



*** AGENDA ***

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GENERAL MANAGER'S REPORT TO THE COUNCIL

16th June 2010

The Chairperson and Councillors:

1. DETERMINATION OF REMUNERATION FEES FOR COUNCILLORS AND CHAIRPERSON 2010/2011

Section 241 of the Local Government Act 1993, states that the annual fees to be paid for each of the categories determined under Section 239, to Councillors and Chairperson, during the period 1st July 2010 to 30th June 2011 are determined as follows:

	Councillor / Member Annual Fee		Mayor/Chairperson Additional Fee *	
	Minimum \$	Maximum \$	Minimum \$	Maximum \$
Principal City	21,770	31,930	133,190	175,250
Major City	14,500	23,950	30,840	69,780
Metropolitan Major	14,500	23,950	30,840	69,780
Metropolitan Centre	10,880	20,320	23,130	53,980
Metropolitan	7,250	15,970	15,430	34,860
Regional Rural	7,250	15,970	15,430	34,860
Rural	7,250	9,570	7,700	20,890
County Council – Water	1,440	7,980	3,090	13,110
County Council – Other	1,440	4,780	3,090	8,710

* This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/Member (s.249(2)).

The Annual Fee is paid in monthly instalments in arrears.

Fees for 2009/2010 are Chairperson \$7,640 and Councillor \$4,650. Council's resolution (07/39) of 27th June 2007 in respect to the fees is that Councillors and Chairperson's annual fee be set at 60% of the maximum allowable as determined annually by the Local Government Remuneration Tribunal pursuant to Section 242 of the Local Government Act, 1993.

RECOMMENDED that the fees for 2010/2011 be set at:

- (i) Councillors \$4,790, and
- (ii) Additional fee for Chairperson \$7,870.

2. 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:

FINANCIAL INSTITUTION	ORIGINAL INVESTMENT	
	Face Value \$	Interest Rate %
(i) 30th April 2010:		
<u>NSW Treasury</u>		
at Call	\$3,577,001	3.65 %
<u>Local Government Financial Service</u>		
I.B. Deposit maturing 31/5/2010	\$2,438,924	4.8 %
<u>Wagga Mutual Credit Union Ltd</u>		
I.B. Deposit maturing 18/6/2010	\$1,000,000	5.5 %
<u>Westpac Banking Corporation</u>		
I.B. Deposit maturing 15/12/2010	\$1,000,000	6.8 %
(ii) 31st May 2010:		
<u>NSW Treasury</u>		
at Call	\$3,470,712	4.03 %
<u>Local Government Financial Service</u>		
I.B. Deposit maturing 30/6/2010	\$2,449,068	5.01 %
<u>Wagga Mutual Credit Union Ltd</u>		
I.B. Deposit maturing 18/6/2010	\$1,000,000	5.5 %
<u>Westpac Banking Corporation</u>		
I.B. Deposit maturing 15/12/2010	\$1,000,000	6.8%

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.


G.W. Pieper, GENERAL MANAGER

RECOMMENDED that the report detailing Council's external investments for the months of April and May 2010 be received.

3. CONSIDERATION OF PUBLIC COMMENTS TO DRAFT OPERATIONAL PLAN 2010/2011

No public comments were received in relation to the public exhibition of the Draft Operational Plan.

RECOMMENDED that the information be received.

4. ADOPTION OF OPERATIONAL PLAN 2010/2011

RECOMMENDED that the Draft Operational Plan, as exhibited to the public, be adopted as Council's Operational Plan for 2010/2011.

5. SETTING OF RATES AND CHARGES FOR 2010/2011

RECOMMENDED that the Rates and Charges be set for 2010/2011 as outlined in the Operational Plan for 2010/2011.

6. ENTERPRISE AWARD

Council entered into its first Enterprise Award with the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union (USU), the Electrical Trades Union of Australia, New South Wales Branch; and the Association of Professional Engineers, Scientists and Managers, Australia in 1997, and the current award expires on 30th June 2010.

The Enterprise Award requires that negotiations for a replacement award commence three months prior to the nominal expiry date. Negotiations have commenced, in this regard, and the Director of Engineering and I have met on several occasions with Union representatives and Staff delegates.

As a result of these meetings it has been agreed that the next Enterprise Award should be for a period of three years expiring on 30th June 2013. Some minor amendments to wording and provisions have been put forward without significant contention. The major consideration is the rates of pay and allowances and the Unions proposed that allowances and pay rates be increased as follows:

6.00% to apply from 1/7/2010

6.00% to apply from 1/7/2011

6.00% to apply from 1/7/2012

The objectives outlined in the existing enterprise award are to continue, including:

- Working to achieve the objectives of Riverina Water's Operational Plan and in particular, co-operating with management to:
 - Take action to reduce water wastage and meet demand management strategies including ensuring pump power usage efficiency and early detection and prompt repair.
 - Take action to ensure customer relation strategies and levels of service strategies are met by providing high quality attention and action in delivering services.
 - Take action to reduce operating and maintenance costs.
 - Commitment to participating in continuous improvement programs especially in delivery of quality water supply to customers.
 - Commitment to Occupational Health & Safety management, Risk Management, and Hazard identification.
 - Commitment to environmental responsibility in work processes.
 - Willingness to undertake training and embrace change in the workplace.

These have been borne out in practice and I am confident will continue through the life of the new Enterprise Award.

The Local Government (State) Award 2007 provided a 9.6% increase in October 2007 for a three year agreement, while any variation in year 2010 has yet to be negotiated, the Union has tabled a log of claims which includes 20% increase over three years. It is expected that the outcome of State Award negotiations will be closer to 12%.

While Council's Enterprise Award is independent of the Local Government Award, some comparison is helpful.

RECOMMENDED that the Unions be advised that:

- (i) Council agrees to enter into an Enterprise Award for a period of three (3) years with wage increases linked to commitment to productivity improvement based on Council's Operational Plan at 4% effective 1st July 2010, 3.5% effective 1st July 2011 and 3.5% effective 1st July 2012; and
- (ii) Council's Seal be affixed to the relevant documents.

7. 2008/09 NSW PERFORMANCE MONITORING REPORT

Office of Water has provided Council with a copy of the 2008/09 NSW Water Supply and Sewerage Performance Report. The Report is the latest in the series jointly developed by the Office of Water and the Local Government and Shires Association.

Office of Water has also completed a Benchmarking Report which provides a wealth of comparative information to enable each local water utility to benchmark and compare each utilities performance.

2008/09 NSW WATER SUPPLY & SEWERAGE – PERFORMANCE MONITORING REPORT

	2007/2008		2008/2009	
	Statewide Median	Riverina Water	Statewide Median	Riverina Water
Typical Residential Bill (\$ per assessment – Water Supply	\$370	\$335	\$430	\$401
Chemical Water Quality Compliance – Water Supply		100%		100%
Microbiological Water Quality Compliance		100%		100%
Water Quality Complaints (per 1000 properties)	3	4	3	2
Average Annual Residential Water Supplied – Coastal & Inland (KI)	230	327	175	374
Return of Assets	0.0%	3.9%	0.0%	3.7%
Operating Cost (OMA) per property	\$300 / property	\$283 / property	\$330 / property	\$303 / property
Operating Cost (OMA) per kilolitre	100c/kl	53c/kl	\$1.11/kl	50c/kl
Management Cost (OMA) per property	\$118 / property	\$81 / property	\$127	\$85
Revenue from Usage	71%	76%	73%	80%
* Best-Practice Management Compliance (%)		90%		90%
Typical Developer Charges	\$4,300 / ET	\$3,400 / ET	\$4,600/ ET	\$3,500/ ET
Residential Water Usage Charge	130c /kl	78c/kl and 90c/kl	\$1.50/kl	86c/kl and 95c/kl

* Best Practice Management consists of six criteria:

1. Strategic Business Planning
2. Best Practice Pricing and Development Charges
3. Water Conservation
4. Drought Management
5. Performance Reporting
6. Integrated Water Cycle Management (IWCM)

Council has 90% compliance with the six criterias with (IWCM) only partly completed.

RECOMMENDED that this information be received.

8. PIPES WAGGA WAGGA 2010 CONFERENCE

Pipes Wagga Wagga Committee has advised that their bi-annual Conference will be held in Wagga Wagga from 27th – 29th October 2010.

Pipes Wagga Wagga is supported by Riverina Water, it provides engineers and practitioners with practical skills and tools to assist in dealing with pipes. The Conference includes a series of workshops and seminars, trade displays and extensive “hands on” field demonstrations. Keynote speaker will be NSW Commissioner for Water David Harriss.

It is **RECOMMENDED** that:

- (i) Council be represented at the Pipes Wagga Wagga 2010 Conference;
- (ii) the Chairman or his nominee attend; and
- (iii) nominations of other delegates to attend be called.

9. WORKSHOP ON PREPARATION OF ANNUAL OPERATIONAL PLAN

At its meeting held on 28th April 2010 Chairman requested that consideration be given to holding a workshop on preparation of the annual Operational Plan.

Discussions have been held between Chairperson and General Manager on the timing of the workshop, and it is considered that holding the workshop prior to the February Council meeting would assist staff in preparing the draft Operational Plan for presentation to April meeting.

This would enable the results of the workshop to be incorporated in the preparation of the Plan.

RECOMMENDED that Council hold a workshop on the annual Operational Plan prior to the February Council Meeting.

10. AUGUST COUNCIL MEETING

Council resolved at its December, 2004 meeting to hold at least one Council meeting in a constituent area annually.

It is proposed to hold Council's August 2010 meeting in Urana Shire area to coincide with an Official Opening of the Colombo Creek – Urana pipeline.

Proposed timetable:

10.00 am	Council meeting – Urana Shire Council Chambers
11.30 am	Official Opening
12.00 noon	Commissioning of Pipeline
12.15 pm	Lunch
1.00 pm	Optional tour to Colombo Creek pumping station site.

RECOMMENDED that Council's August Meeting be held on Wednesday 25th August, 2010 commencing at 10.00 am at the Urana Shire Council Chambers to coincide with the Official Opening of the Colombo Creek – Urana pipeline.

11. PERFORMANCE REVIEW – DIRECTOR OF ENGINEERING

In accordance with the Performance Agreement of the Director of Engineering, Mr. G. Finlayson, I conducted a Performance Review on 15th June 2010 using the criteria specified in the Performance Agreement previously agreed with the Director of Engineering.

For all criteria I found Mr. Finlayson to be more than satisfactory.

In accordance with Section 339 of the Local Government Act I advise that the Director of Engineering's Contract is for a period of five years which commenced on 29th June 2009.

RECOMMENDED that this information be received.

12. GENERAL MANAGER RECRUITMENT

Council at its Meeting in February 2010 accepted General Manager's retirement notice and resolved to advertise for his replacement in or after August, 2010.

For the process to commence, it is suggested that a recruitment committee consisting of the Chairman, Deputy Chairman and another Councillor and General Manager be formed.

RECOMMENDED that:

- (i) recruitment committee consisting of Chairman, Deputy Chairman, another Councillor and General Manager be endorsed;
- (ii) nominations from councillors to be on recruitment committee; and
- (iii) appointment of the General Manager be authorised to the recruitment committee and to be endorsed by Council.

13. SHIRES ASSOCIATION OF NSW ANNUAL CONFERENCE 2010

Chairperson Clr. Kendall, Deputy Chairperson Clr. McInerney and General Manager attended the Shires Association of NSW Annual Conference 2010 in Sydney from Monday 31st May to Wednesday 2nd June, 2010. Also in attendance were Clr's Geale OAM, Ross and Vidler.

Premier of NSW Hon. Kristina Keneally MP welcomed delegates to Sydney, President Clr. Bruce Miller provided his presidential address, advising of the challenges that Councils will need to be ready for in 2010/11. One of the major challenges will be assessing options for the One Association (refer item 14 of business paper).

There were many speakers including:

- Mr. Barry O'Farrell MP, Leader of the Opposition
- Hon Barbara Perry MP, Minister for Local Government,
- Hon Tony Kelly MLC, Minister for Planning,
- Mr. Chris Hatcher, Shadow Special Minister of State and Shadow Minister for Inter-Governmental Relations,
- Ms Gladys Berejikian MP, Shadow Minister for Transport,
- Hon Linda Burney MP, Minister for Community Services, and
- Hon Phil Costa MP Minister for Water.

Minister Costa MP address included congratulating Councils on their achievements in respect to the 2008/09 Benchmark/Monitoring report. The report is a good tool in assessing Councils performance against other Councils. NSW Councils perform well in majority of areas as compared to other states.

Minister Costa MP advised that the Government is close to providing their response to the Water Inquiry. He also mentioned the importance of the Murray Darling Basin Plan due for release at the end of July.

Council's motions presented to the Conference where all adopted and will now be forwarded to the executive for action.

The Conference was well prepared and all speakers and panel sessions where of benefit.

RECOMMENDED that the report on the Shires Association of NSW Annual Conference 2010 be accepted.

14. ONE ASSOCIATION – LOCAL GOVERNMENT NSW SPECIAL CONVENTION

Chair of the One Association taskforce M/s Libby Darlison provided an update on the progress in respect to One Association. M/s Darlison introduced the taskforce members to the Conference and advised that the Taskforce will present various models for discussion and consideration at a Special Convention to be held in Sydney on 16th and 17th August 2010.

Council's resolution passed at its Meeting on 23rd February, 2009 in respect to One Association was:

- (a) Council supports the continuation of the process to explore further options to merge the associations,
- (b) options presented need to identify the proposer of the option,
- (c) options consider all corporate matters, and
- (d) options be presented to the Shires Association Conference for further consideration.

RECOMMENDED that:

- 1) Council be represented at the One Association - Local Government Special Convention to be held on 16th – 17th August, 2010, and
- 2) Chairperson and General Manager or their nominees attend as Council's delegates.



Gerald Pieper
GENERAL MANAGER

**DIRECTOR OF ENGINEERING'S REPORT
TO THE GENERAL MANAGER**

FOR DISTRIBUTION TO COUNCILLORS

3rd May 2010

1. THE WORKS REPORT COVERING APRIL 2010

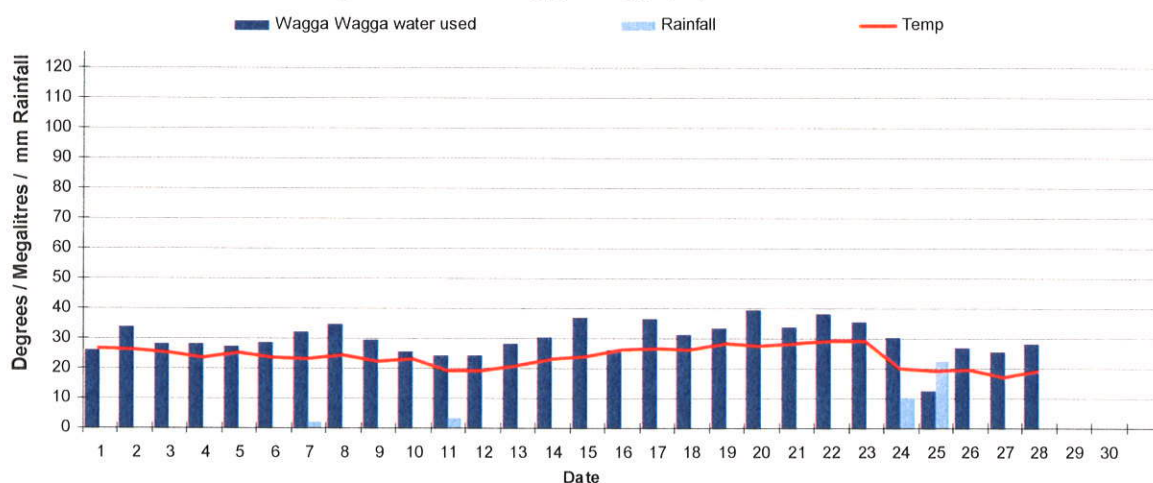
1.1. WATER SOURCED AND USED

	2008	2009	2010
Rainfall (mm)	29.8	31.4	38.8
Wet Days	4	5	6
WATER SOURCED FOR APRIL – MEGALITRES			
North Wagga bores	197.45	219.11	162.64
West Wagga bores	378.96	305.24	167.74
East Wagga bores	160.14	146.89	104.57
Murrumbidgee River	494.01	613.13	470.75
SUB-TOTAL	1230.56	1284.37	905.70
Bulgary Bores	46.99	54.08	45.75
Urana Channel	0.00	5.09	4.92
Ralvona Bores	26.04	23.56	19.43
Walla Walla Bores	0.44	22.75	3.72
Goldenfields Water Supply System	1.72	3.12	1.53
SUB-TOTAL	75.19	108.60	75.35
Woomargama	1.34	1.40	0.83
Humula	0.96	1.40	1.03
Tarcutta	4.39	4.07	3.26
Oura	3.74	2.94	3.20
Walbundrie	2.89	3.26	2.41
Morundah	0.70	0.93	0.88
Collingullie	6.01	6.05	4.02
SUB-TOTAL	20.03	20.05	15.63
TOTALS	1325.78	1413.02	996.68

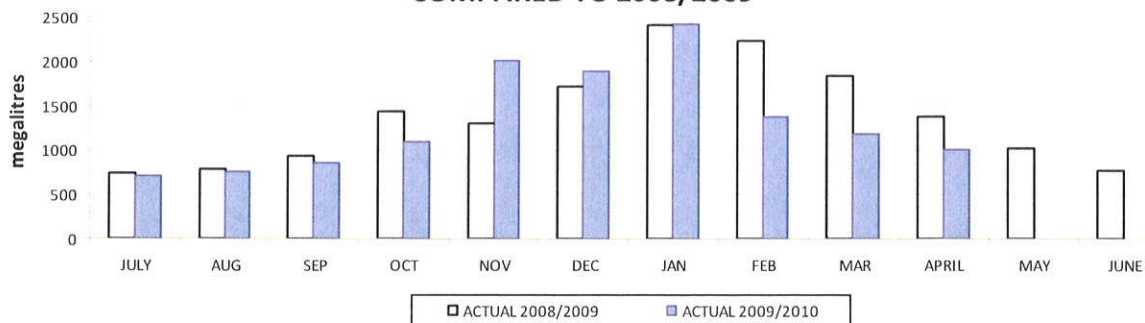
WATER USED FOR APRIL - MEGALITRES

	2008	2009	2010
East Bomen	21.83	30.35	17.38
Estella	66.15	79.90	59.41
North Wagga	74.29	66.29	70.75
Wagga Wagga – Low Level	201.56	191.58	155.8
Wagga Wagga – High Level	628.70	660.42	432.43
Wagga Wagga – Bellevue Level	61.70	71.62	49.7
SUB-TOTAL	1054.23	1100.16	785.47
Ladysmith	4.95	4.96	3.41
Brucedale	19.71	30.47	17.48
Currawarna	9.66	15.75	8.37
Rural South from Wagga Wagga	137.51	126.37	101.11
Rural from Walla Walla Bore	0.00	0.00	3.72
Milbrulong, Lockhart and Boree Creek	24.78	31.93	28.85
Urana and Oaklands	21.70	24.68	18.86
Holbrook	26.04	23.56	19.43
TOTAL	244.35	257.72	201.23
Woomargama	1.34	1.40	0.83
Humula	0.96	1.40	1.03
Tarcutta	4.39	4.07	3.26
Oura	3.74	2.94	3.20
Walbundrie/Rand	2.89	3.26	2.41
Morundah	0.70	0.93	0.88
Collingullie	6.01	6.05	4.02
SUB-TOTAL	20.03	20.05	15.63
TOTAL	1318.61	1377.93	1002.33

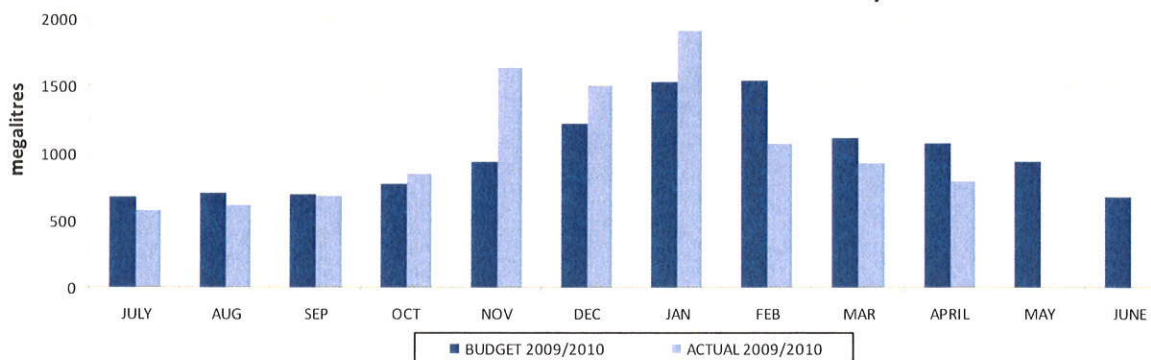
Daily Water Use, Wagga Wagga, April 2010



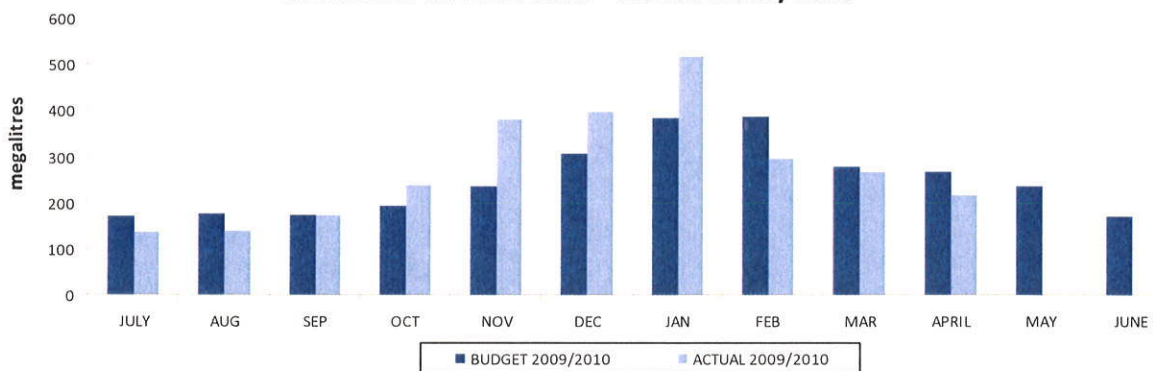
MONTHLY TOTAL WATER SOURCED 2009/2010 COMPARED TO 2008/2009



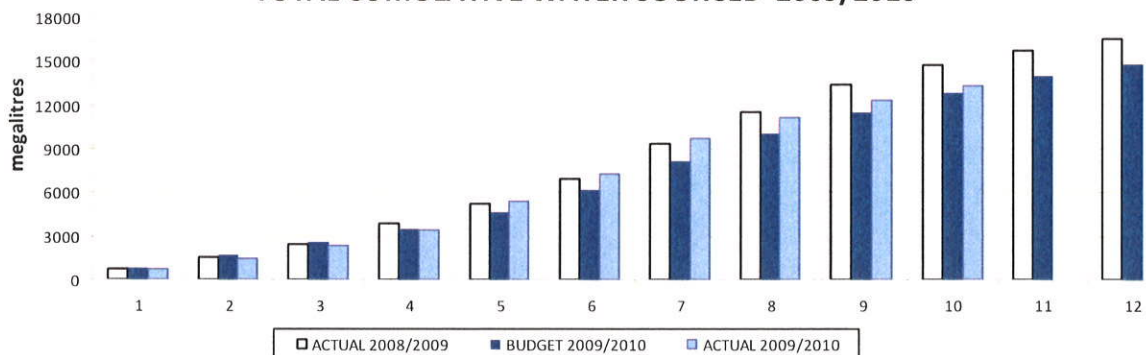
MONTHLY WATER USED - WAGGA WAGGA 2009/2010



MONTHLY WATER USED - RURAL 2009/2010



TOTAL CUMULATIVE WATER SOURCED 2009/2010



1.2. NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF APRIL 2010

Location	New Connect., residential	New connect., Not-resident.	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	21		4	26		1			2	25	8	9
Brucedale			1							1		
Currawarna												
Euberta												
Humula												
Ladysmith			1									
Oura			1									
San Isidore												
Tarcutta			1									
The Gap												
Bulgary												
Collingullie												
French Park												
Lockhart												
Mangoplah												
Milbrulong			1									
Pleasant Hills												
The Rock										2	1	
Uranquinty												
Yerong Creek												
Culcairn												
Henty			2			1				1		
Holbrook	1		2			1				1		
Morven												
Walbundrie												
Walla Walla												
Woomargama												
Boree Creek												
Morundah												
Oaklands	1											
Rand												
Urana			2									
TOTAL	23	0	15	26	0	3	0	0	2	30	9	9

* Note: Supply complaints is made up of mains bursts, flow & pressure details

1.3. WATER SYSTEM REPAIRS

WAGGA WAGGA								
Date	Location	Main Type	Cause	Time			No. of Cust-omers	Approx Water Lost KI
				Off	On	Out		
1	86 Lakehaven Dr	150 BPVC	Pipe failure	2.25	6.25	4.00	4	2
8	Lot 728 Alma	100 BPVC	Tapping band broken/leaking	Live	Rep	0	0	0
12	8 Bocquet St	100 AC	Pipe failure	1330	15.40	2.10	0	1
13	119 Main St	100 AC	Pipe failure	1300	1630	3.30	15	0
16	Young & Coleman Sts	100 AC	Pipe failure	1130	1430	3.00	9	5
22	18 James St	100 AC	Pipe failure	2330	1.00	1.30	6	0
26	Lake Rd & Torrens St	250 AC	Leaking gibault	1230	1530	3.00	14	0
27	139 Peter St	100 AC	Pipe failure	Live	Rep	0	0	2
30	Farrer Rd	100 AC	Pipe failure	Live	Rep	0	0	0
30	Lake Albert Rd	100 BPVC	Tapping band broken/leaking	Live	Rep	0	0	0
30	541 Koorungal Rd	100 AC	Pipe failure	Live	Rep	0	0	0
TOTALS						16.70	48	10
Total Breaks – 11		Breaks needing shut off - 10			Breaks affecting customers – 5			

RURAL								
Date	Location	Main Type	Cause	Time			No. of Cust-omers	Water Lost KI
				Off	On	Out		
2	Bidgeemia Trunk	100 BPVC	Leaking collar	1300	1500	2.00	2	50
9	Pattersons Rd	100 WPVC	Pipe failure	Live	Rep	0	0	0
10	Kooyung	225 DICL	Pipe failure	Live	Rep	0	0	500
14	Rankin St	100 AC	Tree roots	1400	1730	3.30	2	200
14	Urana St	100 AC	Pipe failure – ground movement	0900	1130	2.30	3	500
14	69 Urana St	200 WPVC	Tree roots	1030	1445	4.15	5	500
16	Day St	100 AC	Tapping band broken/leaking	1400	1530	1.30	0	10
19	Racecourse Rd	100 BPVC	Leaking collar	1130	1300	1.30	10	0
28	Orme St	100 AC	Pipe failure – ground movement	Live	Rep	0	0	40
29	Downside to Shephards Siding	100 WPVC	Pipe failure	Live	Rep	0	0	0
29	Milne St	100 AC	Tree roots	1730	2130	4.00	20	500
29	Downside to Shephards Siding	100 WPVC	Pipe failure	Live	Rep	0	0	0
30	Milne St	100 AC	Tree roots	0830	1130	3.00	20	200
TOTALS						20.05	52	2500
Total Breaks – 13		Breaks needing shut off – 9			Breaks affecting customers- 7			

1.4. WATER QUALITY COMPLAINTS

Water quality complaints received during April 2010 were:

Date	Location	Problem	Action Taken
8	27 Malaya Dr, Tolland	Dirty water sample bought in from kitchen	Flush service, problem is gal service to house
8	27/19/31 Malaya Dr, Tolland	Flush services, street has dirty water	Flush services, problem is gal service to houses
28	Brathwaite St, The Rock	Dirty water	Flushed service
30	Urana St, The Rock	Dirty water	Flushed service
30	26 King St, The Rock	Dirty water	Flushed service and mains
28	10 Dickson St, Woomargama	Dirty water	Flushed service, township pigging completed

1.5. MAINS CONSTRUCTION

1.5.1. NEW WORK, EXTENSIONS ETC.

New water mains laid during April 2010 include:

LOCATION	PROJECT	63 POLY	100		150 OPVC	250 OPVC
			OPVC	DICL		
Morgan St	Mains extension			25		
Veneris St, Lockhart	Mains extension		432			
Boiling Down Rd	Mains extension	240				
Estella Stage 6	Mains extension					204
Estella Stage 8	Mains extension		180		177	
Estella Stage 9	Mains extension		216		132	
TOTAL		240	828	25	309	204

1.5.2. REPLACEMENT OF EXISTING MAINS

Replacement of existing mains during April 2010 include:

LOCATION	PROJECT	375 DICL
Tatton Stage 1	Mains Replacement	20
TOTAL		20

1.6. OTHER CONSTRUCTION

No other construction works during April 2010.

1.7. MAJOR REPAIRS / OVERHAULS

Major repairs and overhauls during April 2010 include:

Location or Project	Work Done
Mountain View highlift pump	Overhaul
Pleasant Hills Pump Station	Investigate fault and replace dosing pump
Waterworks	Remove and refurbish rate control valves X 2
Holbrook No 2 highlift pump	Overhaul
Bulgary	Replace silica pump
The Rock Pump Station	Gas chlorination system completed.
West Wagga Bore No1	Investigate fault and replace RTU battery.
Estella No1 pump	Recommission and run via VSD
Mountain View pump stn	Electrical system upgrade in progress- replace electrical supply to RTU
The Rock No 1 pump	Main switch control board upgrade in progress.

Location or Project	Work Done
Water Depot	New office electrical upgrade in progress.
Kapooka Army Base	Investigate site control and communications upgrade – in progress
Colombo Creek Off-take	Failing – replace faulty contactor coils.
The Gap, East Bomen 1&2, Cottee, Currawarna, Urana, Holbrook , Coorabin and Oaklands	Cleaning of reservoirs by Aqualift Diving Services
Gregadoo, Estella and Glen Oak	Corrosion Control systems checked
North Wagga Aeration Basins	Cleaned

1.8. STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during April 2010:

Training or Programme	No. of Staff
First Aid - Full course	3
Operators Conference – Bathurst	4

RECOMMENDED that the Director of Engineering's Report covering the month of April 2010 be accepted and the contents noted.



Greg Finlayson
DIRECTOR OF ENGINEERING

**DIRECTOR OF ENGINEERING'S REPORT
TO THE GENERAL MANAGER**

FOR JUNE 2010 COUNCIL MEETING

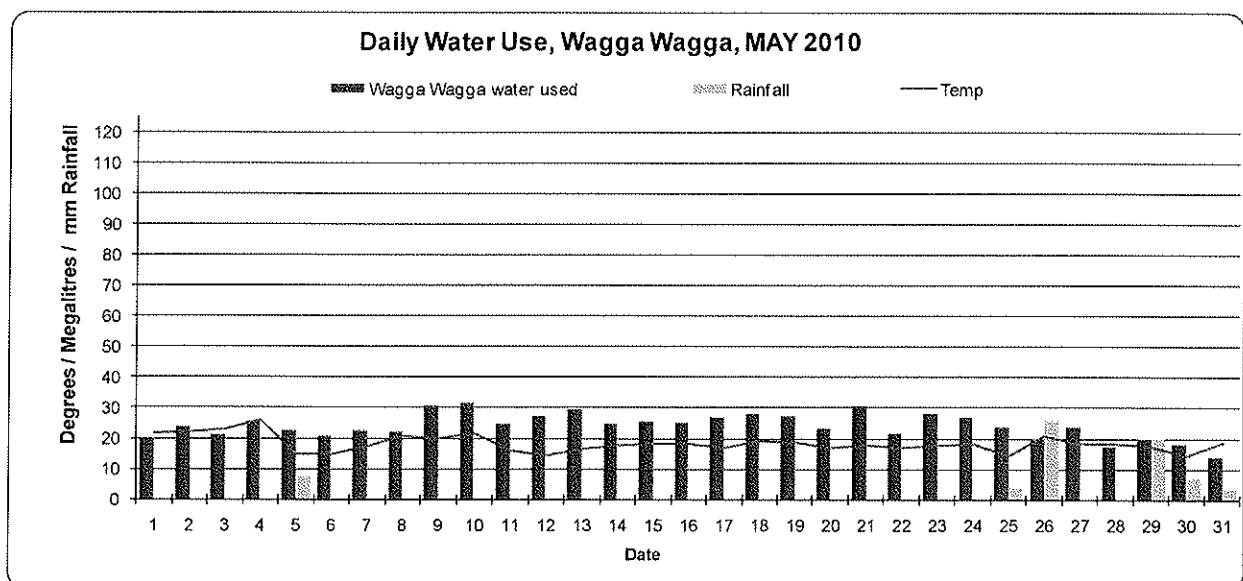
14th June 2010

1 THE WORKS REPORT COVERING MAY 2010

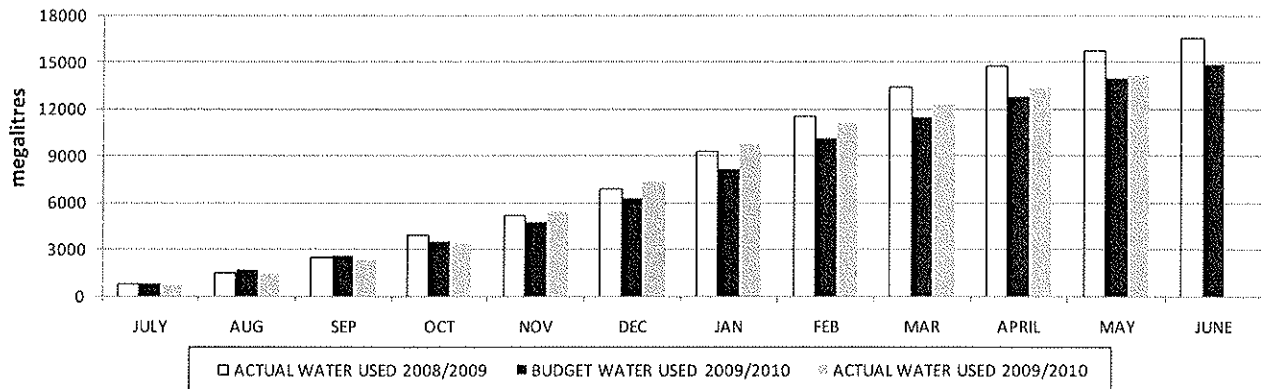
1.1 WATER SOURCED AND USED

MAY	2008	2009	2010
Rainfall	15	3.2	68.2
Wet Days	9	2	6
<i>WATER SOURCED MAY 2010 (MI)</i>			
North Wagga bores	164.11	196.05	148.13
West Wagga bores	258.74	402.45	281.78
East Wagga bores	158.18	152.38	80.50
Murrumbidgee River	280.25	215.25	277.43
SUB-TOTAL	861.28	966.13	787.84
Bulgary Bores	33.46	33.29	32.18
Urana Channel	0.00	0.63	0.00
Ralvona Bores	17.34	15.62	13.80
Walla Walla Bores	0.00	10.49	0.00
Goldenfields Water Supply System	1.90	1.02	1.06
SUB-TOTAL	52.70	61.05	47.04
Woomargama	0.81	0.86	0.76
Humula	0.87	0.75	0.65
Tarcutta	3.20	3.57	2.93
Oura	1.84	1.86	2.71
Walbundrie	2.32	1.99	2.73
Morundah	0.46	0.45	0.63
Collingullie	3.94	3.97	3.71
SUB-TOTAL	13.44	13.45	14.12
TOTALS	927.42	1,040.63	849.00

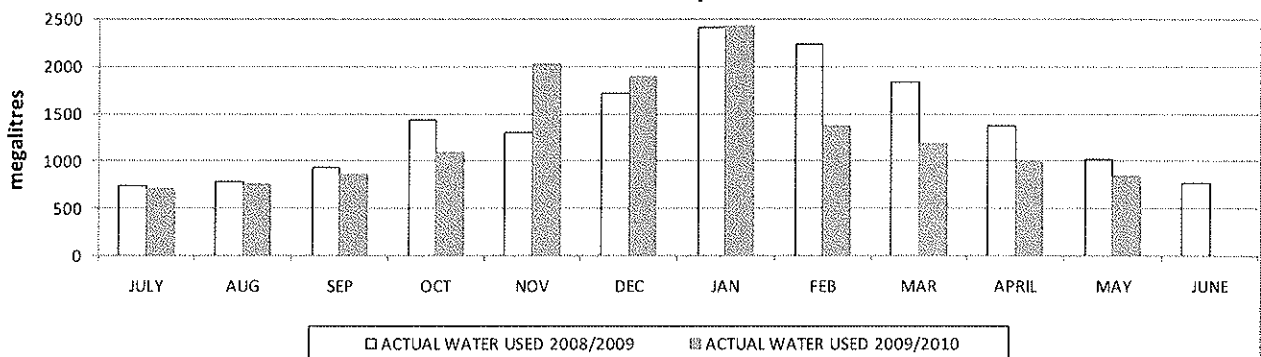
WATER USED MAY 2010 (MI)			
	2008	2009	2010
East Bomen	24.85	20.85	15.13
Estella	55.82	54.09	52.74
North Wagga	62.59	95.70	61.69
Wagga Wagga – Low Level	218.74	151.98	136.84
Wagga Wagga – High Level	327.18	492.95	351.77
Wagga Wagga – Bellevue Level	41.88	15.62	37.36
SUB-TOTAL	731.06	831.19	655.53
Ladysmith	3.25	3.32	3.55
Brucedale	14.31	18.11	13.74
Currawarna	8.51	8.93	7.80
Rural south from Wagga Wagga	98.13	103.61	98.33
Rural from Walla Walla Bore	0.00	0.00	0.00
Milbrulong, Lockhart and Boree	18.11	15.95	13.34
Urana and Oaklands	15.00	16.37	16.96
Holbrook	17.34	15.62	13.80
SUB-TOTAL	174.65	181.91	167.52
Woomargama	0.81	0.86	0.76
Humula	0.87	0.75	0.65
Tarcutta	3.20	3.57	2.93
Oura	1.84	1.86	2.71
Walbundrie/Rand	2.32	1.99	2.73
Morundah	0.46	0.45	0.63
Collingullie	3.94	3.97	3.71
SUB-TOTAL	13.44	13.45	14.12
TOTALS	919.15	1,026.55	837.17



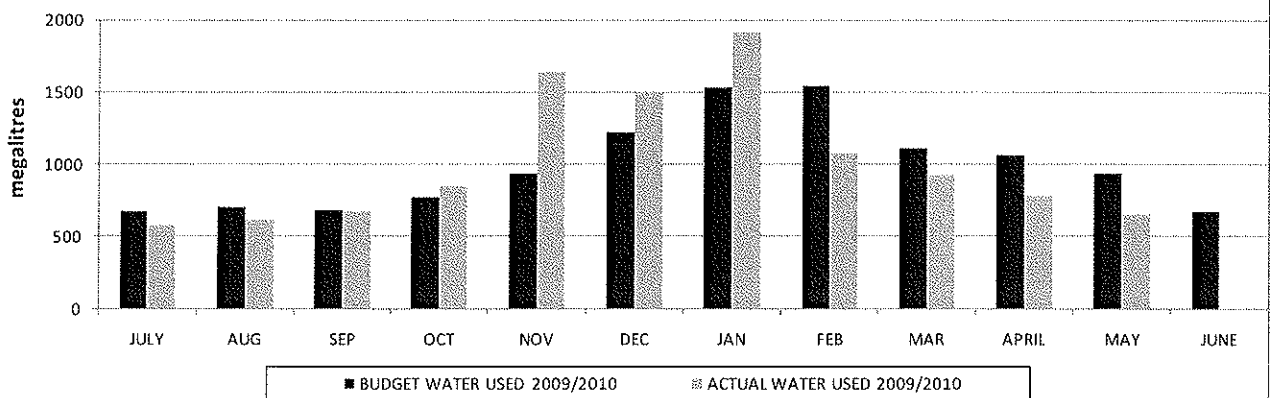
TOTAL CUMULATIVE WATER USED 2009/2010



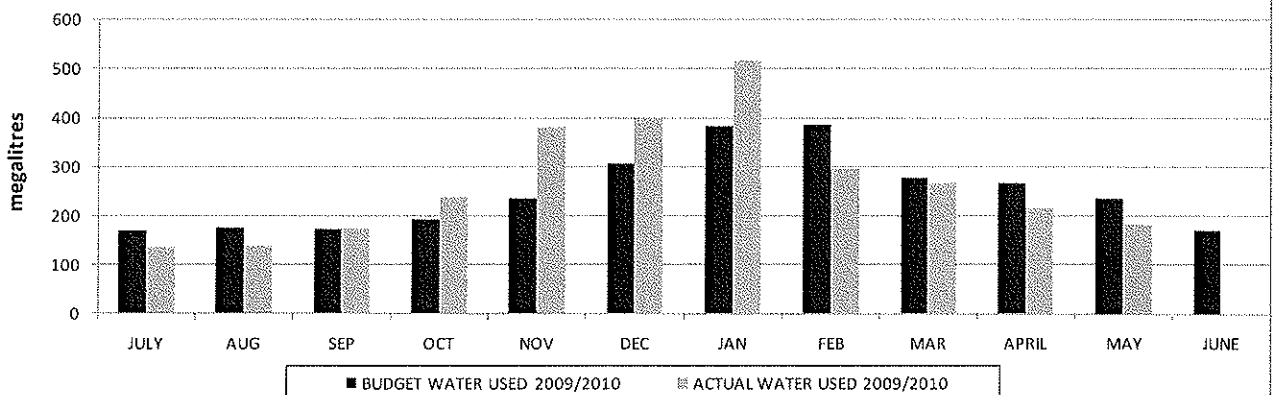
MONTHLY TOTAL WATER USED 2009/2010 COMPARED TO 2008/2009



MONTHLY WATER USED - WAGGA WAGGA 2009/2010



MONTHLY WATER USED - RURAL 2009/2010



1.2 NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF MAY 2010

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	2	1	29		4			3	31	6	6
Bruceedale				1								
Currawarna												
Euberta												
Humula												
Ladysmith										1	1	
Oura												
San Isidore										2		
Tarcutta										1		
The Gap										1		1
Bulgary												
Collingullie										1		
French Park												
Lockhart												
Mangoplah												
Milbrulong				2								
Pleasant Hills												
The Rock				1								
Uranquinty	1			1	1							
Yerong Creek				1								
Culcairn												
Henty				1						1		
Holbrook				1						3		
Morven										1		
Walbundrie												
Walla Walla												
Woomargama					1							
Boree Creek												
Morundah												
Oaklands												
Rand				1								
Urana												
TOTAL	13	2	1	38	2	4	0	0	3	42	7	7

* Note: Supply complaints is made up of mains bursts, flow & pressure details

1.3 WATER SYSTEM REPAIRS

WAGGA WAGGA										
Date	Location	Town	Main Type	Cause	Live Repair	Time			Customers Affected	Water Lost KI
						Off	On	Out		
02	39 Castlereagh Ave	Turvey Park	75 PVC	Pipe Failure (not specified)	NO	11:00	13:15	02:15	27	0
06	80 East St	North Wagga	75 PVC	Pipe Failure (not specified)	NO	09:00	12:30	03:30	0	0
20	19 Gregadoo Rd	Lake Albert	100 WPVC	Accidental damage	NO	11:00	13:00	02:00	0	0
27	Mair St	Turvey Park	75 PVC	Pipe Failure (not specified)	NO	07:15	14:15	07:00	0	0
TOTALS								14:45	27	0
Total Breaks – 4			Breaks needing shut off - 0					Breaks affecting customers–		

RURAL										
Date	Location	Town	Main Type	Cause	Live Repair	Time			Customers Affected	Water Lost KI
						Off	On	Out		
02	Jennings rd.	Culcairn	100 AC	Pipe Failure - Ground Movement	NO	00:00	00:00	00:00	0	0
31	Clarke St	Humula	100 CI	Tree Roots	NO	00:00	00:00	00:00	0	0
TOTALS								00:00	0	0
Total Breaks – 2			Breaks needing shut off - 0					Breaks affecting customers–		

1.4 WATER QUALITY COMPLAINTS

Water quality complaints received during May 2010 were:

Date	Location	Problem	Action Taken
06/05/10	Olympic Hwy, Uranquinty	Dirty water	Flushed service
20/05/10	Lot 1, Hume Hwy, Woomargama	Dirty water	Flushed town mains

1.5 MAINS CONSTRUCTIONS

New water mains laid during May 2010 include:

1.5.1 NEW WORK, EXTENSIONS ETC.

LOCATION	PROJECT	100	200		250
		OPVC	OPVC	DICL	DICL
Estella Stage 6	Mains Extension				24
Bourkelands Stage 21B	Mains Extension	174			
Tatton Stage 11	Mains Extension	50	120	20	
TOTAL		224	120	20	24

1.5.2 REPLACEMENT OF EXISTING MAINS

Replacement of existing mains during May 2010 include:

LOCATION	PROJECT	100	250		375
		OPVC	OPVC	DICL	OPVC
Edward St West (Levee Underbore)	Mains Replacement	96			
Tatton Stage 11	Mains Replacement				230
Gregadoo Rd (The Grange)	Mains Replacement		11	156	
	TOTAL	96	11	156	230

1.6 OTHER CONSTRUCTION

Other construction works during May 2010 include:

LOCATION OR PROJECT	WORK DONE
174 Fitzmaurice St (Piano Bar)	Install 80mm Meter
Red Hill Rd	Locate & Depth all Utilities along the Proposed Pipeline

1.7 MAJOR REPAIRS / OVERHAULS

Major repairs and overhauls during May 2010 include:

LOCATION OR PROJECT	WORK DONE
The Rock pump house:	Remove old motor starter and motor from No.1 Booster for replacement of new Starter and motor. New starter has been installed and waiting on install of new motor and pump.
Estella pumphouse:	No.1 pump VSD returned to service. Maintenance to No.1 No.2 Motors complete.
Watson Road pumphouse:	No.1 & No.2 motor Maintenance complete.
Henty pumphouse:	Fault on both soft starters as a result a supply surge, both reset and returned to service.
Administration building:	Install/relocate GPO's to accommodate office renovations.
Holbrook pumphouse:	Maintenance No.1 High Level complete.
The Rock chlorination plant:	Complete installation.
Mountain View:	Install of new service mains, Metering panel, Switchboard and controls upgrade has been completed and tested.
Pleasant Hills pumphouse:	Dosing plant inactive, fault found to be in RAD-TEL RTU (A/Card.)
Bulgary fluoride / no.2 bore:	Fluoride Plant stopping and starting, faulty paddle switch replaced. Return to service. No.2 Bore float switch faulty, float was replaced and operation checked. All working OK!
Gregadoo pumphouse:	"HIGH FLOW ALARMS" fault found to be in the signal Converter configuration (flow loggers) reconfigured and returned to service.
Tooyal pumphouse:	Magmaster display erratic- Problem found to be Country Energy, power was restored and all back to normal.

1.8 STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during May 2010:

Training or Programme	No. of Staff
Laboratory Skills	1
First Aid Refresher	1
Coagulation & Flocculation	1
Confined Space Refresher	10

1.9 INTEGRATED WATER CYCLE MANAGEMENT (IWCM)

In April 2010 I reported on the satisfactory completion of the IWCM Evaluation Study. This was a joint program with consultants engaged to produce a report covering the operations of Riverina Water County Council and all four constituent Councils.

Based on the outcomes of the Evaluation Study, each Council is required to complete IWCM strategies accordingly. The three levels are:

- A detailed strategy.
- A simplified strategy.
- Business as usual.

Riverina Water has sought a quotation for a detailed strategy in accordance with a brief that satisfies both the NSW Government requirements for IWCM and our own requirements for a strategy. The brief includes the four constituent Councils at various levels. All will need to participate in a joint Project Reference Group meeting.

It is anticipated that consultants will commence work in July 2010 and the strategy will be completed early 2011.

1.10 URANA SCHEME

Work has continued on the Urana scheme during the month. The power line extension has been completed, land matters and approvals progressed and detailed planning of the installation of the pumping station almost completed.

The new pump station will be a proprietary unit with a floating boom and pump supplied and installed by Council staff. This will be demonstrated at the official opening following the August Council meeting in Urana.

RECOMMENDED that the Director of Engineering's Report covering the month of May 2010 be accepted and the contents noted.

2 DEMAND MANAGEMENT

2.1 Lawn Replacement Rebate – Nature Strip Program.

2.1.1 Introduction.

The 2010/11 draft budget has \$500,000 allocated for demand management measures. The majority of this was allocated for an innovative outdoor residential program, focusing on nature strips. There is also \$50,000 allocated to continue the WaterSmart toilet rebate scheme which commenced in April 2010.

Over the past two months there has been significant work done on developing the nature strip program. This is pioneering work as there are no similar outdoor programs run by other water utilities in Australia. The drought has had most outdoor water use under various levels of restrictions. There have been a number of meetings with Wagga Wagga City Council staff. Currently they are working to refine their regulatory requirements for nature strips. This is essential to ensure any nature strip promotions meet guidelines on safety, traffic control, visibility, utility access and such.

As most of the outdoor residential water use is by Wagga Wagga customers, Wagga Wagga will be the basis for the development of the program. Once established, the scheme will be translated to other residential areas.

Modern demand management programs recognize the supply-demand nexus. They address the end-use. End-use items can be a shower-head, a washing machine, a toilet, a tap, a sprinkler or even an area of lawn. Each end-use can be assigned a volume of water representing its demand (either annually or on a peak day). A volume of water not used in demand is equivalent to new works constructed to supply that volume. This allows a water utility to equate a new dam with so many thousand toilets or washing machines. The indoor end-uses have been thoroughly analysed in Australia many times and utilities can often just borrow work by others. In Wagga Wagga the main end use is lawn sprinklers. For these there is little work to be borrowed from elsewhere.

The model for the program proposed is the well tested washing machine rebate schemes which have been successfully run in NSW over the past fifteen years. From such programs we can adapt the key elements including the financial justification.

2.1.2 Washing Machine Rebate Schemes.

The first washing machine rebate scheme in NSW was developed by Rous Water to offset the need for a new dam when customer growth was around 5% per annum. This scheme justified a \$200 rebate on efficient front loading washing machines. There are many water utilities currently rebating 4 star washing machines at around \$200, and the NSW Government have a current rebate of \$250 on 4 ½ star machines.

The steps to implement a washing machine rebate scheme are as outlined below.

- a. Determine the drivers that initiate demand management. (eg growth, water shortage, cost of infrastructure, environmental constraints on a new source, etc)
- b. Rank demand management measures to ensure the adopted program best targets water efficiency. (ensure washing machine rebates are ranked higher than other options on a \$ per kl saved basis)
- c. Survey customer practices with regard to machine use. (loads per week, etc)

- d. Estimate average water saved per household if they had an efficient machine.
- e. Determine the dollar value of supplying (or deferring the supply of) that water from the utilities perspective.
- f. Determine the dollar value of average water saved by taking up the option. (ie buying the machine)
- g. Determine the average dollar value of the water saved from the customers perspective.
- h. Determine the level of rebate.
- i. Stipulate the standards and measurement of efficiency to be adopted. (WELS rating)
- j. Determine the procedures for running the scheme.
- k. Estimate the take-up rate and budget accordingly.
- l. Determine marketing of the offer.
- m. Determine the process for verifying outcomes.

This methodology is now well tested. However the nuts and bolts of running such schemes needs careful ongoing management and regular review of the rules. There are imperfections. For example the rebated machine can be in a removalist van to another area soon after purchase. On some 4 star machines the efficient cycle can be easily turned off. If the machine wears out in 3 years does the customer get another rebate? All these issues can be addressed.

The success of the program, however, isn't just measured at the individual household level. The predominant aim is a change to the culture and this is better measured by what the shops sell. Once the acceptance of front loaders is well established, rebates will no longer be necessary. The stock on the floor of a retail shop is the best measure of where such programs are up to. Due to rebate programs in other parts of Australia, we can survey Wagga retail outlets and find that 4 star washing machines now comprise about 50% of the stock.

2.1.3 Nature Strip Rebate Scheme – Lawn Replacement

The washing machine rebate methodology will translate to a nature strip program. And the benefits won't be just from the individual efforts of householders who change their nature strips. Like the washing machine programs, the aim is to change the culture so that the nurseries and hardware shops stock and promote water efficient products.

The aim to change the culture will hopefully extend benefits beyond the rebated nature strips. The visible results of the nature strip program should promote a change and be translated to extend to the front or back lawn areas, to neighbours and to new development areas.

Work on the steps in developing a residential nature strip program is currently in progress. Samples of customers have been analysed. Where these samples are termed "Koorinal" they are only meant to represent a part of Koorinal. In this case it is a newer part of Koorinal. The Glenfield sample is in an older part of Glenfield.

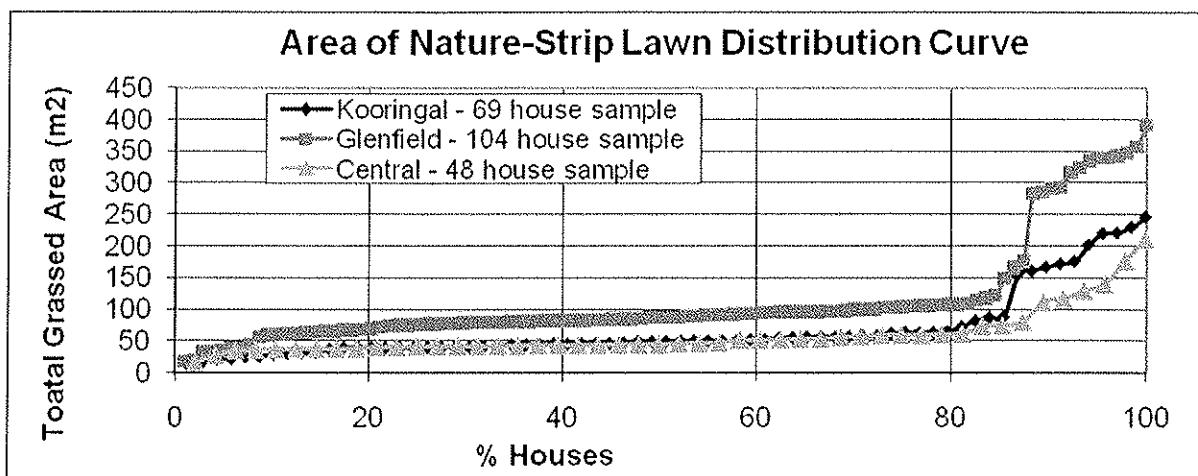
Following the process for developing washing machine rebates, the steps are outlined below:

- a. Determine the drivers for demand management. The key driver is the reduced yields from both groundwater and surface water resulting from unsustainable expectations. The sustainable yield for local groundwater will be close to 50% of the current license allocation. This driver includes the need to offset NSW Government requirements to apply severe summer water restrictions. Another

driver is the high peak day consumption which requires costly infrastructure to meet very short term needs. With a base winter demand of 20 ML per day, infrastructure is required to meet peak demands approaching 100 ML per day.

- b. Rank the nature strip program as a demand management measure. As reported to Council in April 2010, the full demand management strategy which will rank all options is work which will follow the completion of the IWCM Strategy. Notwithstanding, a program addressing lawns and nature strips will target our biggest end-use. All indoor programs will only achieve a fraction of the potential peak day savings from outdoor programs.
- c. Survey customers practices with regard to watering nature strips. To date we have thoroughly investigated customer samples in Koorungal, Glenfield Park and central Wagga Wagga. The key aspects investigated were quarterly water consumption, total area of lawn, nature strip area of lawn, lawn standards, existence of plumbed sprinkler systems in the nature strip, existence of evaporative air-conditioners and age of the street development.
- d. Estimate average water saved per household with an efficient measure. The average water used on nature strips has been estimated. Assuming the efficient measure is to eliminate this water used, the average water saved is determined both annually and on an average summer day.
- e. Determine the dollar value of providing infrastructure to supply water. Riverina Water's Section 64 plan has determined a figure of \$3,600 per Equivalent Tenement (ET). Our infrastructure is designed on peak day criteria (we don't own dams). The peak day consumption per ET is 4 kl. Thus the cost of providing infrastructure to supply water can be taken as \$900 per kl per day.
- f. Determine the dollar value of infrastructure costs for water saved. For the average Koorungal household, the water used on the nature strip on an average summer day is 0.402 kl/day. So at \$900/kl/d, this equals \$362 worth of infrastructure. Glenfield is \$271. Central is \$98. (There is a large factor of safety here as the true peak summer day usage will be between 1.5 times and double the average of the summer quarters meter reading.)
- g. Determine the average dollar value of water saved from the customers perspective. The estimated water saved (in item d above) can be valued using our current tariff structure. For a typical Koorungal property, this is around \$71 per annum. Glenfield is \$78. Central is \$26
- h. The level of rebate has to be consistent with the calculations, affordable by Council, be enough incentive to the householder to promote a change, based on physical dimensions and be fair. The rebate needs to be based on the square metres of lawn being replaced. The rebate should be around \$5 per square metre. This equates to \$250 for an average lot with 20m frontage and 50 square metres of lawn. For corner lots the rebate can be over \$1,000.

The graph below shows the sample lawn areas on Koorungal, Glenfield and central Wagga Wagga nature strips. The higher values are corner lots:



- i. The standards to be adopted include the following:
 - I. The plan must conform to WWCC guidelines for work on the nature strip. (draft in progress)
 - II. Only approved gravel, stone, materials and plant species listed by RWCC /WWCC can be used.
 - III. Plumbed irrigation systems in the nature strip must be removed.
 - IV. The measurement of lawn area removed will be by RWCC staff and staff will distinguish lawn from other ground cover.
 - V. The sample designs and photographs provided by RWCC and WWCC will promote the desired standards.
 - VI. Removed turf is not to be re-used.
 - VII. The scheme will exclude rural residential lots and where there is no kerb.
- j. Determine procedures for running the scheme. This will require comprehensive conditions, but presented in a user-friendly form similar to existing rebate schemes. The procedure will include an application form and access via phone, web site, brochure and nursery outlets.
- k. Estimate the take-up rate and budget accordingly. This scheme is unprecedented and it is not easy to determine how many householders will respond. The typical rebate will be around \$300. This is about 50% of the cost of removing lawn and placing gravel or stones. \$300 will be a lower percentage of the cost if numerous plants are purchased. The allocation proposed in the draft 2010/11 Operational Plan will allow for about 1,200 rebates at \$300. This equates to a water saving of over 400 kl on a peak day.
- l. Marketing. The take-up rate will be strongly linked to the level of marketing. A marketing plan will be developed which will include TV ads, radio and print media. A strong focus will be put on nurseries and garden product suppliers to both promote the scheme and provide the required products, and particularly plant species. The program must be promoted as a lawn replacement program.
- m. The process for verifying outcomes. The rebate payment will be after the work is verified. This will require staff attendance to the site. The take-up rate, costs and changes to individual water consumption can be periodically monitored using appropriate methods.

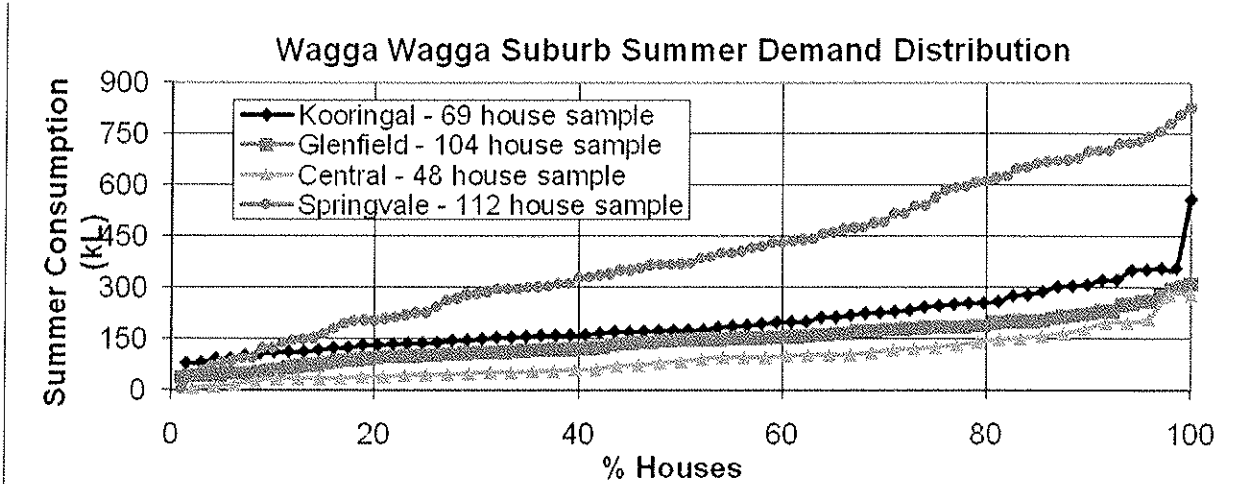
Further work is required to fully develop this scheme, including consultation with various sections of the community. A key requirement is the new WWCC guidelines and regulations regarding nature strip development.

2.1.4 Program

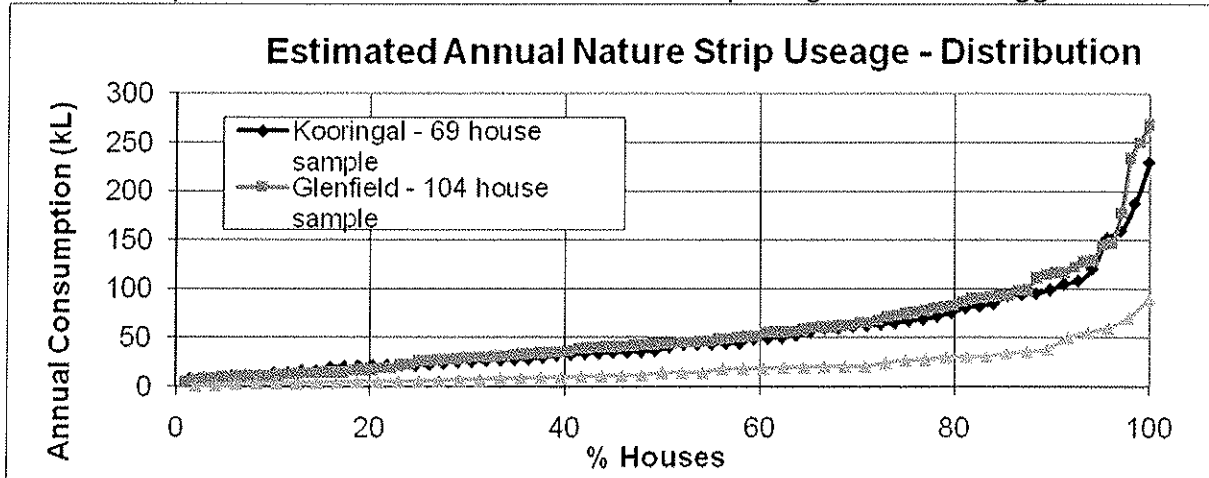
The program to implement the rebate scheme allows two months to further refine the program and bring the other parties on board.

2.1.5 Facts and Figures.

a. Comparison of residential customer summer quarter demand in four Wagga suburbs.



b. Comparison of estimated annual nature strip usage in three Wagga suburbs.



c. Pop-up sprinklers in the nature strip are more prevalent in the newer parts of town. The surveyed sample found the following contrast in percentage of homes with pop-ups in the nature strip.

- a. Koorlingal 57%
- b. Glenfield 13%
- c. Central Wagga 2%.

2.2 Toilet Rebates

The ToiletSmart rebate scheme has been operating for two months. There have been many inquiries on the hot line, a steady stream of applications and 15 efficient dual flush toilets installed, replacing old single flush units.

2.3 Sir Joseph Banks Medal

On 9th June 2010 the Mayor of Wagga Wagga City Council launched the Sir Joseph Banks Medal competition for 2010. The venue was in Stellway Close, in the garden of last years winning entry. This garden competition is now in it's second year and Riverina Water are one of the four sponsors.

For 2010 a new category has been introduced for nature strips. The criteria for the competition includes water efficiency. This new category will complement our proposed nature strip rebate scheme and Wagga Wagga City Councils new guidelines for nature strips.

RECOMMENDATION that the report on demand management and a rebate scheme focusing on lawn replacement on residential nature strips be received and noted.

3 DEFERRED PAYMENT FOR RURAL MAINS EXTENSIONS

3.1 Introduction

Council has requested that the terms for paying off rural mains extensions be reviewed. Due to the drought there has been a severe water shortage in rural areas with many dams drying up. The applications for new services increased to meet stock and domestic water needs. Many of these applications were to serve properties remote to existing mains and required long extensions. Estimates of many tens of thousands of dollars were prepared. The long extensions, in addition to the financial stresses associated with drought, promoted Council to introduce a deferred payment scheme for rural extensions.

The current scheme has worked well and has been taken up by many applicants. There is little need to change the main aspects of the offer, and particularly now that the farm dams have benefited from recent rain. Council needs to consider if the deferred payment terms are a drought time only offer, or ongoing. This review offers the opportunity to review and amend Councils policies for payments for extensions for all areas, both urban and rural.

3.2 Current Policy

Councils current Policy 1.1 contains the clause..."c) Charges for new mains and service connections are generally payable in advance." For all mains extensions and connection fees in urban areas the requirement is that all money is paid prior to the service being available. This allows some monies to be paid after the work commences on the extension. But all money has to be paid before water flows through any meter.

3.3 Currently for Rural Extensions

The current terms for rural extension payments are summarized below:

- a. 50% up front and 50% at 12 months, but only for estimates over \$10k.
- b. For estimates over \$20k also offer 33% up front, 33% at 12 months and 33% at 24 months.
- c. There are about 4 who had payments over more than 24 months.
- d. Out of the past 100 on time payments, only one or two have defaulted.
- e. The customers property must be classified as Rural for this to apply. Town consumers must pay total upfront
- f. The town speed sign is regarded as the boundary.

3.4 Proposed Terms

Terms which consolidate our current practices have been considered by staff and this proposal is summarized below as the basis for a new policy.

- 50% up front and 50% at 12 months, but only for estimates over \$10k.
- For estimates over \$20k also offer 33% up front, 33% at 12 months and 33% at 24 months.
- Only applies to properties classified as rural. (definition may need to be 11 kl/day services off rural mains) (rather than speed limit signs)

- The deferred payment scheme can only be provided so that the funds not paid up front don't exceed \$45,000. (ie three payments of \$15,000, of which one is up front) (if the estimate is above \$45,000, the customer can make a bigger up front payment to keep the balance below \$45,000)
- The deferred payment only applies to 20mm and 25mm services.
- These terms only apply to the mains extension estimate and S64 charges. The connection fee is to be fully paid up front.
- For town and village connections all payments must be made prior to the service being provided.
- For commercial developments in towns or rural areas (excluding 20mm and 25mm services to rural properties), all payments must be made prior to the service being provided.

If these terms are considered appropriate, a draft policy change or guideline can be put to the August Council meeting for determination.

RECOMMENDATION that the proposed terms for payment of mains extension be considered as the basis for new policies or guidelines.

4 PIPE TENDERS

Tenders were called for 1,500m of DN 600mm pipe. These tenders closed on 11th June and are being evaluated. A report and recommendation will be issued under separate cover.



Greg Finlayson
DIRECTOR OF ENGINEERING