rock	300 CI	Pipe Failure (not specified)	No	7:30	200	600
25	Gap Hall Rd	The Gap	100 WPVC	Pipe Failure (not specified)	Yes	0:00	0	54
TOTALS						36:00	236	2,128
Total Breaks – 9		Breaks needing shut off -			7	Breaks affecting customers – 6		

1.4 WATER QUALITY COMPLAINTS

Water quality complaints received during February 2011 were:

Date	Location	Problem	Action Taken
2/02/2011	Galing Pl, Wagga	Dirty water	Flushed mains
2/02/2011	59 William St, Nth Wagga	Dirty water	Flushed mains
3/02/2011	302 Bourke St, Tolland	Water tastes bad from kitchen sink	recommended using a dishwasher cleaner.
6/02/2011	Mitchell & Wagga St, Oura	Dirty water	Flushed mains & service
14/02/2011	Bakers Lane, Wagga	Dirty water & air in lines	Owner flushed service. OK
14/02/2011	Yamma St, Morundah	Smelly, tangy tasting water	Flushed mains & service
15/02/2011	Wheel Of Fortune Rd, Oura	Dirty water	Flushed service
16/02/2011	Lot 5 Cummings Rd, Lake Albert	Air in water	Flushed mains
21/02/2011	80 Travers Rd, Wagga	Dirty water in unit block	Flushed mains
19/02/2011	4 Birmingham St, San Isidore	Dirty water	Flushed mains
22/02/2011	67 Ferrier St, Lockhart	Dirty water	Scour mains & flush service

1.5 MAINS CONSTRUCTIONS

1.5.1 MAINS EXTENSIONS AND NEW WORKS

New water mains laid during February 2011 include:

LOCATION	PROJECT	100 DICL	200 DICL	250 oPVC	600 DICL
Red Hill Res 600mm	Mains Extension				170
Red Hill Res 250mm Scour	Mains Extension			170	
Barooma Stage 1	Mains Extension	16.5	9		
	TOTAL	16.5	9	170	170

1.5.2 REPLACEMENT OF EXISTING MAINS

No water mains replaced during February 2011.

1.6 OTHER CONSTRUCTION

Other construction works during February 2011 include:

LOCATION OR PROJECT	WORK DONE
Cheshire St (RTA Depot)	Install 100mm Fire Service
Thorne St (Collins Park)	Install 80mm Domestic Service
Culcairn Rd, Holbrook	Install 120M of 400mm Steel Conduit for Highway
Milbrulong Balance Tank	Replace Faulty 150mm Mag Flow Meter

1.7 MAJOR REPAIRS / OVERHAULS

Major repairs/overhauls during February 2011 include:

LOCATION OR PROJECT	WORK DONE
Ralvona No2 highlift pump	Repair and recommission pump & motor
Oura No1 Bore	Remove, inspect and recommission
Nth Wagga Aeration Basins	Drain, clean and disinfect
10 Mill Reservoir	Replace chlorination system
Brucedale No1 highlift pump	Remove and overhaul motor, recommission
Waterworks river suctions	Repair flood damage
Urana WTP	Remove & replace highlift pumps, dosing systems during flooding

1.8 STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during February 2011:

Training or Programme	Number of Staff
Fringe Benefit Tax	2

RECOMMENDATION

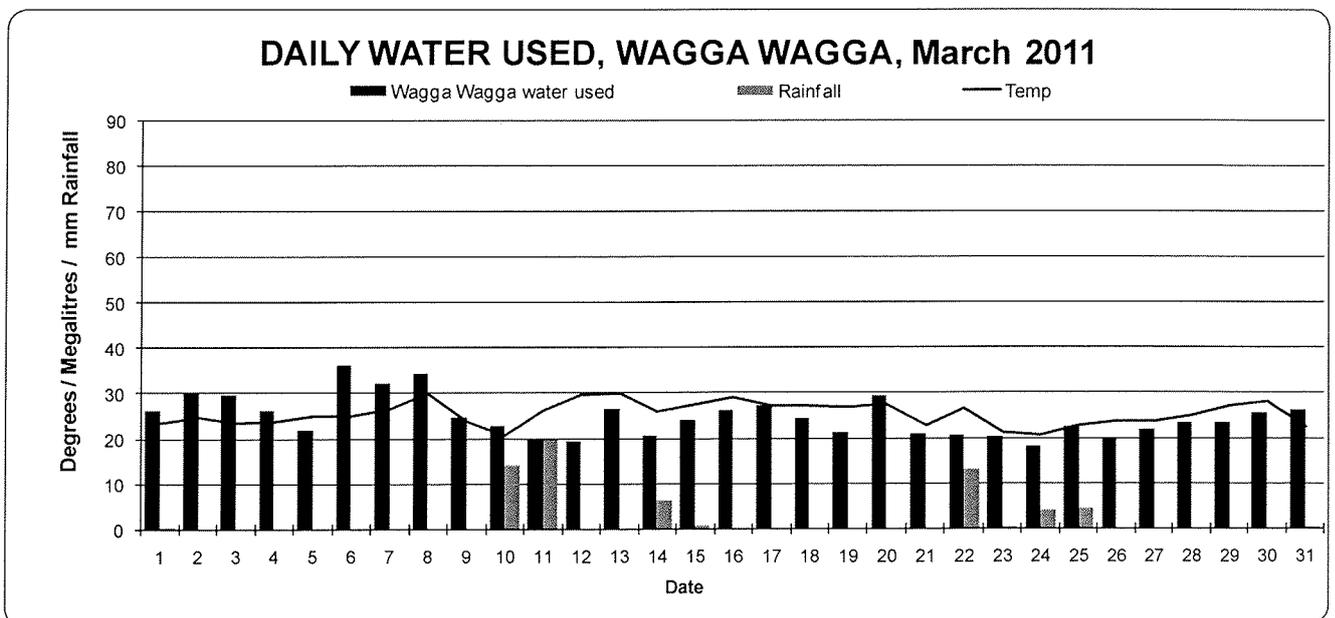
That this report be received and noted.

2 WORKS REPORT COVERING MARCH 2011

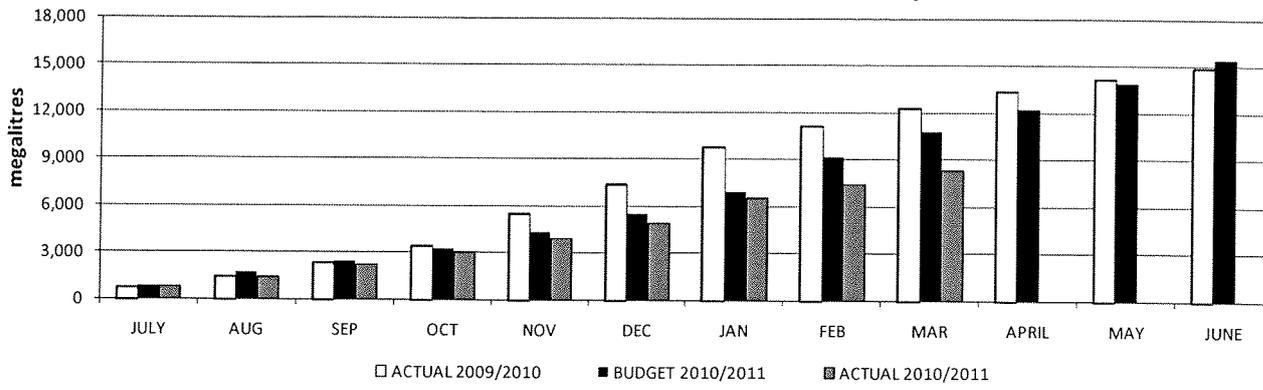
2.1 WATER SOURCED AND USED

March	2009	2010	2011
Rainfall	14.6	167	62.6
Wet Days	4	6	10
WATER SOURCED March 2011 (MI)			
North Wagga bores	296.24	191.86	165.68
West Wagga bores	421.86	328.33	311.73
East Wagga bores	308.43	220.75	181.00
Murrumbidgee River	677.20	269.89	198.48
SUB-TOTAL	1,703.73	1,010.83	856.89
Bulgary Bores	66.53	42.74	32.17
Urana Source	8.44	6.47	0.00
Ralvona Bores	38.78	24.24	15.92
Walla Walla Bores	31.11	27.25	9.67
Goldenfields Water Supply System	2.91	3.19	2.21
SUB-TOTAL	147.77	103.89	59.97
Woomargama	2.41	2.19	1.10
Humula	1.98	0.94	0.58
Tarcutta	5.87	4.50	3.02
Oura	4.58	4.78	2.90
Walbundrie	3.97	3.37	2.39
Morundah	1.21	1.00	0.87
Collingullie	8.66	5.35	4.60
SUB-TOTAL	28.68	22.13	15.46
TOTALS	1,880.18	1,136.85	932.32

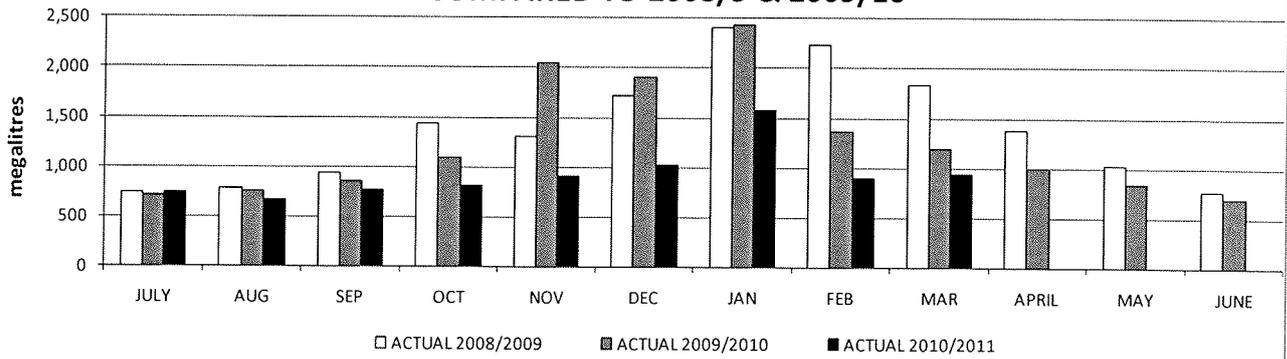
WATER USED March 2011 (MI)			
	2009	2010	2011
East Bomen	24.45	17.32	10.97
Estella	112.50	68.13	43.27
North Wagga	114.70	82.58	84.91
Wagga Wagga – Low Level	243.12	176.15	154.18
Wagga Wagga – High Level	872.42	532.75	399.73
Wagga Wagga – Bellevue Level	109.73	64.10	44.44
SUB-TOTAL	1,476.92	941.03	737.50
Ladysmith	7.76	4.29	3.23
Brucedale	28.99	25.29	20.86
Currawarna	15.01	12.40	8.71
Rural south from Wagga Wagga	170.24	103.84	91.81
Rural from Walla Walla Bore	0.00	27.25	9.67
Milbrulong, Lockhart and Boree Creek	36.99	26.50	15.52
Urana and Oaklands	35.08	20.45	14.99
Holbrook	38.78	24.24	15.92
SUB-TOTAL	332.85	244.26	180.71
Woomargama	2.41	2.19	1.10
Humula	1.98	0.94	0.58
Tarcutta	5.87	4.50	3.02
Oura	4.58	4.78	2.90
Walbundrie/Rand	3.97	3.37	2.39
Morundah	1.21	1.00	0.87
Collingullie	8.66	5.35	4.60
SUB-TOTAL	28.68	22.13	15.46
TOTALS	1,838.45	1,207.42	933.67



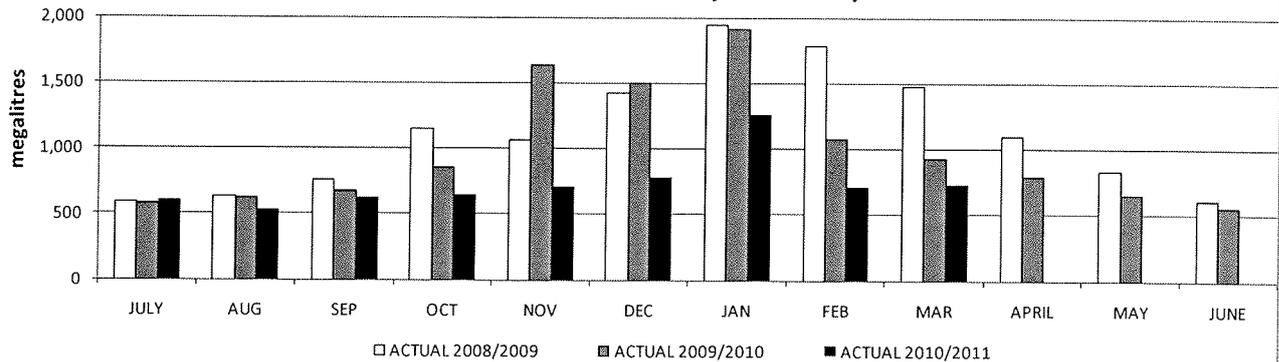
TOTAL CUMULATIVE WATER USED 2010/2011



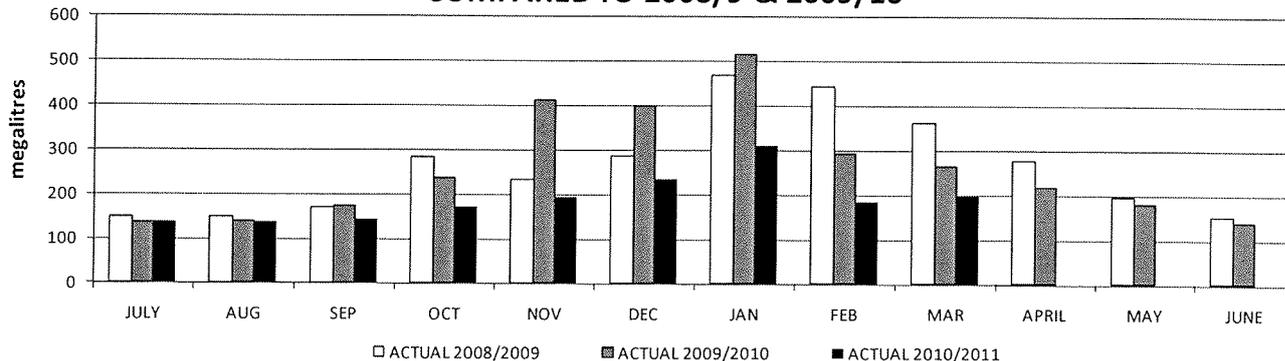
MONTHLY TOTAL WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



MONTHLY WAGGA WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



MONTHLY RURAL WATER USED 2010/11 COMPARED TO 2008/9 & 2009/10



2.2 NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF MARCH 2011

Location	New Connect., Residential	New connect., Non Residential	Services Renewed	Services Repaired	Quality Complaints	Supply Complaints *	Customer dealings complaints	Other Complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga Wagga	15	2	4	32	8	9			2	41	6	14
Bruceedale	1											
Currawarna												
Euberta												
Humula				1						1		
Ladysmith												
Oura												
San Isidore												
Tarcutta				1						1		
The Gap												
Bulgary				1								
Collingullie						1						
French Park												
Lockhart		1			1							1
Mangoplah											1	
Milbrulong												
Pleasant Hills				1								
The Rock												1
Uranquinty				1						1		
Yerong Creek												
Culcairn												
Henty			1	1								
Holbrook	1			2							3	
Morven												
Walbundrie												
Walla Walla						1				1		
Woomargama					1	2						
Boree Creek												
Morundah												
Oaklands												
Rand												
Urana												
TOTAL	17	3	5	40	10	13	0	0	2	45	10	16

2.3 WATER SYSTEM REPAIRS

WAGGA WAGGA									
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI	
3	Nagle St	Wagga Wagga	150 AC	T/ Band Broken/Leaking	Yes	0:00	0	18	
15	88 Lakehaven Dr	Wagga Wagga	150 WPVC	Pipe Failure (not specified)	Yes	0:00	0	36	
26	Olympic Way	Wagga Wagga	375 AC	T/ Band Broken/Leaking	No	6:00	8	259	
TOTALS						6:00	8	313	
					Breaks needing shut off -	Breaks affecting customers -			
Total Breaks -		3			1	1			

RURAL									
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI	
2	SOUTH BOUNDARY RD	Collingullie	32 PVC	Pipe Failure (not specified)	No	2:30	1	200	
4	MOUNTAIN VIEW	Walla Walla	100 AC	Pipe Failure - Ground Movement	No	2:30	0	1	
8	28 SWIFT ST	Holbrook	100 AC	Leaking SS clamp	Yes	0:00	0	1	
10	Eldershaw Rd	The Gap	80 PVC	Pipe Failure (not specified)	Yes	0:00	0	27	
18	Cambournes Lane	Brucedale	25 PVC	Pipe Failure (not specified)	No	1:30	2	7,200	
23	Downside-Shepherds Siding	Brucedale	100 WPVC	Pipe Failure (not specified)	Yes	0:00	0	54	
24	Gap-Hall Rd	The Gap	100 WPVC	Pipe Failure (not specified)	Yes	0:00	0	54	
24	MITCHELL RD	Morven	150 AC	Pipe Failure (not specified)	No	8:00	40	2,000	
28	Morven to Holbrook rd.	Morven	150 AC	Pipe Failure - Ground Movement	No	6:00	5	200	
29	Princess Street.	Urana	100 AC	Pipe Failure - Ground Movement	Yes	0:00	0	100	
31	Alleynside Rd	Brucedale	63 PE	Pipe Failure (not specified)	Yes	0:00	0	64	
TOTALS						20:30	48	9,901	
					Breaks needing shut off -	Breaks affecting customers -			
Total Breaks -		11			5	4			

2.4 WATER QUALITY COMPLAINTS

Water quality complaints received during March 2011 were:

Date	Location	Problem	Action Taken
1/03/2011	1 Barinya St, Wagga	Dirty water	Flushed service
3/03/2011	113 Beckwith St, Wagga	Dirty water	Verbal to flush taps. All OK
4/03/2011	26 Mathews St, Lockhart	Dirty water	Flush service & meter
7/03/2011	7 Wollundry Ave, Wagga	Dirty water	Mains flushed
15/03/2011	8 Horsley Ave, Wagga	Dirty water	Flushed service
22/03/2011	17 Walla Pl, Glenfield	Rusty water	H/W system dirty. Flushed & OK
28/03/2011	29 Warrambee St, Glenfield	Taste	Meter flushed. Taste OK
28/03/2011	Olympic Hwy, Wagga	Dirty water	Flushed service. Taste OK

2.5 MAINS CONSTRUCTIONS

2.5.1 MAINS EXTENSIONS AND NEW WORKS

New water mains laid during March 2011 include:

LOCATION	PROJECT	250	600
		oPVC	DICL
Red Hill Rd, Wagga Wagga	Reservoir Site	214	
Red Hill Rd, Wagga Wagga	Reservoir Site		202
	TOTAL	214	202

2.5.2 REPLACEMENT OF EXISTING MAINS

Mains replaced during March 2011 include:

LOCATION	PROJECT	100		200		375
		OPVC	DICL	OPVC	DICL	DICL
Glenfield Road, Wagga Wagga	WWCC - round-a-bout					247
Farrar Road, Wagga Wagga	Mains lowering for development				31	
Jennings Lane, Henty	Mains replacement			2206		
Oura village	Oura bore site - pipe work	20				
Croaker Street, Wagga Wagga	Cut - in and road crossing	4	3			
	TOTAL	24	3	2206	31	247

2.6 OTHER CONSTRUCTION

Other construction works during March 2011 include:

LOCATION OR PROJECT	WORK DONE
Dalton St, Wagga	Cut in Service renewals, valves and site restoration
Farrer Rd, Wagga Wagga	End cap 100mm, location of 450mm
Glenfield Rd - Round-a-bout	Cut-in 200 and 250mm valves, associated pipe work 375mm

2.7 MAJOR REPAIRS / OVERHAULS

Major repairs/overhauls during March 2011 include:

LOCATION OR PROJECT	WORK DONE
Oura No 1 Bore	Fully reline bore
North Wagga No 2 Bore	Remove, inspect and repair casing and motor
Walla Walla No 1 Bore	Remove and inspect
Walla Walla No 1 Bore	Remove and inspect

2.8 STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during March 2011:

Training or Programme	Number of Staff
Workcover Licence - Dogging	1
First Aid Certificate	1
WIOA - Coagulation & Flocculation W'shop	7
Vehicle Management Workshop - Dubbo	1
WIOA - Operators Conference	3
HC - Truck Licence RPOS	1

At the WIOA conference in Newcastle, Engineering Assistant Brenden Bates presented a paper on Riverina Water's new water filling stations. His paper was well received with many follow-up questions. He was awarded a prize for second best paper over the two days.

2.9 REPLACEMENT OF WALLA WALLA BORE

The routine inspection of Walla Walla Bore No. 1 discovered substantial corrosion in the steel casing. This is the original 200mm diameter bore constructed in the late 1970's. The damage includes numerous holes and a degraded slotted inlet. The slotted casing replaced the screens originally installed which detached. This casing is not repairable and relining it with stainless steel may not be cost effective nor practical.

The other Walla Walla bore, No. 2, has not been in operation for many years due to a very fine silt, almost like talcum powder, entering from the aquifer. Normally a well developed bore filters out such fines. The NSW Office of Water Groundwater Drilling Unit, based at Dubbo, has worked on many of Riverina Water bores and have provided advice over the years regarding the issues at Walla Walla. There have been various plans to implement a back-up bore at Walla and this is also currently being reviewed in the IWCM strategy development. The Walla Walla source normally operates only during high summer demands.

It is critical that the bore source be restored prior to next summer. One option is that the No.1 Bore be replaced close to the existing bore. The NSW Office of Water specialists have provided advice and a quotation for sinking a new bore. The cost will exceed \$150,000. The Local Government Act allows for procurement from government agencies without calling tenders and the urgency here warrants that.

If a riserless system is installed with new pump and motor, the overall cost will be approximately \$250,000. The options and available funds are currently being considered.

2.10 RECRUITMENT OF STAFF

Due mainly to retirements and restructuring of engineering staff teams, nine positions were advertised externally, with applications closing on the 11th April 2011.

The positions advertised included members of a new four-person gang based at The Rock. This gang operates under the Works Supervisor and attends to mains and distribution matters. The treatment and process operations in the rural areas are under three area operators who report to the Operations Superintendent. These are based at Culcairn, Urana and Uranquinty. Although all staff work together as needed, this separation of responsibilities is an improvement. For example, under the new arrangement repairing mains won't interfere with routine process operations and data recording. Also the staff can further specialise in their areas which become increasingly complex. The total number of staff in rural teams remains at seven.

The other positions advertised included an Assistant Works Supervisor, Compliance Officer and three Maintenance Operators. The first two positions substitute vacated positions, but are restructured with new position descriptions. The latter positions are to replace a staff member who moved to Queensland and two staff members who have applied for and been appointed to other positions within Riverina Water.

There has been a good response to all the positions advertised and interviews will be carried out by the first week of May.

RECOMMENDATION

That this report be received and noted.

4 RESIDENTIAL NATURE STRIP LAWN REPLACEMENT PROGRAM

In the 2010/11 Operational Plan there was a demand management allocation of \$500,000 which was predominantly for the nature strip lawn replacement program. This program depended on Wagga Wagga City Council providing revised policies and application processes for work by householders on the road reserve, and specifically to allow a reasonable framework for them to continue normal gardening activities. Unfortunately after almost a year of negotiating there is still no positive outcome on this.

4.1 STRENGTHENING BASINS COMMUNITIES COMMONWEALTH GRANT

In September 2010 an application was lodged with the Commonwealth Department of Sustainability, Environment, Water, Population and Communities for a Strengthening Basin Communities grant of 50% of a \$910,000 two year program. The project is entitled The Riverina Urban Nature Strip Lawn Replacement Scheme. This program is planned to commence in the city of Wagga Wagga in July 2011 and expand to all towns and villages in July 2012.

Advice was received in February 2011 that the application was approved in principal with some additional information required. Advice was received that this was seen as an exciting, unique and innovative project which well fit the funding criteria. The additional information required included more cost- benefit details, a risk management plan and a letter from Wagga Wagga City Council expressing its commitment to the project. This information was forwarded to the Department in early April 2011.

4.2 RISK MANAGEMENT PLAN

The Risk Management Plan identified the risks associated with the project. A key aspect is the take-up rate. The plan provides for 500 successful rebate applications for each of the two years. If this is not achieved remedial actions include better promotion and adjusting the offer. The cost of the program is predominantly in rebates so a low take-up will result in low expenditure.

The key risk is with regard to the Wagga Wagga City Council (WWCC) policies and application processes for work in road reserves. WWCC responded very positively to the request for a supporting letter and this stated that the appropriate policies would be in place in May 2011. Discussions with WWCC in April 2010 centred around the specifications of nature strips and how policies and application requirements would affect the design and costs of nature strip alternatives. It was recognised, for example, that although 100% compacted granite gravel might meet all requirements, it is not very desirable. The new policies must provide that critical balance between desired aesthetics, safety and cost. If this is not achieved then the rebate program cannot proceed. Riverina Water need to be consulted in the policy review process to reduce the risk to the project.

4.3 OVERVIEW

Demand management is a key element in the development of Riverina Water's 30 year IWCM Strategy. All reductions in per capita demands equate directly to more water available for growth which reduces the need for new infrastructure and more source allocations. Almost all Riverina Waters assets are designed to meet the peak

day in summer. On that peak day 50% of the demand is irrigating residential gardens.

The strategies being developed address drought and climate change. Riverina landscapes need to be green and sustainable through dry periods when the temperature is around 40 degrees. The problem is that the culture is to use species which are not suited to this climate. There are plants that have deep roots and enough bulk to easily endure our summers. Yet the vast majority of garden area in the Riverina is lawn which is mown regularly to allow the sun to penetrate to ground level, and watered regularly so that root depth is a few centimetres. Thus the cycle of watering and mowing this thin veneer is effort working against the principles of sustainability.

The nature strip program is to promote replacement of lawn with more suitable species. Every square metre of lawn replaced will reduce water demand, reduce maintenance efforts and reduce costs. The program is to provide an incentive over two years that will then continue without rebates. This can be considered a change to the culture. It is critical that WWCC provide the appropriate policies and procedures that will allow Riverina water to implement this very important project.

RECOMMENDATION

That this report be received and noted.



Greg Finlayson
DIRECTOR OF ENGINEERING