



WATER COMMITTEE MEETING

AGENDA

6 AUGUST 2014

Your attendance is required at a meeting of the Water Committee to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 6 August 2014 commencing at 12.30 pm for transaction of the enclosed business.

A handwritten signature in black ink, appearing to be "C. R.", written in a cursive style.

CHIEF EXECUTIVE OFFICER
30 July 2014

Next Meeting Date: 03.09.14

Please note:

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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1 OPENING

2 PRESENT

Members Present:

The Mayor, Councillor M F Strelow
Councillor C R Rutherford
Councillor A P Williams
Councillor N K Fisher

In Attendance:

Mr E Pardon – Chief Executive Officer
Mr R Holmes – General Manager Regional Services

3 APOLOGIES AND LEAVE OF ABSENCE

Councillor Greg Belz - Leave of Absence from 30 June 2014 to 8 August 2014

4 CONFIRMATION OF MINUTES

Minutes of the Water Committee held 2 July 2014

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 BUSINESS OUTSTANDING

Nil

7 PUBLIC FORUMS/DEPUTATIONS

Nil

8 OFFICERS' REPORTS

Nil

9 STRATEGIC REPORTS

9.1 FRW FINANCE AND STRATEGIC MATTERS REPORT - MAY 2014

File No: 1466
Attachments: Nil
Authorising Officer: Robert Holmes - General Manager Regional Services
Author: Nimish Chand - Manager FRW

SUMMARY

This report details Fitzroy River Water's financial position and other operational matters for the Council's information as at 31 May 2014.

OFFICER'S RECOMMENDATION

THAT the FRW Finance and Strategic Matters Report for May 2014 be received.

VARIATIONS, ISSUES AND INNOVATIONS

Innovations

FRW recently successfully trialled the use of a new software feature that enables the existing Cisco phones to be used as a site-wide public address system. The trial involved using the phones to advise staff of an emergency evacuation drill by broadcasting a message to all staff via the built-in speakers on any unused Cisco phones. This new feature will provide an improved level of safety for staff at the Glenmore WTP site in the event of any site emergencies that require staff to be contacted prior to commencing an evacuation or related emergency response.

Improvements / Deterioration in Levels of Services or Cost Drivers

On Friday 13 June, RRC was announced as the winner of the Orica Australia Best of the Best Queensland Water Taste Test for the Central Queensland Region. A drinking water sample from the Glenmore Water Treatment Plant beat three other entries for this coveted prize from Gladstone Regional Council, Banana Shire Council and Central Highlands Regional Council respectively. RRC won this prize previously in 2012 but was unsuccessful in 2013. The second win within three years highlights the consistently high quality of drinking water produced by FRW for the region.

COMPLIANCE MATTERS

All drinking water samples collected and tested during May were compliant with State legislation and Australian Drinking Water Guideline (ADWG) health values.

The Gracemere STP and Mount Morgan STP were each compliant for all test parameters during the month of May. The three Rockhampton STPs had one minor non-compliant result for Total Suspended Solids (SRSTP) and were non-compliant with their combined weekly 50thile total nitrogen limit. The three Rockhampton STPs were compliant with all other test parameters including the combined weekly maximum load limit for total nitrogen. Improved nitrogen removal performance at the South Rockhampton STP is currently the subject of a capital upgrade project to be completed later this year. During May, representatives from the Department of Environment and Heritage Protection (EHP) conducted compliance inspections of the West Rockhampton and North Rockhampton STPs respectively with no significant compliance issues identified during these inspections.

FINANCIAL

Operational

Revenue is trending above percentage of year elapsed at 97.9% in comparison to the February revised budget.

Fees & charges are slightly below due to trade waste charges and metered standpipe charges lower than year to date. Water consumption revenue is 93% of budget and is anticipated to meet target.

Expenditure year to date is 90.4% of February revised budget. The majority of the expenditure account groups are within target.

There are no material exceptions to report.

Capital

Continuing Rockhampton Regional Council Capital expenditure is below the percentage of year elapsed at 72.9% and moving to 78.3% when including 6 months of LSC projects in comparison to the February revised budget.

Overall the capital expenditure is anticipated to be 85% to 90% of budget at year end.

CRRC Water YTD 70.6% and CRRC Sewer YTD 83.5%.

CRRC Networks YTD 87.5% and CRRC Treatment YTD 57.3%.

Capital spend has decreased slightly during May compared to April spend, attributed to timing of contractual payments for GWTP highlift pump station upgrade. The areas of prominent activity are the Armstrong St 300mm sewer main, Gracemere effluent main expansion, duplication of the 300mm water trunk main to Gracemere, GWTP Highlift Pump Station upgrade and Water Main Replacement programs.

Sundry Debtors

Below is a summary of aged sundry debtor balances at the end of May 2014. The 90+ day balances are either on payment plans, the business is in administration or the debt is with Collection House.

	Balance	0-30 Days	30-60 Days	60-90 Days	90+ Days
No. of Customers	125	38	82	8	33
Total Value	\$440,908.04	\$25,343.26	\$316,573.68	\$15,937.06	\$83,054.04

Below is an explanation of the debtor types, being a mixture of standpipes, irrigators, emergency works and effluent usage.

90+ days	Comments
\$39,958.77	Companies with administrators appointed - Private Works and Standpipe - unlikely we will see anything (some securities are held in trust for the Standpipe debtors but will not cover all)
\$9,553.46	Debts at Collection - (Standpipe and Trade Waste debts) – doubtful of recovery, most have moved to claims/hearings/unsuccessful to date.
\$12,947.85	Long Term Payment Plans - Mt Morgan Sewerage Connections - Recovery will occur
\$4,341.91	Other Payment Plans - Standpipes and Irrigators
\$16,252.05	Other Overdue Debt with no fixed arrangements – Trade Waste, Irrigators, Standpipes - Two irrigators to follow up and apply contractual legalities, Trade Waste - some have been to collection with no outcome, exploring other options.
60-90 Days	Comments
\$70.00	Other payment plan - Standpipe (from 90+ days)
\$15,721.52	Standpipe
\$145.44	Trade Waste
30-60 Days	Comments
\$12,266.06	Standpipe Invoices (\$590.90 from 1 debtor that has 90+ days)
\$2,722.35	Private Works invoice
\$19,433.45	Irrigators (\$3863.60 from 9 debtors that have 90+ days)
\$282,151.82	Bulk Water Supply - LSC

A summary of financial performance against budget is presented below:

FINANCIALS

A summary of financial performance against budget.

	May 2013			YTD			
	Actual \$	Annual Revised Budget \$	Variance to Budget \$	Actual \$	Annual Revised Budget \$	Variance to Budget \$	Annual Revised Budget \$
Department Revenue							
Net rates and utility charges	(744,818)	(4,914,217)	4,169,400	(57,854,518)	(54,056,391)	(3,798,127)	(58,970,608)
Fees and Charges	(69,373)	(139,853)	70,480	(1,485,806)	(1,538,386)	52,580	(1,678,239)
Private and recoverable works	(369,815)	(237,233)	(132,581)	(2,730,781)	(2,609,568)	(121,212)	(2,846,802)
Rent/Lease Revenue	(4,671)	(5,515)	843	(86,748)	(60,662)	(26,085)	(66,177)
Grants Subsidies & Contributions	(73,715)	(647)	(73,068)	(83,464)	(7,122)	(76,342)	(7,769)
Interest revenue	(22,049)	(25,800)	3,751	(302,833)	(283,800)	(19,033)	(309,600)
Other income	(5,038)	(4,163)	(875)	(49,156)	(45,794)	(3,362)	(49,957)
Total Department Revenue	(1,289,480)	(5,327,429)	4,037,949	(62,593,304)	(58,601,723)	(3,991,582)	(63,929,152)
Expenses							
Employee costs	549,840	730,837	(180,997)	7,717,112	8,039,212	(322,100)	8,770,050
Contractors & Consultants	118,419	143,037	(24,618)	1,513,151	1,573,405	(60,254)	1,716,442
Materials & Plant	292,254	283,429	8,825	3,065,779	3,117,724	(51,945)	3,401,153
Asset Operational	181,778	278,582	(96,804)	3,120,912	3,064,402	56,510	3,342,985
Administrative expenses	15,358	28,855	(13,496)	239,565	317,404	(77,840)	346,259
Depreciation	899,205	899,205	(0)	9,891,258	9,891,258	0	10,790,463
Finance costs	0	291,826	(291,826)	2,838,523	3,210,090	(371,566)	3,501,916
Other Expenses	2,450	5,007	(2,557)	36,078	55,078	(19,000)	60,086
Accounting Adjustments	3,688	833	2,855	76,342	9,167	67,175	10,000
Total Expenses	2,062,993	2,661,613	(598,620)	28,498,720	29,277,740	(779,020)	31,939,353
Transfer / Overhead Allocation							
Transfer/Overhead Allocation	71,601	108,216	(36,615)	1,179,454	1,190,373	(10,919)	1,298,589
OH Allocation	248,924	236,105	12,819	2,657,016	2,597,153	59,862	2,833,258
Competitive Neutrality Adjustments	1,648,187	1,671,289	(23,103)	18,407,284	18,384,182	23,102	20,055,471
De-amalgamation internal transfers	0	(3,334)	3,334	(40,007)	(36,674)	(3,333)	(40,008)
Total Transfer / Overhead Allocation	1,968,711	2,012,276	(43,564)	22,203,747	22,135,034	68,713	24,147,310
TOTAL OPERATING POSITION (SURPLUS)/DEFICIT	2,742,225	(653,541)	3,395,765	(11,890,837)	(7,188,948)	(4,701,889)	(7,842,489)

ADMINISTRATION MATTERS**Administration**

The Administration Team continues to provide high level administrative support to various units across the business.

Pathway Statistics for the month of May 2014:

	Customer requests received	Requests Completed for the month			Action required by the Admin Team	Completed by the Admin Team
		Priority 3	Priority 2	Priority 1		
RRWR	366	261	74	11	63	346
FRW	615	206	99	23	306	328
TOTAL	981	467	173	34	369	674

Priority 3 - requests completed within the required timeframe.

Priority 2 - requests not completed within the required timeframe and are escalated to the supervisor.

Priority 1 - requests not completed within the required timeframe and are escalated to the manager.

Dial Before You Dig (DBYD)

As of 25 March 2014, the Administration Team took over the responsibility of managing the DBYD requests. The average number of requests received per day for May was 8.76.

	May 2014	April 2014	March 2014	Yearly Total
Requests Processed	263	179	26	468

Site Tours

46 Year 7 students and 4 teachers from Rockhampton Grammar School toured the Glenmore Water Treatment Plant in late May.

Communication and Education*Mount Morgan Dam Emergency Notification List*

A number of forms were received from residents surrounding the Dee River in Mount Morgan who wished to be added to the Mount Morgan Dam Emergency Notification List, due to the recent mail out. An advertisement was also placed in the Mount Morgan Argus on 8 May 2014. Those customers who still have not responded will receive a follow up call in the coming months to ensure their details are up to date on our list.

News in Education – The Morning Bulletin

The monthly advertisement for May in the News in Education section of The Morning Bulletin was 'Do not cover water networks'.

Media Releases and Community Notices

One media release was issued in May which complimented a media/photo opportunity of the 100th sewer access chamber being raised for the year.

PROJECT AND CONTRACT MANAGEMENT

An update on the activities of current projects is provided in the table below.

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
NETWORK SERVICES CAPITAL WORKS PROGRAM					
Rockhampton Water (water main replacement)					
Dean and High Street Relocate and replace 150mm water main	March 2014	April 2014	100%	\$98,784	\$61,168
Comments: Completed					
Wandal Rd (Campbell – Norman) 200 mm water main replacement	January 2014	April 2014	100%	\$252,280	\$264,127
Comments: On schedule. Project costs have increased due to hard rock and alignment conflicts with other utilities					
North St (Murray-Campbell), 250mm water main replacement	December 2013	June 2014	40%	\$187,292	\$139,264
Comments: On schedule					
Archer St (Campbell & West) 300 mm water main replacement	February 2014	June 2014	35%	\$835,430	\$341,658
Comments : On schedule					
Wilkinson Street and Wandal Road	May 2014	June 2014	80%	\$185,387	\$92,912
Comments: On schedule					
Gracemere Duplication (Athelstone) 300mm new water main	February 2014	June 2014	90%	\$1,000,000	\$821,063
Comments: On Schedule					
Armstrong Street Gracemere 300mm sewer rising main replacement	December 2013	June 2014	85%	\$640,000	\$539,634
Comments: On schedule					
Gracemere Sewer Effluent	March 2014	June 2014	80%	\$260,000	\$245,102
Comments: On Schedule					
Rockhampton Sewer					
Sewer rehabilitation program (including Building over Sewer works)	July 2013	June 2014	70%	\$1,022,907	\$712,636
Comment: Rehabilitation and renewals annual program of works.					

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
Gracemere Sewer					
Nil					
Mount Morgan (water mains replacement)					
Dee St (East - Edward) 100 mm water main replacement	February 2014	May 2014	91%	\$204,580	\$122,618
Comments: On Schedule					
Black St (Dee – Morgan) 100mm water main replacement	February 2014	June 2014	18%	\$60,299	\$11,467
Comments: Materials Ordered					
Thompson St (Tipperary and Shield)	February 2014	June 2014	10%	\$72,565	\$7,706
Comments: Materials Ordered					
Mount Morgan Sewer					
Dee St, New 225mm Gravity Sewer	February 2014	June 2014	89%	\$250,000	\$299,320
Comments: On Schedule; Project costs have increased due to hard rock.					
TREATMENT AND SUPPLY CAPITAL WORKS PROGRAM					
R-S GSTP Augmentation. Strategic planning and augmentation of Rockhampton and Gracemere STPs.	July 2012	July 2014	99%	\$549,569	\$388,411
Comments: On schedule. Procurement and final design of the SRSTP interim upgrade underway.					
R - NRSTP CCTV Camera Unit Installation of CCTV to improve physical security at NRSTP	September 2012	June 2013	100%	\$28,760	\$4,548
Comments: Completed.					
M STP Communications Upgrade to enable monitoring of STP from Glenmore WTP.	April 2013	September 2013	100%	\$17,256	\$17,779
Comments: Completed.					
M STP Chlorination Upgrade	April 2013	June 2014	70%	\$15,716	\$8,250
Comments: On schedule.					

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
R – S NRSTP Aerator Replacement	July 2013	June 2014	70%	\$91,071	\$54,228
Comments: Delayed due to supplier design issues.					
Barrage Crane and Rail Restoration	December 2013	June 2014	60%	\$333,247	\$120,202
Comments: Crane restoration completed.					
GWTP Highlift Pump Station Upgrade (1 st Stage)	July 2013	August 2014 (1 st Stage)	20%	\$3,366,922	\$902,075,71
Comments: Delays (4- 6 weeks) experienced due to wet weather and design issues. The contractor has been delayed by wet weather and is working through some design complications previously unforeseen.					
GWTP Low lift Pump Station Upgrade	September 2013	June 2015	10%	\$0	\$5,784
Comments: Project deferred. Specification for tender now complete. A decision was made to defer this project to enable capital savings to be made as requested. This project will be included in the 2014-15 capital budget submission.					
Mechanical Dewatering NRSTP Installation of centrifuge at NRSTP	May 2012	June 2014	90%	\$758,700	\$664,398
Comments: Commissioning completed and practical completion currently being issued.					
Gracemere Recycled Water Irrigation Electrical Upgrade	May 2013	January 2014	100%	\$200,000	\$166,707
Comments: Completed.					
Arthur Street SPS Electrical Upgrade	August 2012	June 2015	10%	\$15,000	\$12,488
Comments: Technical Specifications for tender now complete. This project has been deferred due to insufficient available capital funding. A decision was made to defer this project to enable capital savings to be made as requested. The plan is to include this project in the 2014-15 capital budget submission.					
Yaamba Rd Reservoir Chlorination Upgrade	Jan 2014	June 2014	5%	\$50,000	\$15,629
Comments: On schedule.					
MM North Reservoir Rechlorination	July 2013	June 2014	90%	\$30,000	\$24,000
Comments: On schedule.					
MMWTP Coagulant Dosing Upgrade	Jan 2014	June 2014	5%	\$21,000	\$644
Comments: On schedule.					
G Lucas St WPS electrical switchboard upgrade	Jan 2014	June 2014	10%	\$70,000	\$10,199
Comments: On schedule.					

R = Rockhampton, G = Gracemere, M = Mt Morgan

WPS = water pump station, SPS = sewage pump station, STP = sewage treatment plant,

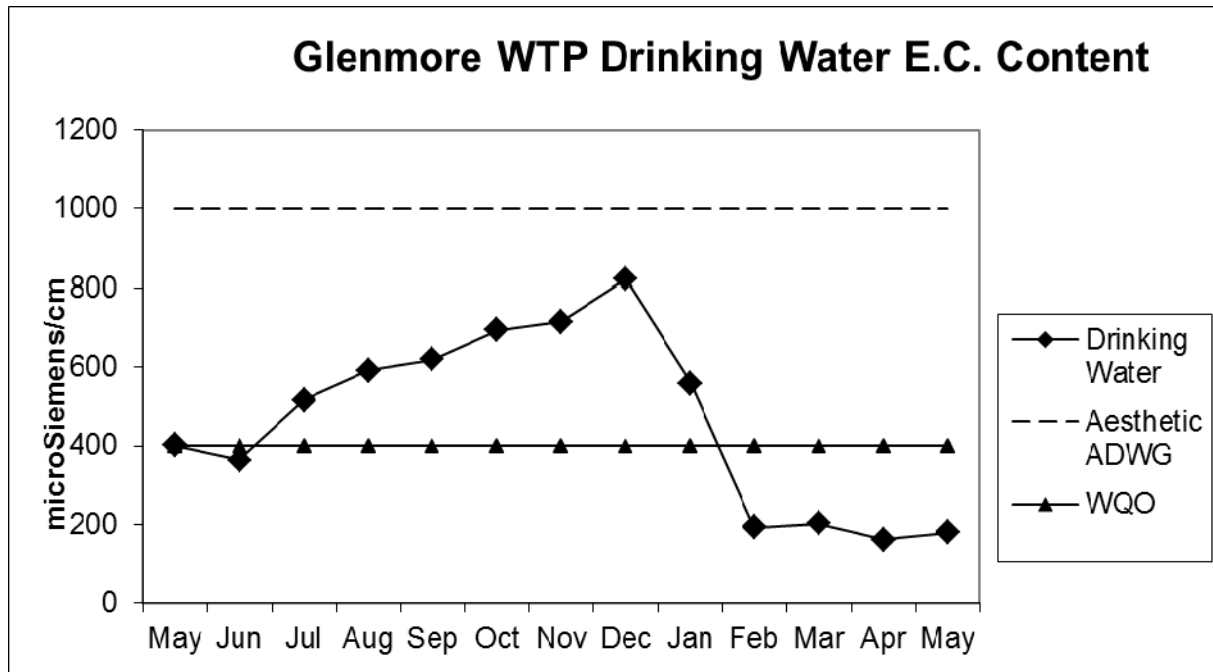
S = sewerage, W = water.

TREATMENT AND SUPPLY

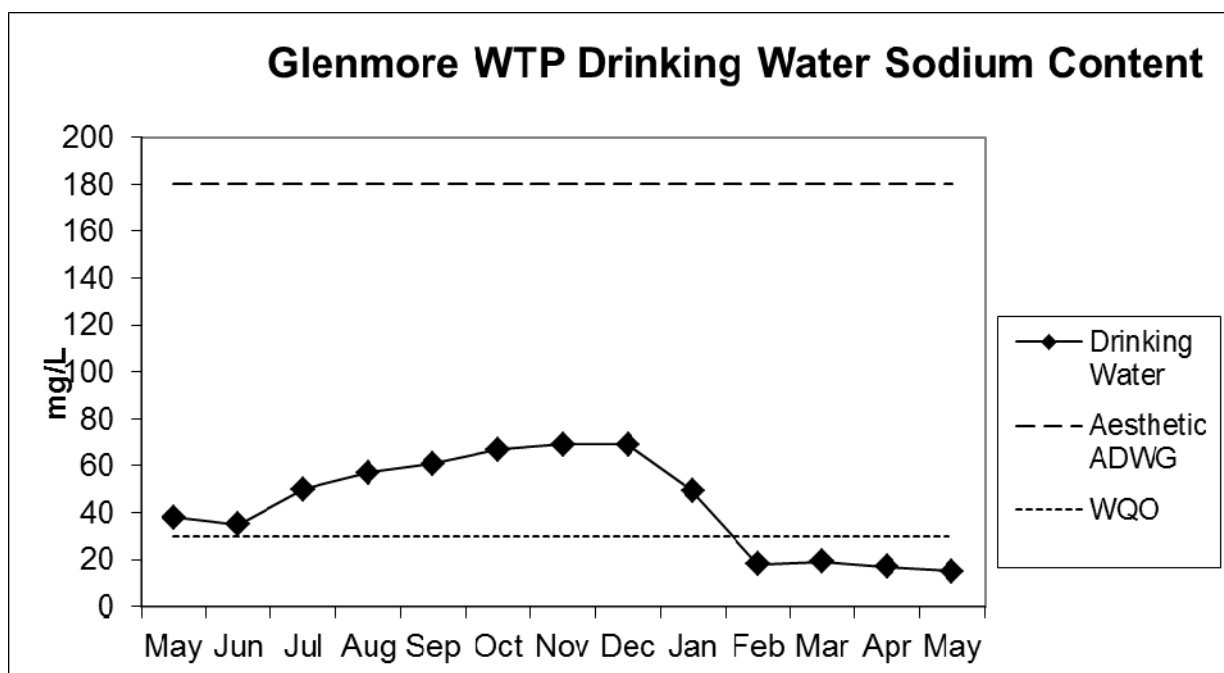
Workplace Health and Safety

- There were no lost time injuries for the month.
- No employees are currently on long term lost time injuries.
- No safety incidents were reported for the month.

Drinking Water E.C. and Sodium Content



The level of E.C. in drinking water supplied from the Glenmore Water Treatment Plant (GWTP) during May increased slightly to be 180 µS/cm. The low E.C. reading follows the recent flow of water in the Fitzroy River after the receipt of rainfall in the upstream catchments. The level of E.C. is well below the Water Quality Objective of 400 µS/cm and well beneath the previously used aesthetic guideline value of 1000 µS/cm. The E.C. reading is not expected to increase significantly within the next few months.

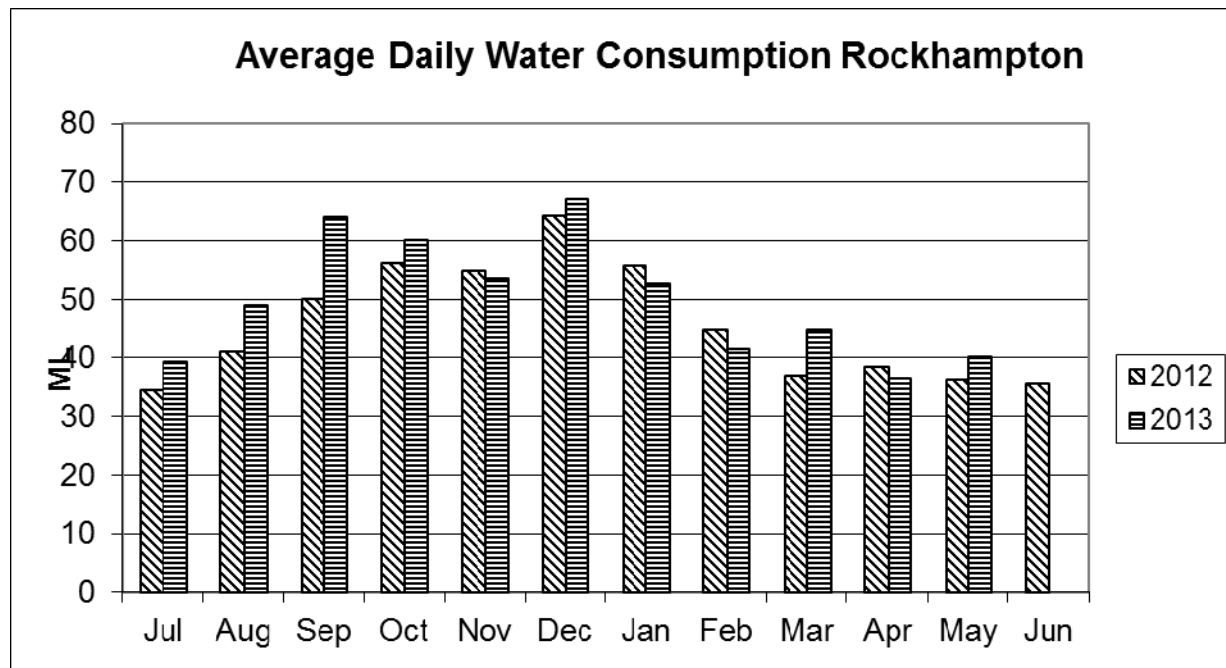


The concentration of sodium in drinking water supplied from the GWTP during May decreased slightly to be 15 mg/L. This low level of sodium follows the recent flow of water in the Fitzroy River after the receipt of rainfall in the upstream catchment. The current level of sodium is well below the Water Quality Objective value of 30 mg/L and is well beneath the aesthetic guideline of 180 mg/L for sodium in the Australian Drinking Water Guidelines. The sodium concentration is not expected to increase significantly within the coming months.

Drinking Water Supplied

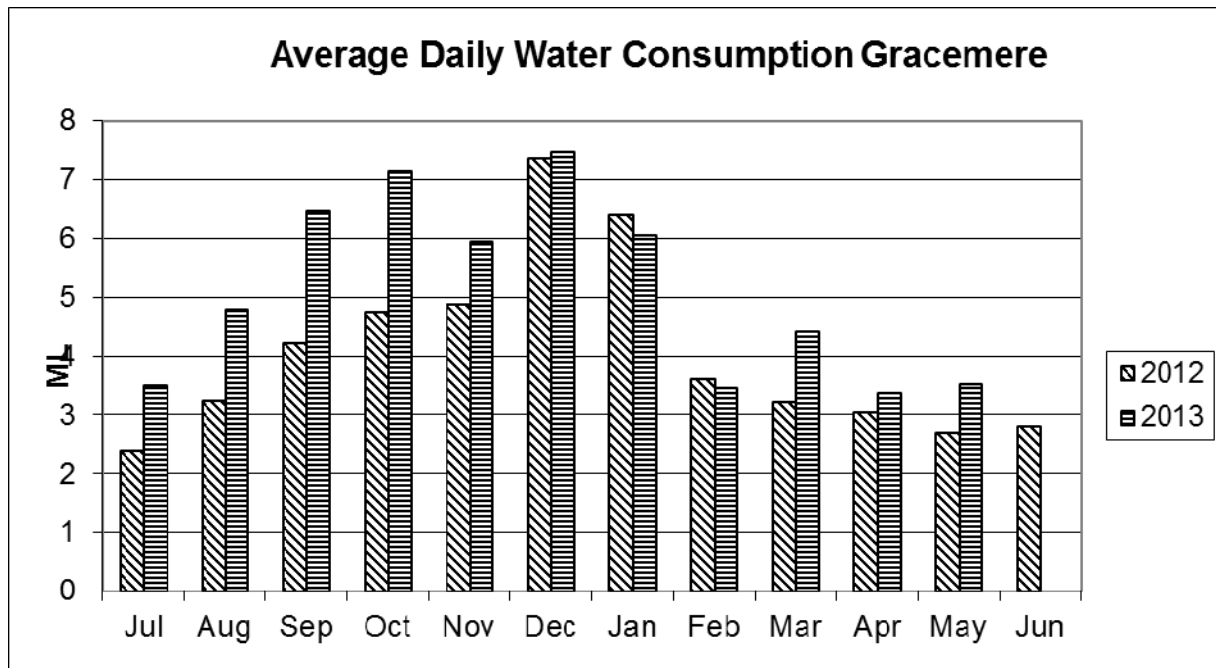
Data is presented in graphs for each water year (e.g. 2013 is the period from July 2013 to June 2014).

Rockhampton



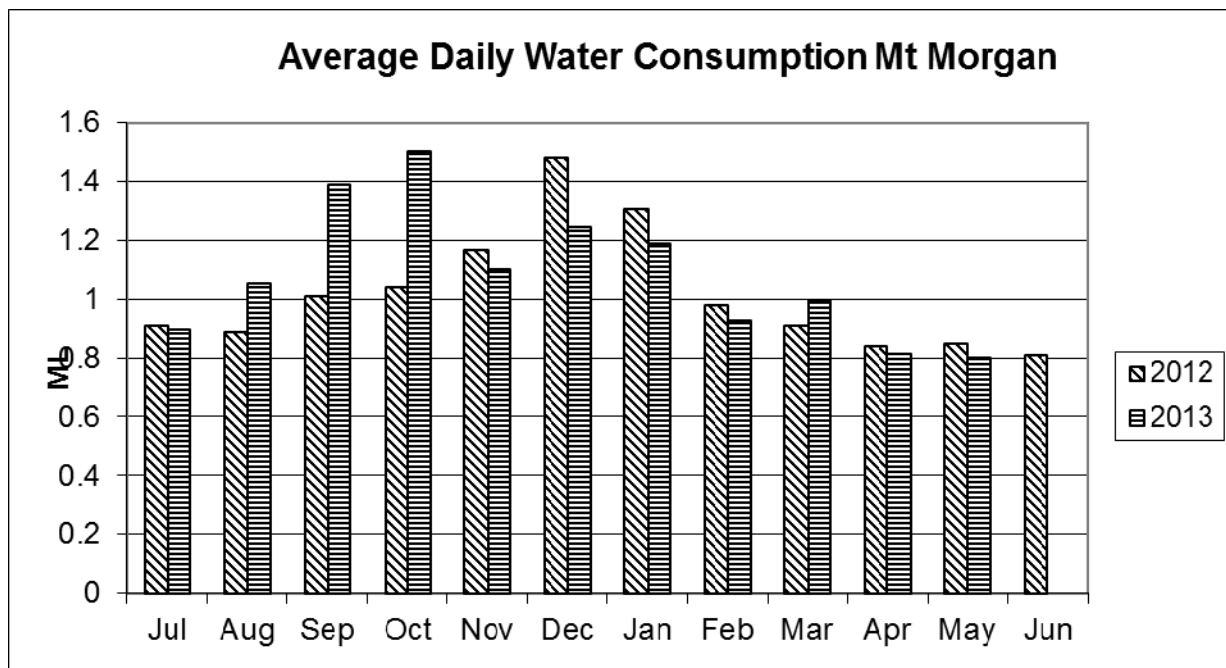
Average daily water consumption in Rockhampton during May increased compared to that reported in April and was higher than that reported in the same period last year. The increase in consumption was due to the lack of significant rainfall during most of the month. The Fitzroy Barrage Storage is currently at full storage level and is therefore well above the threshold in the Drought Management Plan used to trigger the implementation of water restrictions.

Gracemere



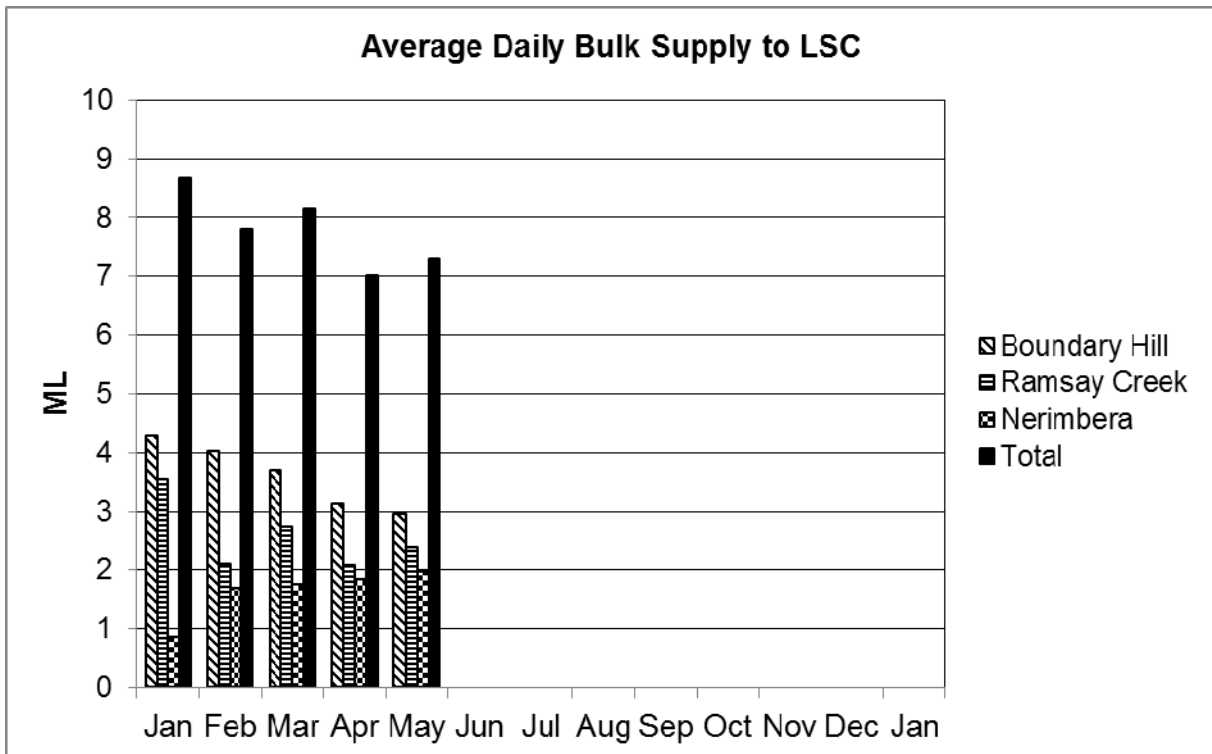
Average daily water consumption in Gracemere during May increased compared to that reported in April and was greater than that reported in the same period last year. The increase in consumption was due to the lack of significant rainfall during most of the month. The Fitzroy Barrage Storage is currently at full storage level and is therefore well above the threshold in the Drought Management Plan used to trigger the implementation of water restrictions.

Mount Morgan



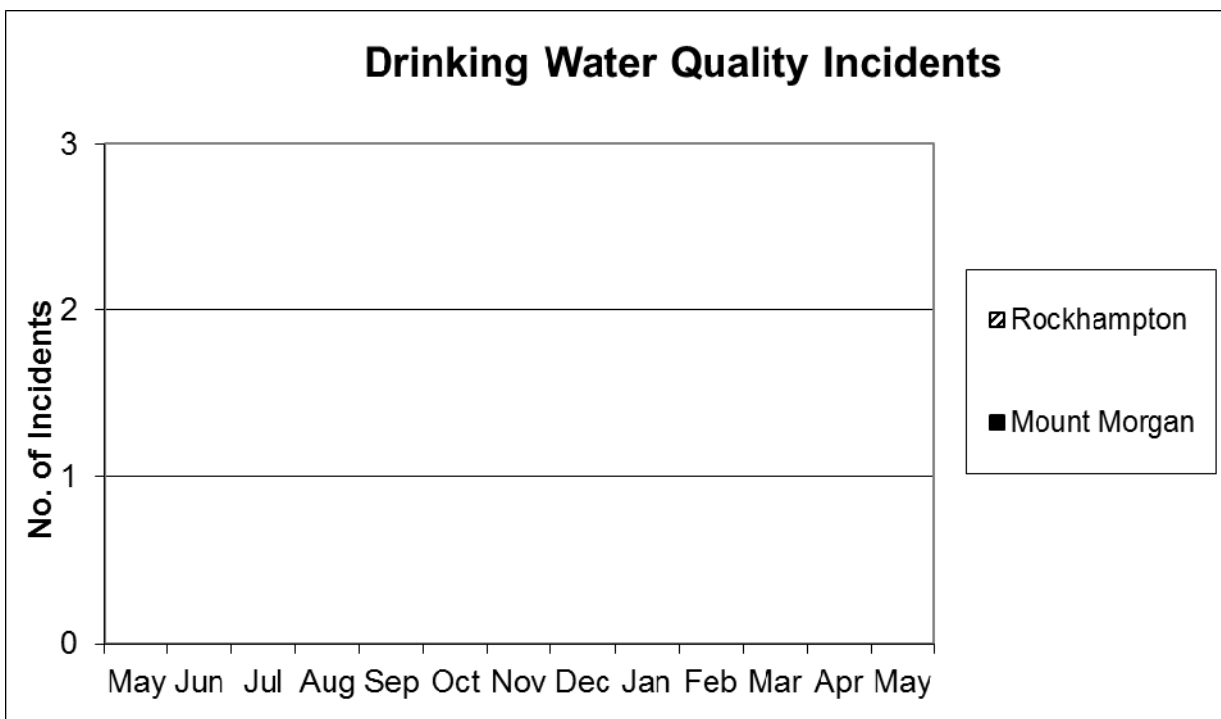
Average daily water consumption in Mount Morgan during May decreased slightly compared to that reported in April and was lower than that reported for the same period last year. This decrease is in contrast to the trend in other locations although the difference is very minor. The No. 7 Dam is currently at full storage level, well above the 50% storage threshold value in the Drought Management Plan that is used to trigger the implementation of water restrictions in Mount Morgan.

Bulk Supply to Livingstone Shire Council



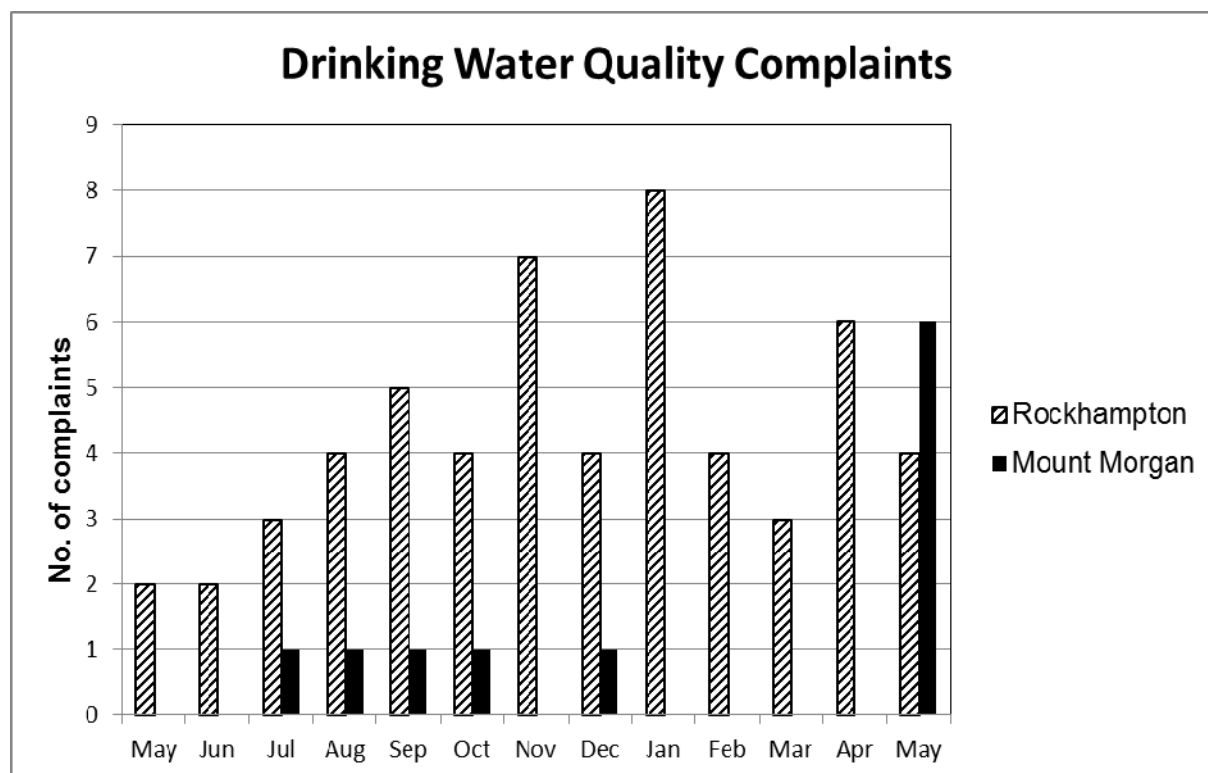
Overall, the average daily volume of water supplied to LSC increased slightly during May compared to that recorded in April to be 7.29 ML. This overall increase is despite a slight decrease in the average daily supply via Boundary Hill. The overall increase was due to the lack of significant rainfall during most of the month.

Drinking Water Quality Incidents



No drinking water quality incidents occurred during the month of May and only three drinking water quality incidents have occurred over the past 29 months.

Drinking Water Quality Complaints

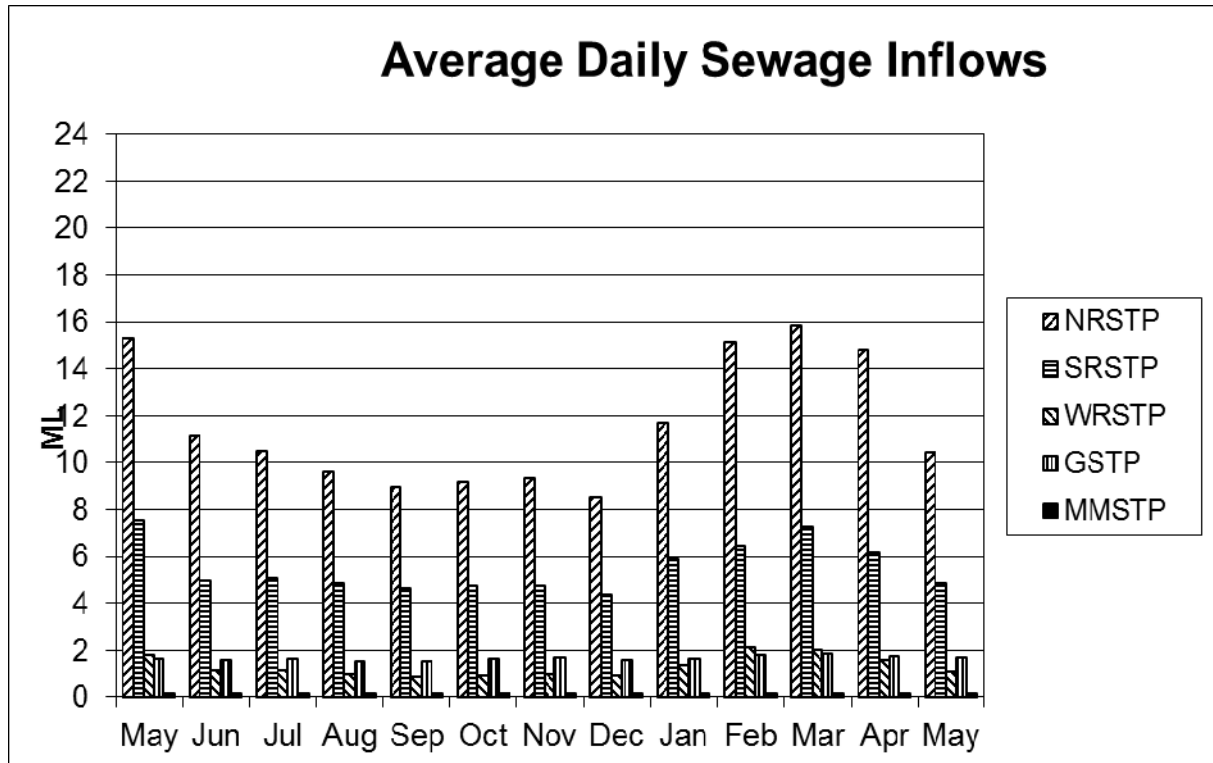


	Elevated Chlorine	Taste/Odour/Quality	Discoloured Water	Physical Appearance (e.g. residue or air)
No. Complaints	0	3	5	2

The total number of drinking water quality complaints (10 complaints) received during May increased from the six complaints received in April.

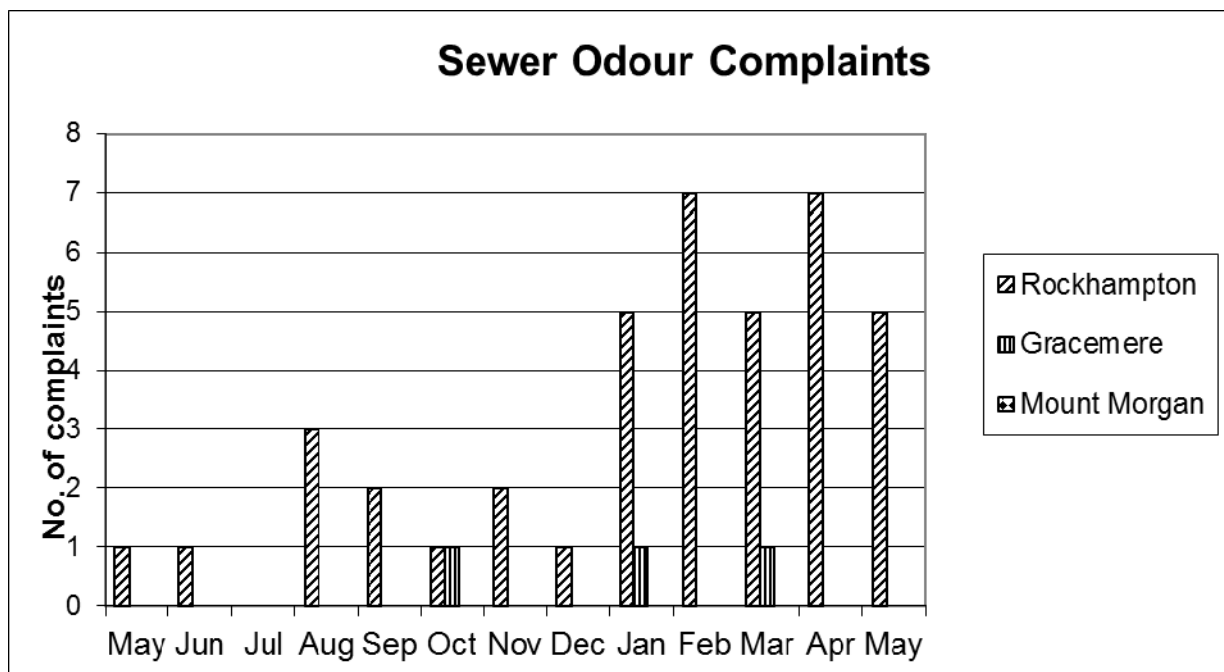
Of the 10 complaints received, six were received from customers in Mount Morgan. Five of the complaints in Mount Morgan were related to discoloured water with the sixth complaint associated with taste. The higher than normal number of complaints in Mount Morgan were associated with some slight changes to raw water quality and some water main breaks. The complaints in Rockhampton were associated with taste and the appearance of the water. In all instances FRW assisted by taking action to address each issue by providing additional testing, information or through the flushing of water mains to resolve the issue.

Sewage Inflows to Treatment Plants



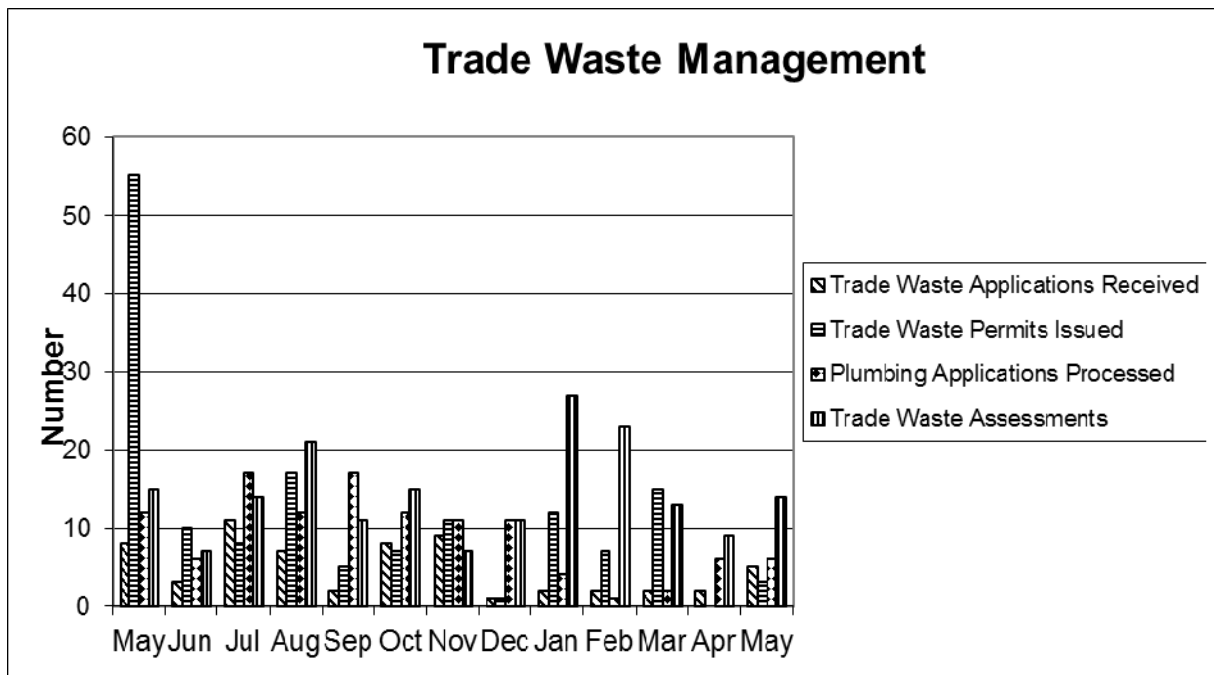
Average daily sewage inflows during May were lower than that reported in April due to the lack of significant rainfall during most of the month. Overall, inflows were still slightly higher than normal dry weather inflows with the rainfall received in previous months continuing to cause increased infiltration of water into the sewerage network.

Sewer Odour Complaints



Five sewer odour complaints were received during the month of May, a decrease from the seven recorded in April. All of the complaints were received in Rockhampton and all of the complaints were related to sewer odour emanating from parts of the sewerage network. Each complaint was investigated and action was taken where possible to resolve the odour problem. In some instances the odours were found to be short-lived with the exact cause remaining unknown.

Trade Waste Management Activities

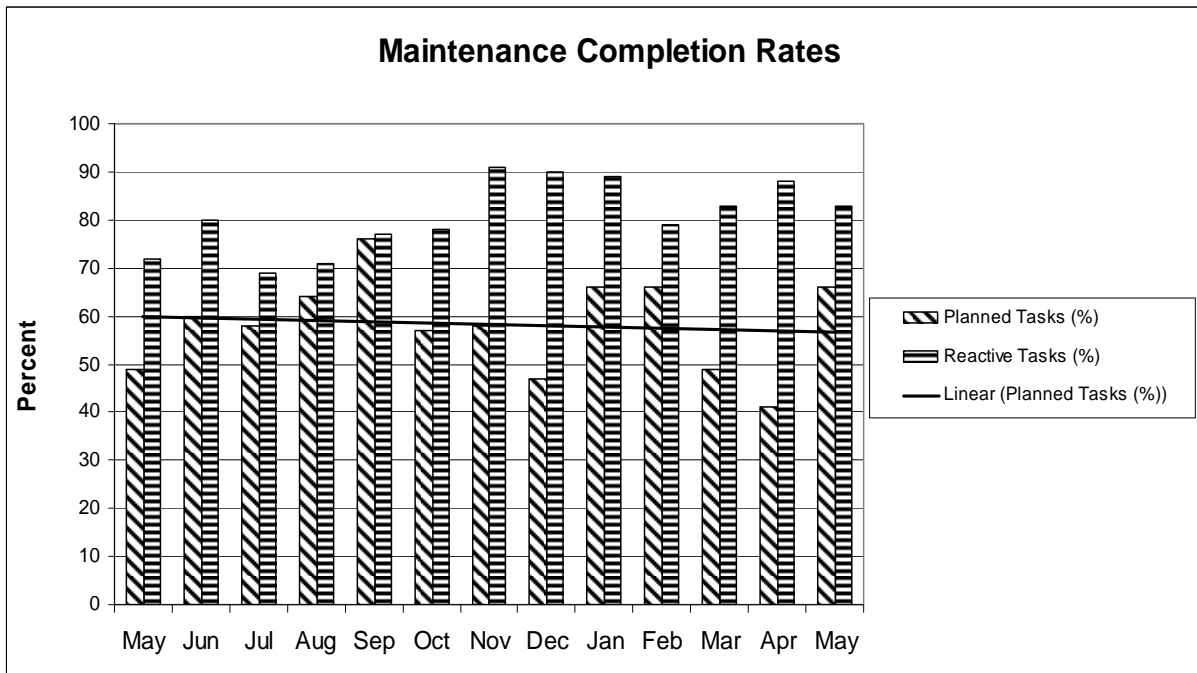


Five Trade Waste applications were received and three Trade Waste Permits were issued during the month of May. Six Plumbing Applications were processed and 14 Trade Waste Assessments were completed by the team with a number of these to be finalised for issuing of permits in June.

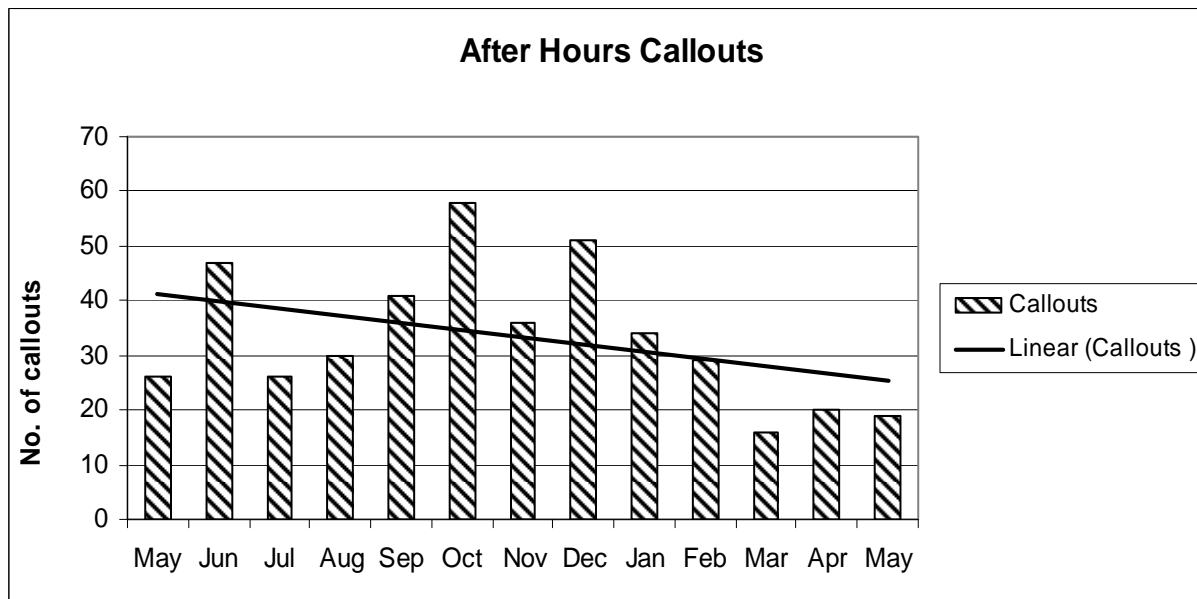
Maintenance Activities

The table below shows the breakdown of work completed based on the category of the work activity.

Maintenance Type	Work Category			
	Electrical	Mechanical	General	Operator
Planned	15	30	69	N/A
Reactive	48	37	4	1
After hours callouts	9	9	0	1
Capital	0	0	0	N/A
Safety and Compliance	5	2	1	N/A



A total of 172 preventative maintenance activities were scheduled and 126 reactive maintenance activities were requested during the month of May. Completion rates for each type of maintenance activity by the end of the month were 66% and 83% respectively. The addition of a new resource to the electrical maintenance team in mid-June is expected to increase the completion rate for planned electrical maintenance tasks. The completion rate for reactive maintenance tasks remains relatively high with some of the tasks yet to be completed due to the time taken for delivery of new parts and equipment.



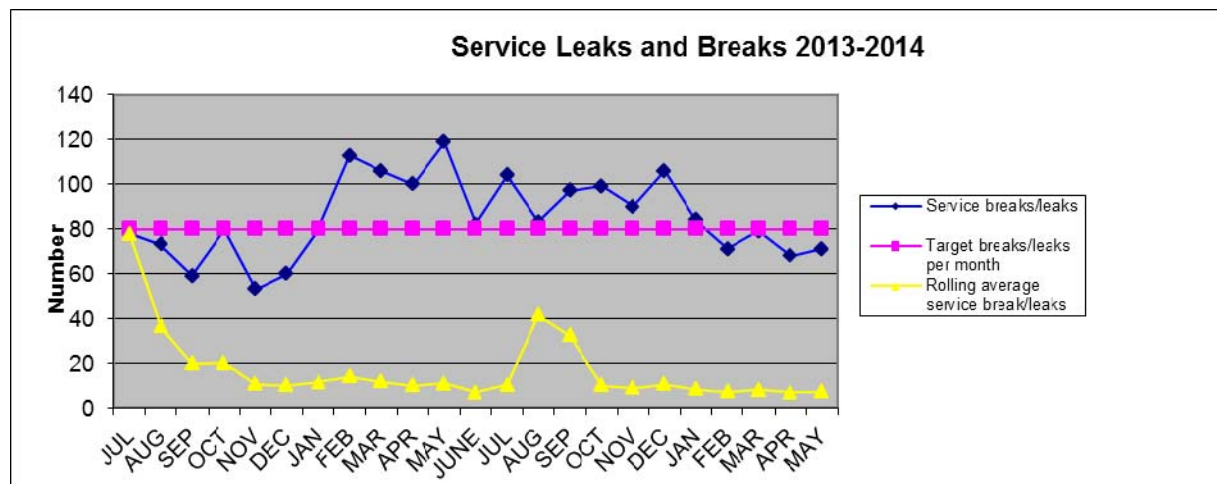
The number of after-hours call-outs for Treatment and Supply (19 call-outs) decreased slightly during May compared to April. The number of callouts is lower than the 12 month rolling average of 34 call-outs. The trend line in the graph continues to indicate a gradual decrease in call-outs over the last 12 months. The call-outs were required to attend faults in Rockhampton, Gracemere and Mount Morgan at water treatment plants, sewage treatment plants, reservoirs and water and sewerage pump stations. In almost all cases, the faults were rectified within the targeted rectification time according to the Priority Ratings used for rank reactive maintenance events.

NETWORK SERVICES

Workplace Health and Safety

- There were no lost time injuries for the month.
- No employees are currently on long term lost time injuries.
- Seven safety incidents were reported for the month.

Regional Service Leaks and Breaks



Performance

Target achieved.

Issues and Status

Maintenance records indicate a high percentage of service breaks and joint failures consistently occurring on poly services.

Response to Issues

Water services subject to two failures are being replaced under the capital replacement programme to minimise the risk of failure.

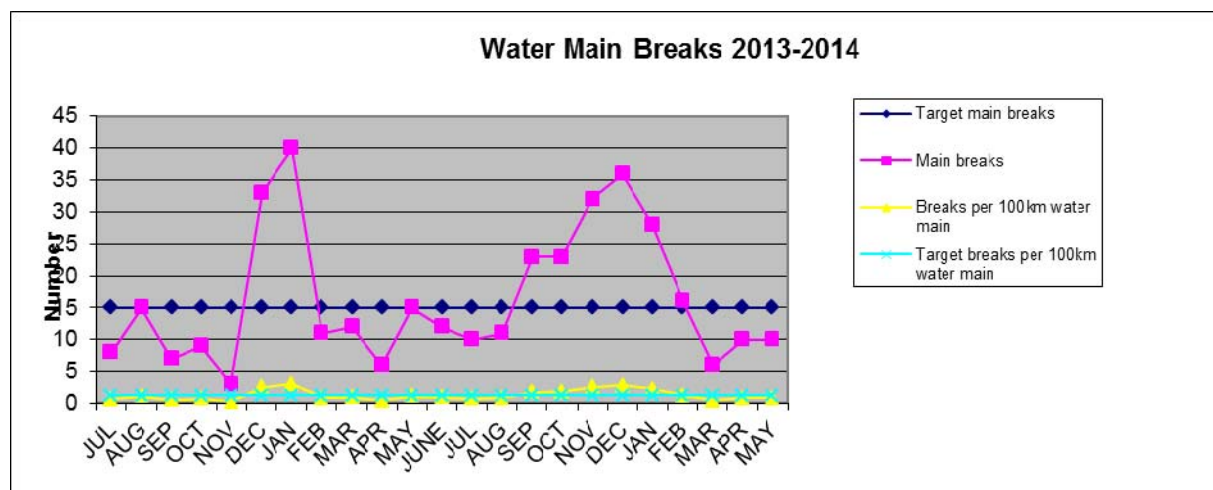
The manufacturer of the poly pipes is analysing samples of failed lines to identify root cause of failures.

FRW is introducing acceptance testing of materials with the assistance of the Logistics Unit.

- Poly pipe and Fittings = 63 breaks
- Galvanised iron = 5 breaks
- AC pipe = 2 breaks
- PVC pipe = 2 breaks

Locality	Service Leaks / Breaks
Rockhampton	70
Mount Morgan	2
Regional Total	72

Regional Water Main Breaks



Performance

Target achieved

Issues and Status

The following table shows the number of breaks per month.

Water main type	February 2014	March 2014	April 2014	May 2014
Cast Iron	2	0	0	1
A C	6	4	5	6
PVC	3	2	5	3
Mild Steel	3	0	0	0
Poly	2	0	0	0
TOTAL	16	6	10	10

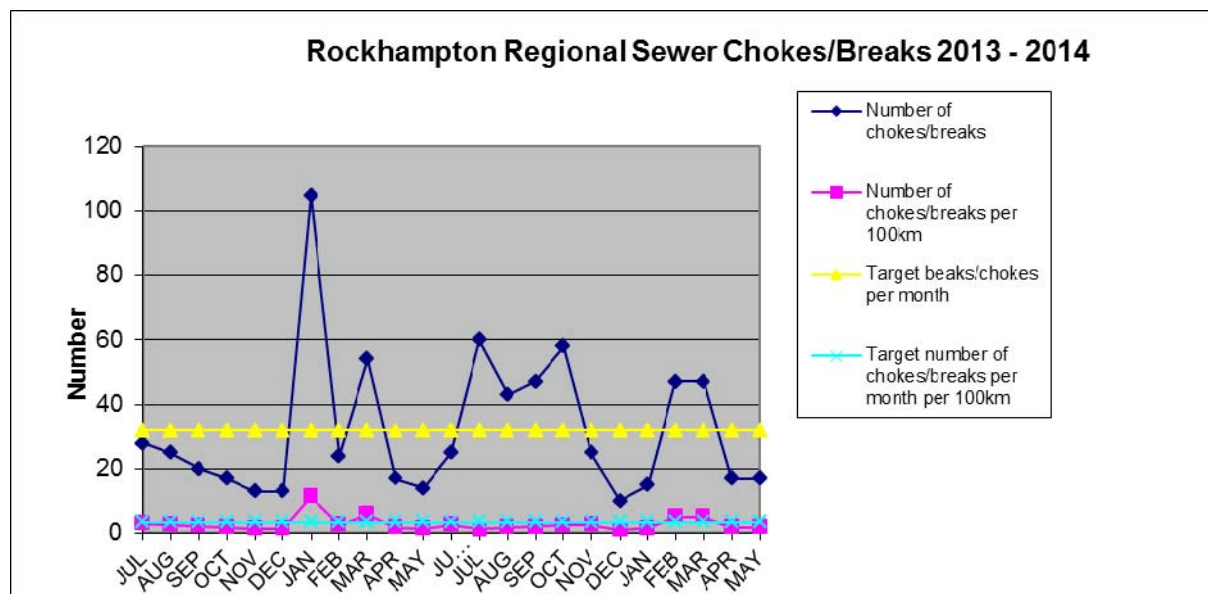
Response to Issues

Continue defect logging and rectification will reduce failure occurrences.

	Number of Main Breaks	Target Main Breaks	Breaks per 100 km	Target Breaks per 100 km	Rolling average per 100 km
May	10	15	0.80	1.21	1.48

Locality	Main Breaks
Rockhampton	5
Mount Morgan	5
Regional Total	10

Rockhampton Regional Sewer Chokes/Breaks



Performance

Target achieved.

Issues and Status

High percentage of blockages consistently occurs in Earthenware pipes, which is the original material in the network and installed from 1936.

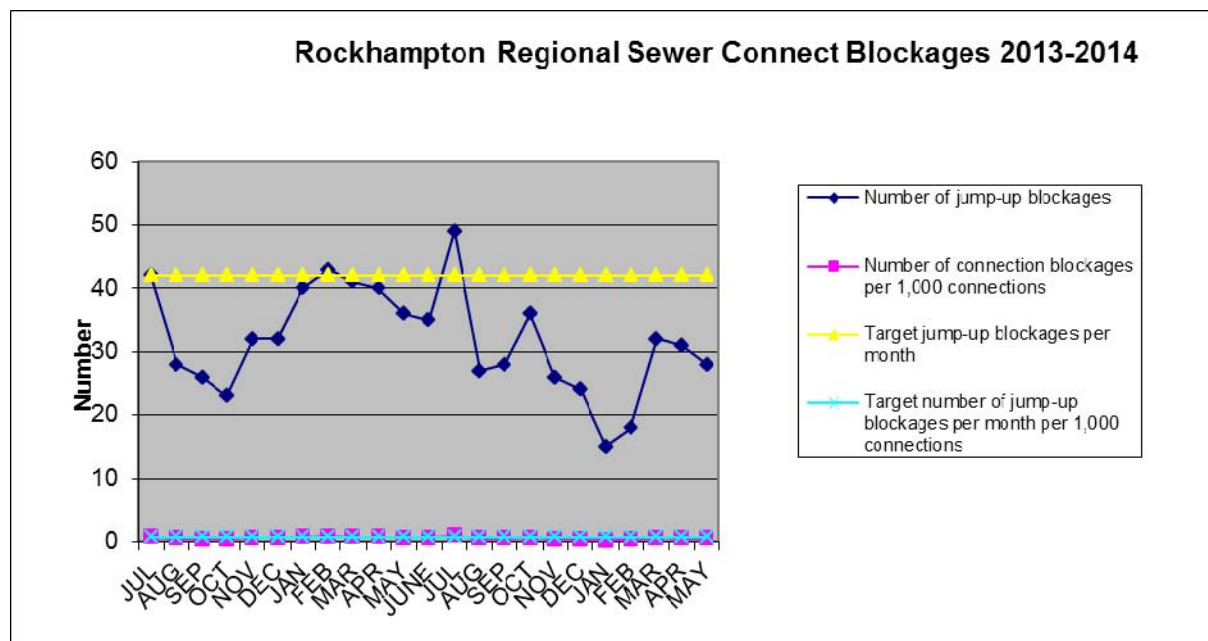
Response to Issues

Continue to log defects and monitor outcomes to ensure inclusion in the Capital Relining rehabilitation program.

	Number of chokes/breaks	Target chokes/breaks per month	Number of chokes/breaks per 100 km	Target number of chokes / breaks per month per 100km	Rolling 12 month average per 100 km chokes / breaks
May	11	32	1.8	3.47	3.80

Locality	Surcharges	Blockages
Rockhampton	8	11
Mount Morgan	0	0
Regional Total	8	11

Rockhampton Regional Sewer Connection Blockages



Performance

Target achieved

Issues and Status

Data indicates that the majority of blockages have been caused by tree root intrusion.

Response to Issues

Continue to access properties with repeat breaks and chokes for inclusion in the replacement programme.

	Number of connection blockages	Target connection blockages per month	Number of connection blockages per 1,000 connections	Target number of connection blockages per 1,000 connections	12 month average per 1,000 connections
May	28	42	0.53	0.79	0.68

Locality	Connection Blockages
Rockhampton	28
Mount Morgan	0
Regional Total	28

Sewer Rehabilitation Program

Work Location	Number completed for the month	Year to date totals
Access Chambers raised	5	104
Sewers repaired	7	171

Private WorksTable 1: New Water Connections:

Region	May	Year to Date 2014	Year to Date 2013	Year to Date 2012	Year to Date 2011
Gracemere	3	74	477	351	255
Rockhampton	62	264	155	100	97
Mt Morgan	NA	NA	NA	NA	NA
Regional Total	65	338	632	451	352

This table shows the water connection data, for May, for the past four years.

Region	May	May 2013	May 2012	May 2011
Gracemere	3	24	26	26
Rockhampton	62	12	14	11
Mount Morgan	NA	NA	NA	NA
Total	65	36	40	37

Table 2: Details on Private Works Jobs

Table 2 shows the number and quantity of private works jobs quoted and accepted during the reporting period and year to date. Jobs include both water and sewerage.

	May	Amount	YTD	Amount
Quotes Prepared	6	\$43,706.52	251	\$1,551,510.01
Quotes Accepted	11	\$157,239.36	191	\$1,214,945.62
Jobs Completed	17	\$129,773.43	189	\$1,080,036.77

Customer Enquiries - Pathways

Request Type	No. of Requests	Requests Outstanding
NSPWSC - Network Services – Private Works/Standard Connection Enquiry	13	0

Table 3: Undetected Leaks (Residential)

	May	YTD
New requests	16	100
Number declined	0	9
Number approved	9	90
Require more info	16	61
Total KI rebated	3309	58175
Total value approved	\$3870.64	\$99,253.13

Table 4: Undetected Leaks (Commercial)

	May	YTD
New requests	0	2
Number declined	0	0
Number approved	1	10
Require more info	0	0
Total KI rebated	2112	9757
Total value approved	\$759.76	\$3,842.87

Table 5: Residential Rebates

	May	Total YTD Applications	Total YTD \$
Washing machines	22	234	\$23,400
Stand Alone tank	0	5	\$1,250
Integrated tank	0	0	\$0
Dual flush toilet	2	9	\$450
Shower rose	0	5	\$125
Other	0	0	\$0
Total	24	253	\$25,225

Currently there is one unapproved application pending further advice from the applicants. They relate to:

- No purchase receipt supplied to council with the application form (1)

There are also two declined applications relating to:

- Customer not enrolled on the Australian Electoral Commission at installation address (1)
- An integrated tank and toilet installed on a new premises (1)

Water Meters

A total of 22,412 meters were read during the month of May and approximately 7,800 accounts were issued to customers. The difference in the reads compared to bills is due to two weeks lead time for bills to be processed and mailed to customers with there being overlaps from one month to the next. The last quarter reads for 2013/14 were completed on 3 June. The first quarter reads for 2014/15 commence on 9 July. Thanks to assistance by staff member from Network Maintenance the reads for April to June were completed ahead of schedule.

Sectors Read for May	4	5	6	7	8	9	10	17	18	Total
No. of meters in Sector	2855	2652	2581	2767	2189	2795	1996	3935	642	22,412
No-Reads	14	16	17	17	13	44	11	27	4	163
% Of No-Reads	0.5%	0.6%	0.6%	0.6%	0.6%	1.5%	0.5%	0.7%	0.6%	0.7%

Special Water Meter Reads

Reading Type	No. of Reads	\$ Value
Water Account Search - Averaged Readings \$27 per read	65	\$1,755.00
Water Account Search - On-Site Readings \$143.00 per read	33	\$4,719.00
Total \$ Value for May		\$6,474.00
Total \$ Value Year to Date		\$95,558.00

Customer Enquiries - Pathways

Request Type	No. of Requests	Requests Outstanding
NSWMRE - Network Services - Water Meter Reading Enquiry	64	1
NSSWMR - Network Services Special Water Meter Read Enquiry	3	0
FINIRR - Finance - Irrigators (Asset)	5	1

Building Over Sewers

The following summary is an overview of the core business activity that requires ongoing negotiations with the respective stake holders and detailed investigations to determine location and condition assessments of the associated infrastructure.

Activity Summary

	May	YTD
General enquiries	55	541
Site investigations	20	182
Approval Permits issued	2	27
Permits closed	1	7
Total	78	757

Building Over Sewer Permits in Progress

There are two permits in progress.

INFRASTRUCTURE PLANNINGPriority Future Trunk Infrastructure Review

A review of all Priority Future Trunk Infrastructure (PFTI's) projects identified under the Priority Infrastructure Plan (PIP) has been completed. Specific attention has been given to ensure PFTI project costs and scheduling accurately reflects the Fitzroy River Water ten year annual budget forecasting.

Sewer Network Investigations*SewerGEMS Software Upgrade and Model Development*

The SewerGEMS sewer network modelling software was recently upgraded at no charge under the provisions of the Bentley Support licencing agreement.

Over the last few months all seven sewer network models have now been expanded from steady state to extended 24 hour simulation models. All models still require updating to include new infrastructure constructed over the last few years. Following these updates the models will be further developed to include identified future trunk infrastructure.

Mt Morgan Sewerage Strategy

It would appear that Council has been unsuccessful in the Royalties for Regions Round 3 Expression of Interest to secure funding towards Mount Morgan Sewerage Extension.

Water Network Investigations*Edenbrook Development – Pumped Water Main Proposal*

The 300mm trunk main has been completed and the water pump station has been commissioned by FRW.

An Infrastructure Agreement has been prepared and signed by all parties for the constructed 300mm trunk water main from Birkbeck reservoir to William Palfrey Road.

Gracemere Water Supply Augmentation

The Royalties for the Region co-funded project Gracemere Water Supply Augmentation, sub-agreement has now been finalised and signed by both parties. The first milestone payment of \$100,000 is scheduled for 31 May 2014.

Water Network Analysis – 24 Victoria Parade

A water network analysis was completed for a proposed 9 storey apartment building comprising of ten 2 bedroom units and three 3 bedroom units. No external reticulation upgrades were required.

Pumping from Reticulation Mains for Fire Fighting

In response to a number recent enquires; Fitzroy River Water reiterated its position of only allowing pumping directly from reticulation mains for dedicated fire hydrant systems where it can be demonstrated that there is no significant impact on the residual service pressure of the surrounding properties with an absolute minimum pressure of 220kPa being maintained.

9.2 FRW FINANCE AND STRATEGIC MATTERS REPORT - JUNE 2014

File No: 1466
Attachments: Nil
Authorising Officer: Robert Holmes - Acting Chief Executive Officer
Author: Nimish Chand - Manager FRW

SUMMARY

This report details Fitzroy River Water's financial position and other operational matters for the Council's information as at 30 June 2014.

OFFICER'S RECOMMENDATION

THAT the FRW Finance and Strategic Matters Report for June 2014 be received.

VARIATIONS, ISSUES AND INNOVATIONS**Improvements / Deterioration in Levels of Services or Cost Drivers**

During June the capital project to separate all the Livingstone Shire Council (LSC) water and sewerage assets from the FRW SCADA monitoring and control system was completed. Apart from some pre-agreed shared sites that are able to be monitored by both Councils, water and sewerage assets are now monitored and controlled separately by each Council according to the ownership of these assets. FRW therefore no longer provides any SCADA monitoring assistance for assets owned by LSC. FRW still continues to interact with LSC in accordance with the operating protocol established in the commercial agreement for the supply of drinking water to LSC.

COMPLIANCE MATTERS

All drinking water samples collected and tested during June were compliant with State legislation and Australian Drinking Water Guideline (ADWG) health values.

The Gracemere STP was compliant for all test parameters during the month of May. The Mount Morgan had one minor non-compliance due to an elevated chlorine residual. The three Rockhampton STPs had one minor non-compliant result due to an elevated chlorine residual (NRSTP), one non-compliant result for dissolved oxygen (SRSTP) and one non-compliant result for pH (WRSTP), and were non-compliant with their combined weekly 50 percentile total nitrogen limit. The three Rockhampton STPs were compliant with all other test parameters including the combined weekly maximum load limit for total nitrogen. Improved nitrogen removal performance at the South Rockhampton STP following completion of an upgrade project later this year will ensure that the three Rockhampton STPs consistently meet the weekly 50 percentile total nitrogen limit.

FINANCIAL**Operational**

Revenue is currently 102.4% of the February revised budget. Water and sewerage utility charges are slightly higher than budget. Fees & charges are below due to trade waste charges and metered standpipe charges lower than year to date. Accruals for these two charges are yet to be processed and it is anticipated that this will bring these two activities closer to target. All other activities encompassed under the fees & charges account group have meet target.

Expenditure year to date is 98.9% of February revised budget. The majority of the expenditure account groups are within target. Creditor accruals are still to be processed in July. The major influences to the final result will be electricity, chemical, contractor accruals.

There are no material exceptions to report.

Capital

Rockhampton Regional Council Capital expenditure is below the percentage of year elapsed at 90.7% and moving to 92.0% when including 6 months of LSC projects in comparison to the February revised budget. The spike in expenditure from May to June can be attributed to the final payment for the Rockhampton to Yeppoon pipeline.

Overall the capital expenditure is anticipated to be circa 93% of budget at year end.

RRC Water YTD 98.8% and RRC Sewer YTD 86.5%.

RRC Networks YTD 107.0% and RRC Treatment YTD 68.5%.

Capital spend has increased greatly during June compared to May spend, attributed to the final payment for the Rockhampton to Yeppoon pipeline. Taking out the effects of this payment, capital expenditure is still above that of May due to contractual payments for GWTP highlift pump station upgrade and expenditure incurred constructing the duplication of the 300mm water trunk main to Gracemere. The areas of prominent activity are the Armstrong Street 300mm sewer main, Gracemere effluent main expansion, duplication of the 300mm water trunk main to Gracemere, GWTP Highlift Pump Station upgrade and Water Main Replacement programs.

This will not be the final capital result as there are accrual entries to be finalised towards the end of July.

Sundry Debtors

Below is a summary of aged sundry debtor balances at the end of June 2014. The 90+ day balances are either on payment plans, the business is in administration or the debt is with Collection House.

	Balance	0-30 Days	30-60 Days	60-90 Days	90+ Days
No. of Customers	75	32	15	28	28
Total Value	\$75,214.08	\$14,400.43	\$8,460.12	\$12,507.44	\$39,846.09

Below is an explanation of the debtor types, being a mixture of standpipes, irrigators, emergency works and effluent usage.

90+ days	Comments
\$7,070.30	Debts at Collection - (Standpipe and Trade Waste debts) – doubtful of recovery, most have moved to claims/hearings/unsuccessful to date.
\$12,407.85	Long Term Payment Plans - Mt Morgan Sewerage Connections - Recovery will occur
\$3,851.91	Other Payment Plans - Standpipes and Irrigators
\$16,516.03	Other Overdue Debt with no fixed arrangements – Trade Waste, Irrigators, Standpipes - Two irrigators to follow up and apply contractual legalities, Trade Waste - some have been to collection with no outcome, exploring other options.
60-90 Days	Comments
\$2,238.94	Other payment plan - Standpipe (from 90+ days)
\$2,527.35	Private Works
\$7,741.15	Irrigator (\$3516.42 from eight debtors that have 90+ days)
30-60 Days	Comments
\$8,248.00	Standpipe Invoices (\$2015.49 from two debtors that have 90+ days)
\$212.12	Emergency Private Works

A summary of financial performance against budget is presented below:

FINANCIALS

	June 2014			YTD			
	Actual	Annual Revised Budget	Variance to Budget	Actual	Annual Revised Budget	Variance to Budget	Annual Revised Budget
	\$	\$	\$	\$	\$	\$	\$
Department Revenue							
Net rates and utility charges	(2,368,261)	(4,914,217)	2,545,957	(60,222,778)	(58,970,608)	(1,252,170)	(58,970,608)
Fees and Charges	(51,139)	(139,853)	88,715	(1,545,905)	(1,678,239)	132,335	(1,678,239)
Private and recoverable works	(389,850)	(237,233)	(152,616)	(3,157,823)	(2,846,802)	(311,022)	(2,846,802)
Rent/Lease Revenue	(887)	(5,515)	4,628	(87,634)	(66,177)	(21,457)	(66,177)
Grants Subsidies & Contributions	0	(647)	647	(83,464)	(7,769)	(75,695)	(7,769)
Interest revenue	0	(25,800)	25,800	(302,833)	(309,600)	6,767	(309,600)
Other income	(6,718)	(4,163)	(2,555)	(56,152)	(49,957)	(6,195)	(49,957)
Total Department Revenue	(2,816,854)	(5,327,429)	2,510,576	(65,456,590)	(63,929,152)	(1,527,438)	(63,929,152)
Expenses							
Employee costs	495,553	730,837	(235,285)	8,213,989	8,770,050	(556,061)	8,770,050
Contractors & Consultants	216,160	143,037	73,123	1,729,310	1,716,442	12,869	1,716,442
Materials & Plant	216,910	283,429	(66,519)	3,282,689	3,401,153	(118,464)	3,401,153
Asset Operational	157,278	278,582	(121,304)	3,278,190	3,342,985	(64,794)	3,342,985
Administrative expenses	24,730	28,855	(4,125)	264,295	346,259	(81,964)	346,259
Depreciation	899,205	899,205	(0)	10,990,707	10,790,463	200,244	10,790,463
Finance costs	638,590	291,826	346,763	3,477,113	3,501,916	(24,803)	3,501,916
Other Expenses	2,500	5,007	(2,508)	38,578	60,086	(21,508)	60,086
Accounting Adjustments	45,746	833	44,912	122,088	10,000	112,088	10,000
Total Expenses	2,696,671	2,661,613	35,058	31,396,959	31,939,353	(542,394)	31,939,353
Transfer / Overhead Allocation							
Transfer/Overhead Allocation	40,230	108,216	(67,986)	1,219,684	1,298,589	(78,905)	1,298,589
OH Allocation	229,648	236,105	(6,457)	2,886,663	2,833,258	53,405	2,833,258
Competitive Neutrality Adjustments	1,648,187	1,671,289	(23,103)	20,055,471	20,055,471	(0)	20,055,471
De-amalgamation internal transfers	0	(3,334)	3,334	(40,007)	(40,008)	1	(40,008)
Total Transfer / Overhead Allocation	1,918,064	2,012,276	(94,212)	24,121,811	24,147,310	(25,499)	24,147,310
TOTAL OPERATING POSITION (SURPLUS)/DEFICIT	1,797,882	(653,541)	2,451,423	(9,937,819)	(7,842,489)	(2,095,331)	(7,842,489)

ADMINISTRATION MATTERS**Administration**

The Administration Team continues to provide high level administrative support to various sections across the business.

Pathway Statistics for the month of June 2014:

	Customer requests received	Requests Completed for the month			Action required by the Admin Team	Completed by the Admin Team
		Priority 3	Priority 2	Priority 1		
RRWR	318	254	66	15	63	335
FRW	511	131	78	10	293	219
TOTAL	829	385	144	25	356	554

Priority 3 - requests completed within the required timeframe.

Priority 2 - requests not completed within the required timeframe and are escalated to the supervisor.

Priority 1 - requests not completed within the required timeframe and are escalated to the manager.

Dial Before You Dig (DBYD)

As of 25 March 2014, the Administration Team took over the responsibility of managing the DBYD requests. The average number of requests received per day for June was 9.77.

	June 2014	May 2014	April 2014	March 2014	Yearly Total
Requests Processed	254	263	179	26	468

Site Tours

There were no site tours held in June 2014.

Communication and Education*Fact sheets*

All fact sheets referencing 2013-14 fees and charges were updated in preparation for the new Financial Year.

Education tours

A flyer with information on educational tours was emailed to all teachers/ administration contacts of schools in the Region, prior to the school holiday break.

News in Education – The Morning Bulletin

The monthly advertisement for June in the News in Education section of The Morning Bulletin covered trade waste approvals.

Media Releases and Community Notices

Three media releases were issued in June which resulted in positive media coverage for Fitzroy River Water's win in the Central Queensland round of Qldwater's Best of The Best Water Taste Test.

PROJECT AND CONTRACT MANAGEMENT

An update on the activities of current projects is provided in the table below.

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
NETWORK SERVICES CAPITAL WORKS PROGRAM					
Rockhampton Water (water main replacement)					
Rundle & Murray St 150 mm water main replacement	June 2014	September 2014	20%	\$499,272	\$169,737
Comments: On Schedule					
North St (Murray-Campbell), 250mm water main replacement	December 2013	July 2014	100%	\$278,326	\$259,939
Comments: Construction completed.					
Archer St (Campbell & West) 300 mm water main replacement	February 2014	August 2014	55%	\$835,430	\$411,501
Comments : On schedule					
Wilkinson Street and Wandal Road	May 2014	June 2014	100%	\$185,387	\$154,018
Comments: Construction Completed					
Gracemere Duplication (Athelstane) 300mm new water main	February 2014	June 2014	100%	\$1,000,000	\$1,260,280
Comments: Stage 1 construction completed. Increase to cost due to the commencement of stage 2 and purchase of material.					
Armstrong Street Gracemere 300mm sewer rising main replacement	December 2013	July 2014	100%	\$640,000	\$613,780
Comments: Construction completed.					
Gracemere Sewer Effluent	March 2014	June 2014	100%	\$260,000	\$397,144
Comments: Armstrong street section completed. Increase to cost due to the commencement of stage 2 and purchase of materials.					
Rockhampton Sewer					
Sewer rehabilitation program (including Building over Sewer works)	July 2013	June 2015	73%	\$1,022,907	\$741,507
Comment: Rehabilitation and renewals annual program of works. Rolling project. Carry over to new FY.					
Gracemere Sewer					

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
Nil					
Mount Morgan (water mains replacement)					
Dee St (East - Edward) 100 mm water main replacement	February 2014	June 2014	100%	\$204,580	\$158,037
Comments: Construction completed					
Black St (Dee – Morgan) 100mm water main replacement	February 2014	July 2014	100%	\$60,299	\$16,396
Comments: Construction completed					
Thompson St (Tipperary and Shield)	February 2014	August 2014	75%	\$72,565	\$7,800
Comments: On schedule for completion in August					
Mount Morgan Sewer					
Dee St, New 225mm Gravity Sewer	February 2014	August 2014	95%	\$250,000	\$299,320
Comments: On Schedule; Excavating through hard rock has delayed the completion date and increased project costs.					
TREATMENT AND SUPPLY CAPITAL WORKS PROGRAM					
R-S GSTP Augmentation. Strategic planning and augmentation of Rockhampton and Gracemere STPs.	July 2012	July 2014	99%	\$549,569	\$388,411
Comments: On schedule.					
R - NRSTP CCTV Camera Unit Installation of CCTV to improve physical security at NRSTP	September 2012	June 2013	100%	\$28,760	\$4,548
Comments: Completed.					
M STP Communications Upgrade to enable monitoring of STP from Glenmore WTP.	April 2013	September 2013	100%	\$17,256	\$17,779
Comments: Completed.					
M STP Chlorination Upgrade	April 2013	August 2014	70%	\$15,716	\$8,250
Comments: On schedule.					
R – S NRSTP Aerator Replacement	July 2013	Dec 2014	70%	\$91,071	\$54,228
Comments: Delayed due to supplier design issues.					

Project	Start Date	Expected Completion Date	Completion Status	Budget Estimate	YTD actual /committals
Barrage Crane and Rail Restoration	December 2013	December 2014	60%	\$333,247	\$120,202
Comments: Crane restoration completed. Contract awarded for crane rail regrouting and certification of crane being sought. Carry over to new FY.					
GWTP Highlift Pump Station Upgrade (1 st Stage)	July 2013	September 2014 (1 st Stage)	80%	\$3,366,922	\$2,154,635
Comments: Delays (4- 6 weeks) experienced due to wet weather and design issues.					
GWTP Lowlift Pump Station Upgrade	September 2013	June 2015	10%	\$0	\$5,784
Comments: Project deferred to 2014-15.					
Mechanical Dewatering NRSTP Installation of centrifuge at NRSTP	May 2012	June 2014	100%	\$758,700	\$762,625
Comments: Completed.					
Gracemere Recycled Water Irrigation Electrical Upgrade	May 2013	January 2014	100%	\$200,000	\$191,487
Comments: Completed.					
Arthur Street SPS Electrical Upgrade	August 2012	June 2015	10%	\$15,000	\$12,488
Comments: Project deferred to 2014-15.					
Yaamba Rd Reservoir Chlorination Upgrade	Jan 2014	August 2014	60%	\$50,000	\$17,568
Comments: On schedule.					
MM North Reservoir Rechlorination	July 2013	August 2014	95%	\$50,000	\$39,622
Comments: On schedule.					
MMWTP Coagulant Dosing Upgrade	Jan 2014	August 2014	30%	\$30,000	\$6,850
Comments: On schedule.					
G Lucas St WPS electrical switchboard upgrade	Jan 2014	December 2014	10%	\$70,000	\$10,199
Comments: On schedule for completion in 2014-15 with additional budget allocation. Carry over to new FY.					

R = Rockhampton, G = Gracemere, M = Mt Morgan

WPS = water pump station, SPS = sewage pump station, STP = sewage treatment plant,

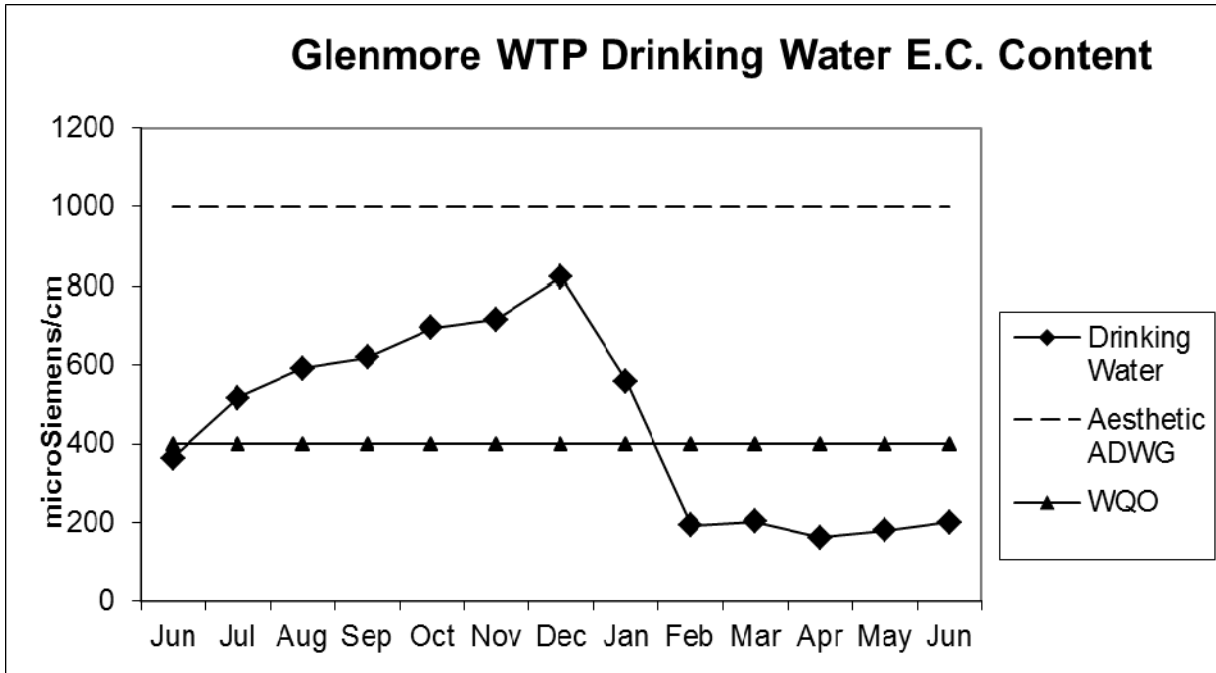
S = sewerage, W = water.

TREATMENT AND SUPPLY

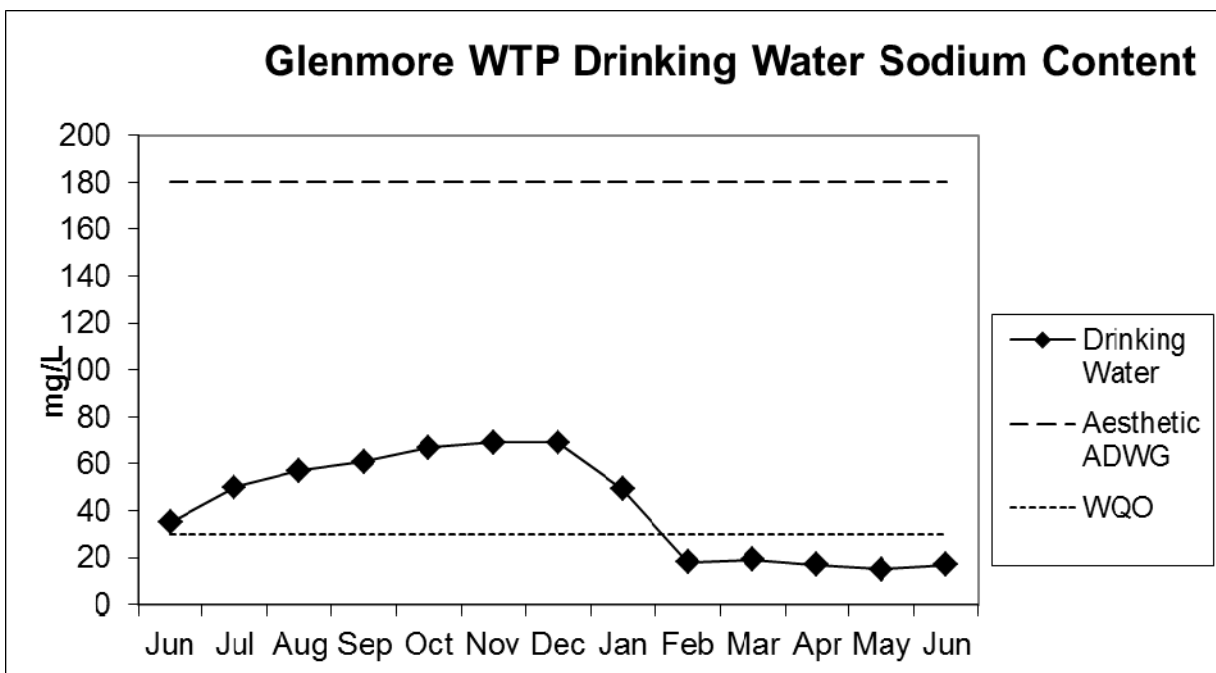
Workplace Health and Safety

- There were no lost time injuries for the month.
- No employees are currently on long term lost time injuries.
- Two safety incidents were reported for the month.

Drinking Water E.C. and Sodium Content



The level of E.C. in drinking water supplied from the Glenmore Water Treatment Plant (GWTP) during June increased slightly to be 200 µS/cm. The low E.C. reading follows the recent flow of water in the Fitzroy River after the receipt of rainfall in the upstream catchments. The level of E.C. is well below the Water Quality Objective of 400 µS/cm and well beneath the previously used aesthetic guideline value of 1000 µS/cm. The E.C. reading is not expected to increase significantly within the next few months.

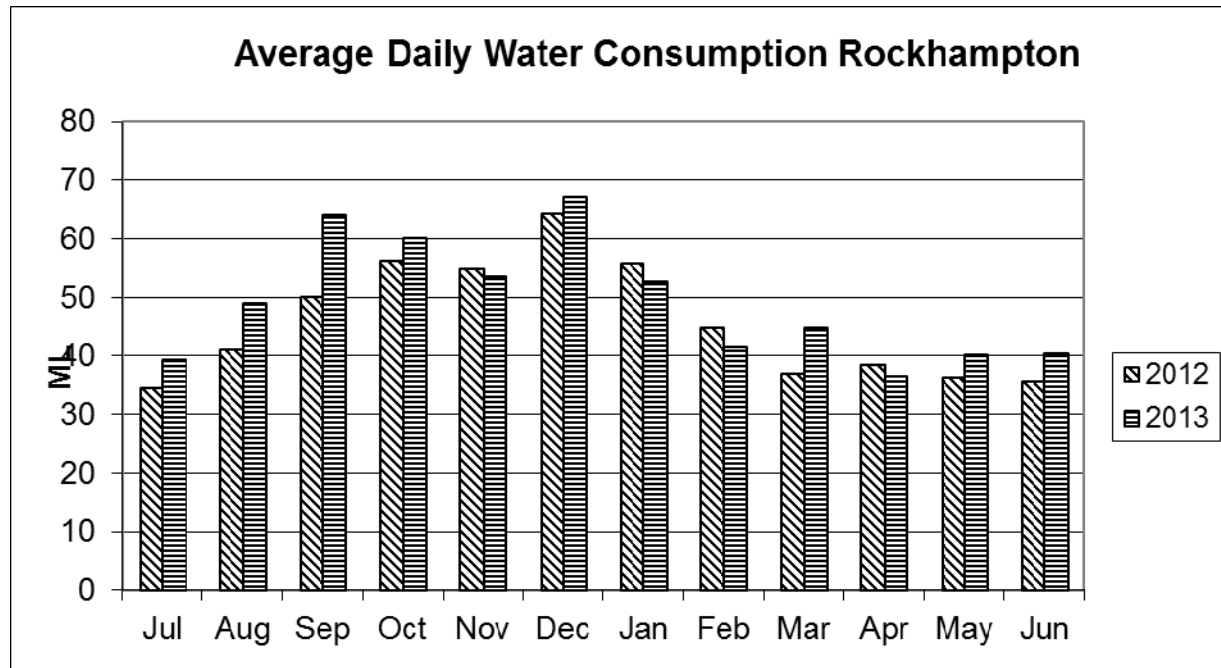


The concentration of sodium in drinking water supplied from the GWTP during June increased slightly to be 17 mg/L. This low level of sodium follows the recent flow of water in the Fitzroy River after the receipt of rainfall in the upstream catchment. The current level of sodium is well below the Water Quality Objective value of 30 mg/L and is well beneath the aesthetic guideline of 180 mg/L for sodium in the Australian Drinking Water Guidelines. The sodium concentration is not expected to increase significantly within the coming months.

Drinking Water Supplied

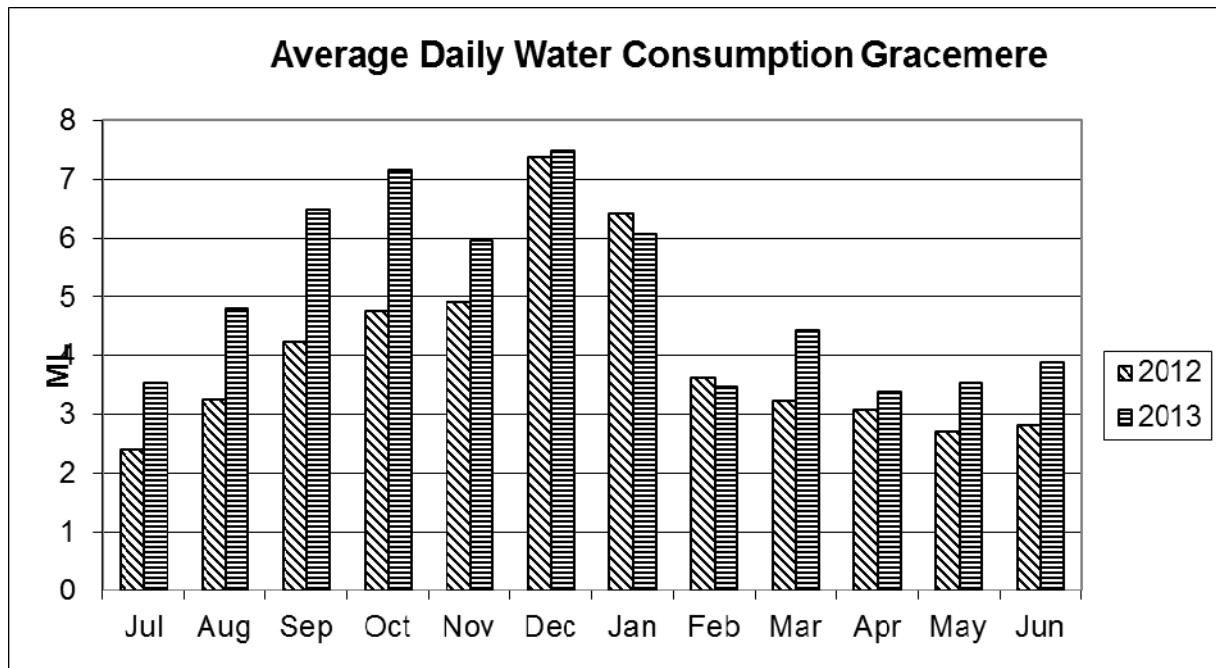
Data is presented in graphs for each water year (e.g. 2013 is the period from July 2013 to June 2014).

Rockhampton



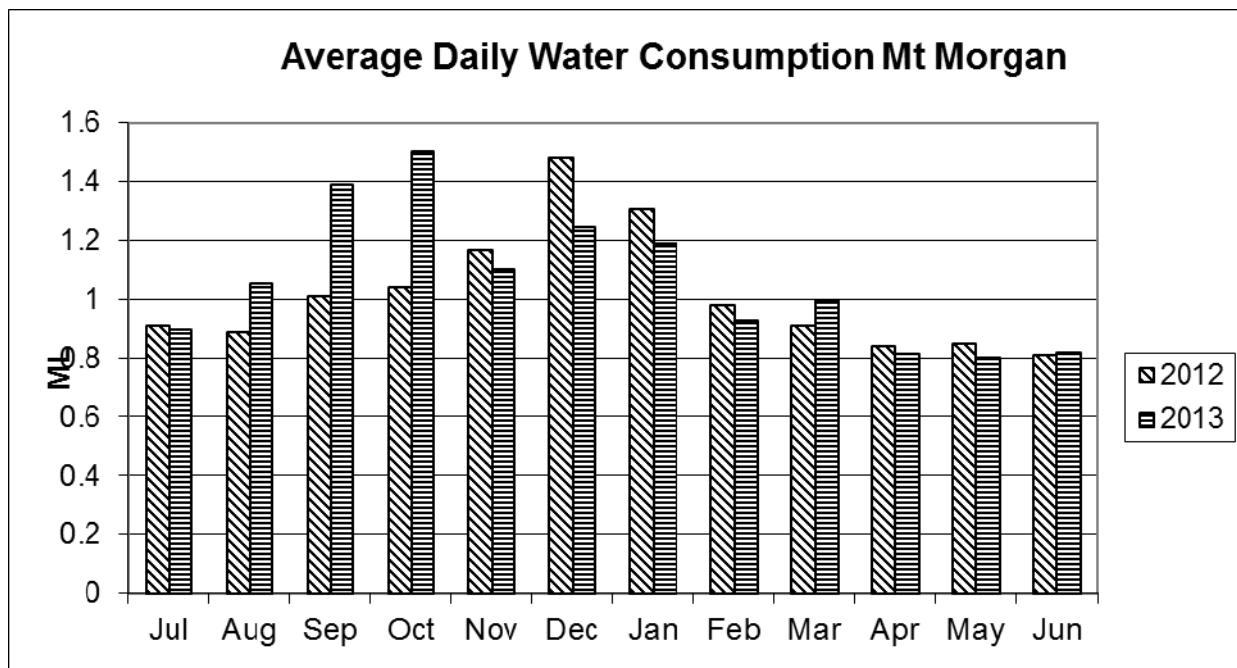
Average daily water consumption in Rockhampton during June increased slightly compared to that reported in May and was higher than that reported in the same period last year. The increase in consumption was due to the lack of significant rainfall during most of the month. The Fitzroy Barrage Storage is currently at full storage level and is therefore well above the threshold in the Drought Management Plan used to trigger the implementation of water restrictions.

Gracemere



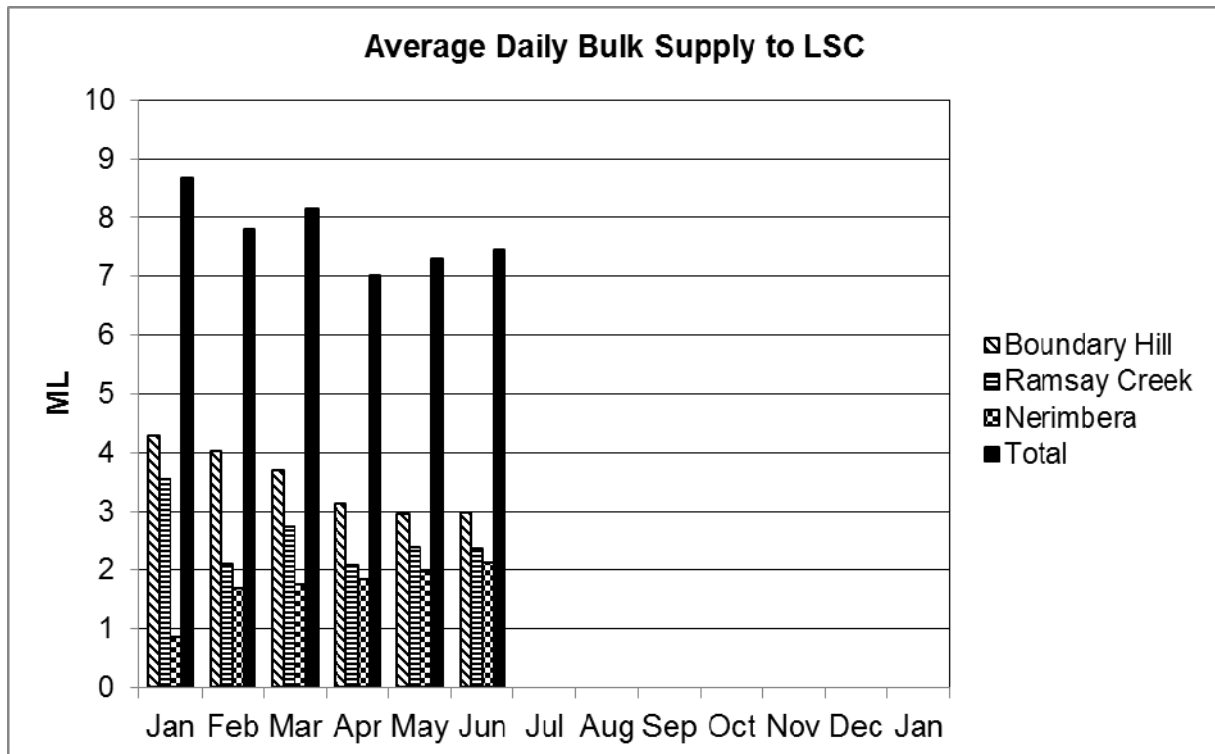
Average daily water consumption in Gracemere during June increased compared to that reported in May and was greater than that reported in the same period last year. The increase in consumption was due to the lack of significant rainfall during most of the month. The Fitzroy Barrage Storage is currently at full storage level and is therefore well above the threshold in the Drought Management Plan used to trigger the implementation of water restrictions.

Mount Morgan



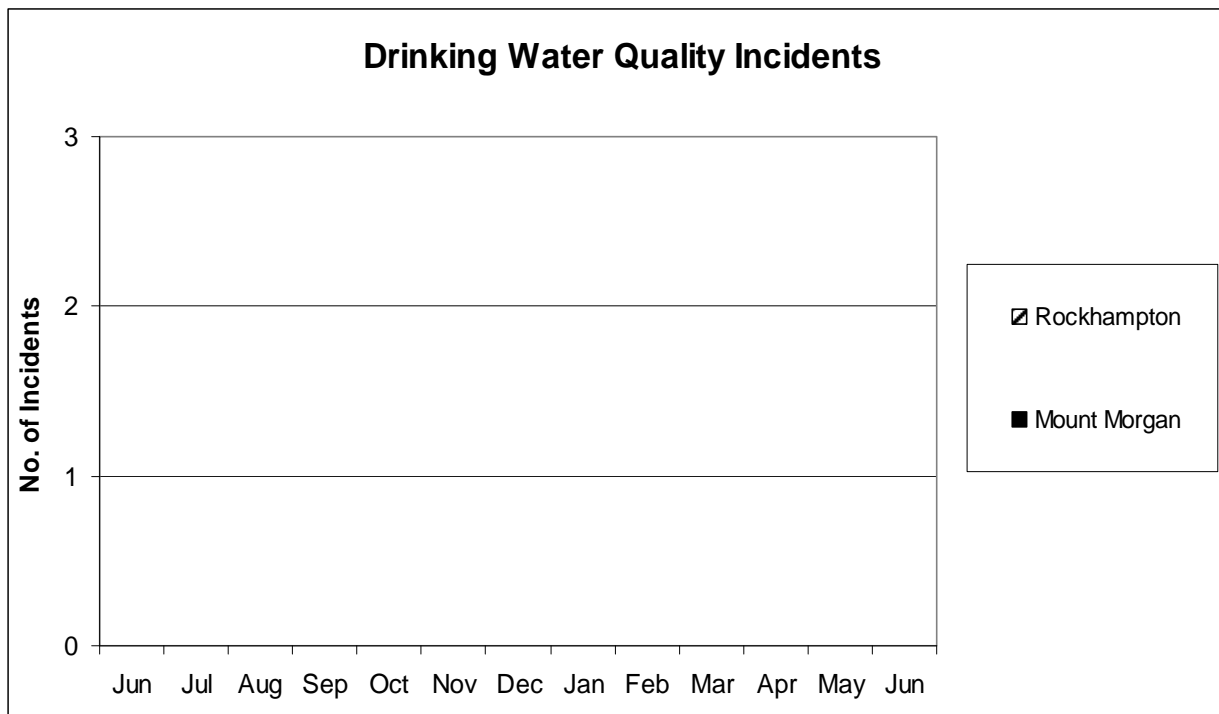
Average daily water consumption in Mount Morgan during June increased slightly compared to that reported in May and was lower than that reported for the same period last year. This increase is probably due to the lack of significant rainfall throughout the month. The No. 7 Dam is currently at close to full storage level, well above the 50% storage threshold value in the Drought Management Plan that is used to trigger the implementation of water restrictions in Mount Morgan.

Bulk Supply to Livingstone Shire Council



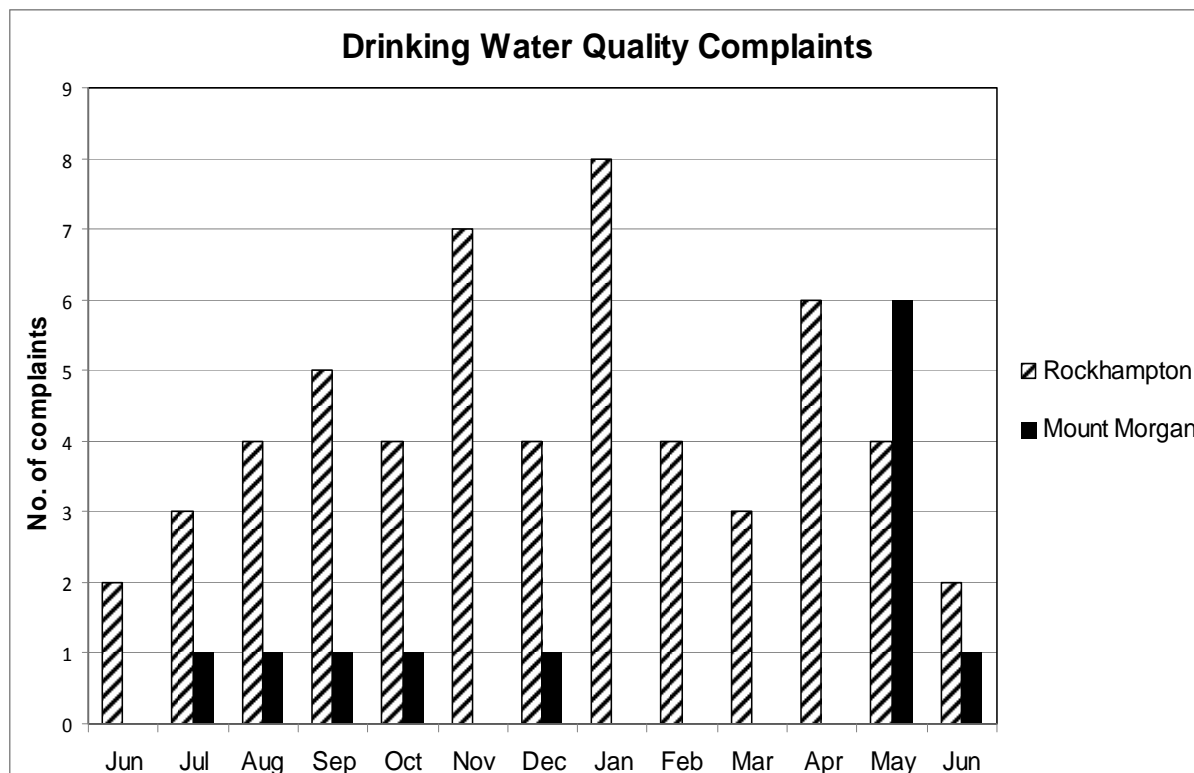
Overall, the average daily volume of water supplied to LSC increased slightly during June compared to that recorded in May to be 7.46 ML. This overall increase appears to be predominantly due to slight increases in the average daily bulk supply to Nerimbera.

Drinking Water Quality Incidents



No drinking water quality incidents occurred during the month of June and only three drinking water quality incidents have occurred over the past 30 months.

Drinking Water Quality Complaints

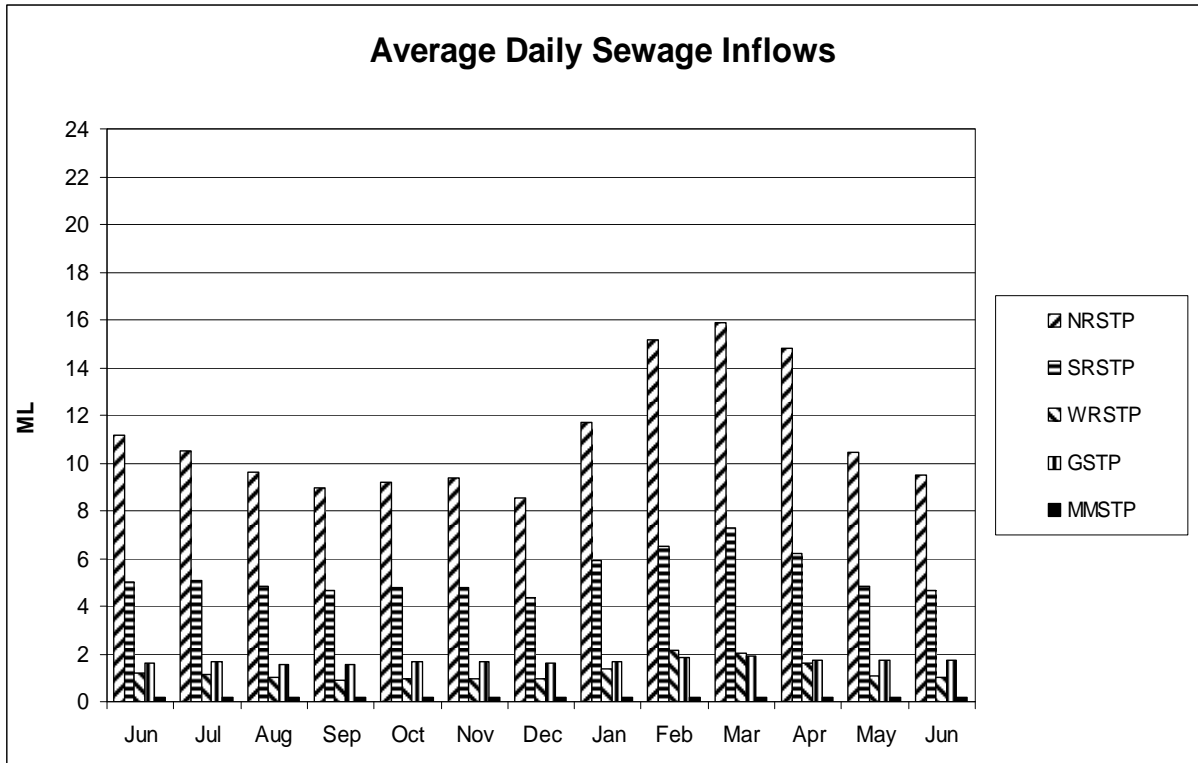


	Elevated Chlorine	Taste/Odour/Quality	Discoloured Water	Physical Appearance (e.g. residue or air)
No. Complaints	0	0	3	0

The total number of drinking water quality complaints (3 complaints) received during June decreased from the 10 complaints received in May.

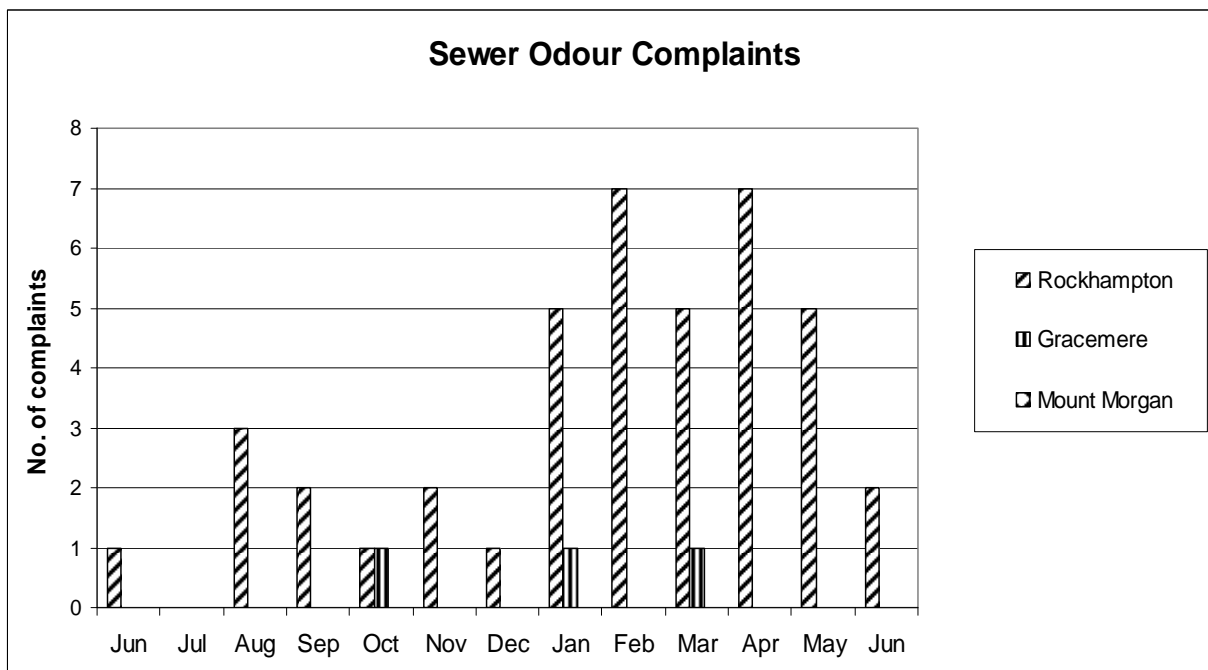
All three complaints were associated with discoloured water being detected by the customer. Two of these complaints were in Rockhampton with the cause attributed to old internal galvanised pipework causing iron-related discolouration. The other complaint was received from Mount Morgan. In all instances FRW assisted by taking action to address each issue by providing additional testing, information or through the flushing of water mains to resolve the issue.

Sewage Inflows to Treatment Plants



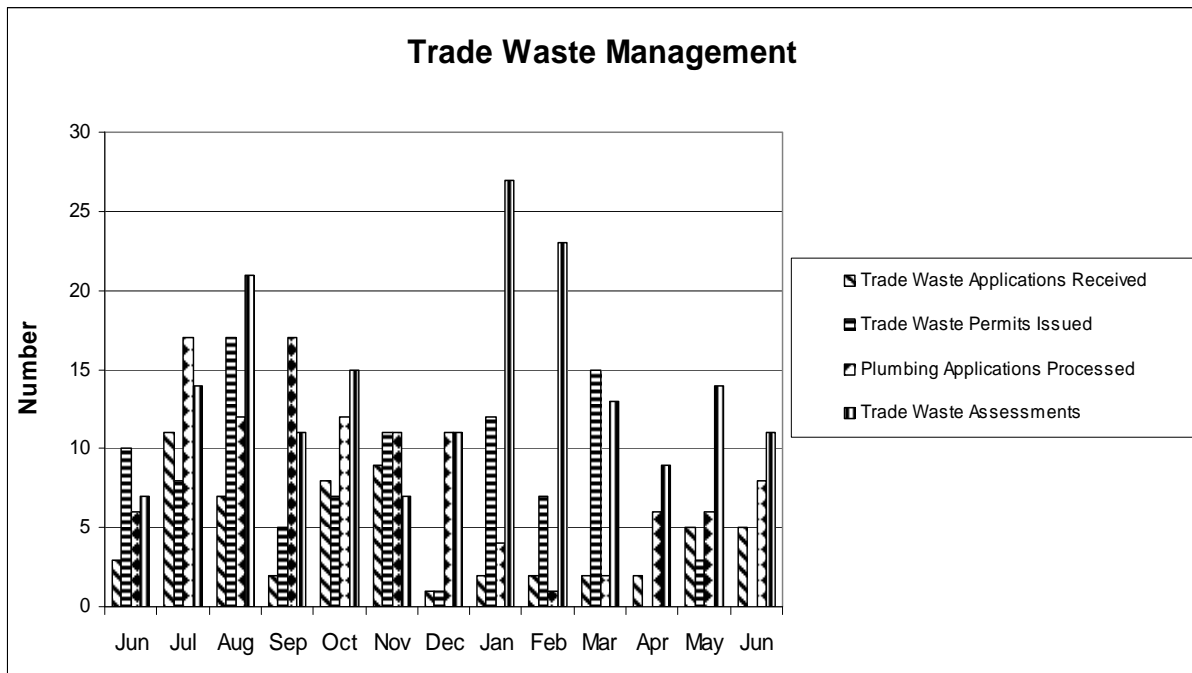
Average daily sewage inflows during June were lower than that reported in May due to the lack of significant rainfall during most of the month. Overall, inflows are now approaching normal dry weather inflows with the level of infiltration from earlier rain events now declining.

Sewer Odour Complaints



Two sewer odour complaints were received during the month of June, a decrease from the five complaints recorded in May. All of the complaints were received in Rockhampton with one complaint associated with an event at the South Rockhampton STP and the other complaint associated with an unknown cause possibly related to the sewerage network. Each complaint was investigated and action was taken where possible to resolve the odour problem.

Trade Waste Management Activities

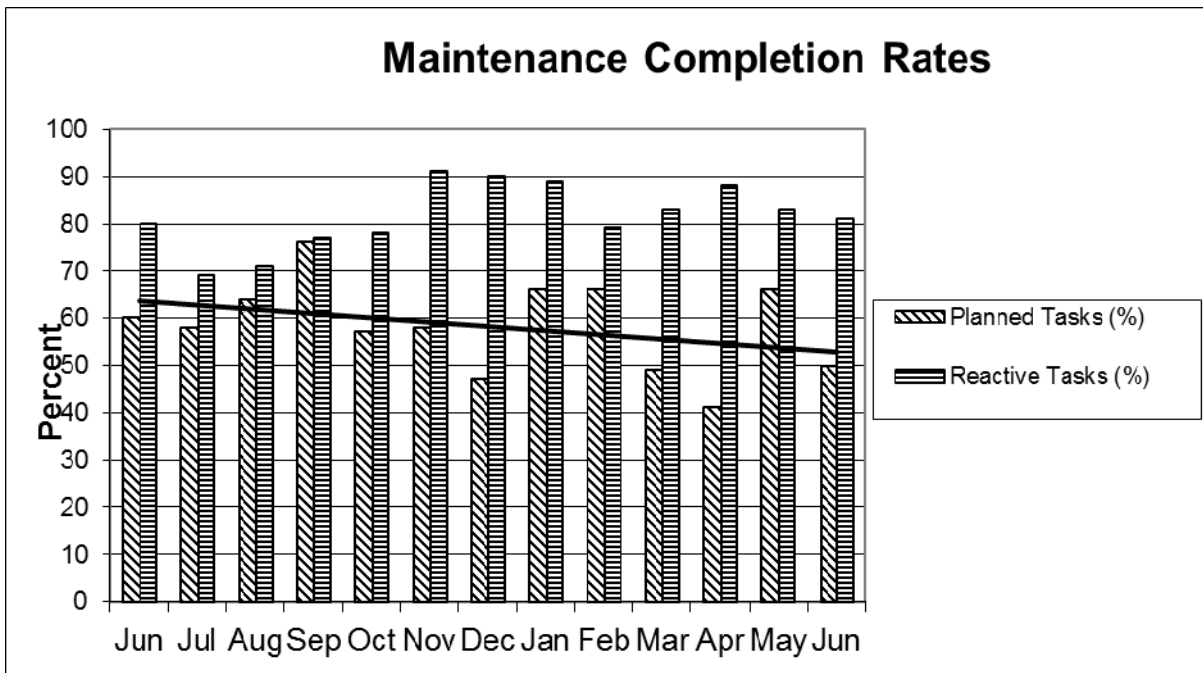


Five Trade Waste applications were received and although no Trade Waste Permits were issued during June, 10 Trade Waste Permits were finalised in late June for issuing in July. Eight Plumbing Applications were processed and 11 Trade Waste Assessments were completed by the team with a number of these to be finalised for issuing of permits in June.

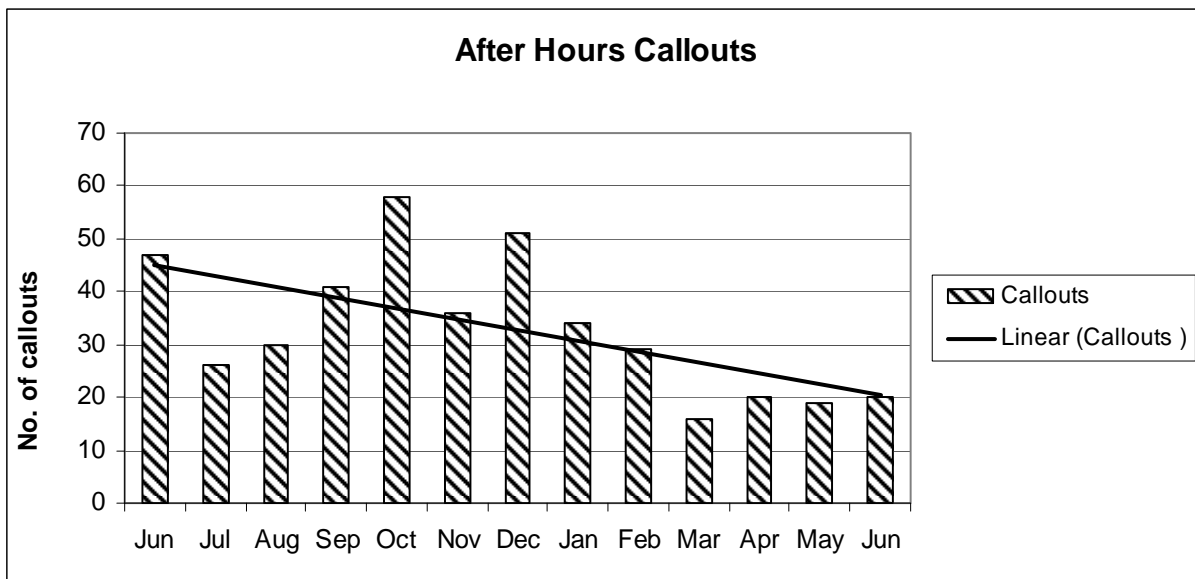
Maintenance Activities

The table below shows the breakdown of work completed based on the category of the work activity.

Maintenance Type	Work Category			
	Electrical	Mechanical	General	Operator
Planned	98	37	95	0
Reactive	73	44	3	1
After hours callouts	15	4	0	1
Capital	0	0	0	0
Safety and Compliance	3	4	39	0



A total of 460 preventative maintenance activities were scheduled and 149 reactive maintenance activities were requested during the month of June. Completion rates for each type of maintenance activity by the end of the month were 50% and 81% respectively. The completion rate for planned maintenance tasks is lower due to a change in the reporting of uncompleted work in progress tasks from previous months. The recent addition of an external contract electrician to the maintenance team has significantly improved the completion rate for electrical maintenance through this increase in resourcing.



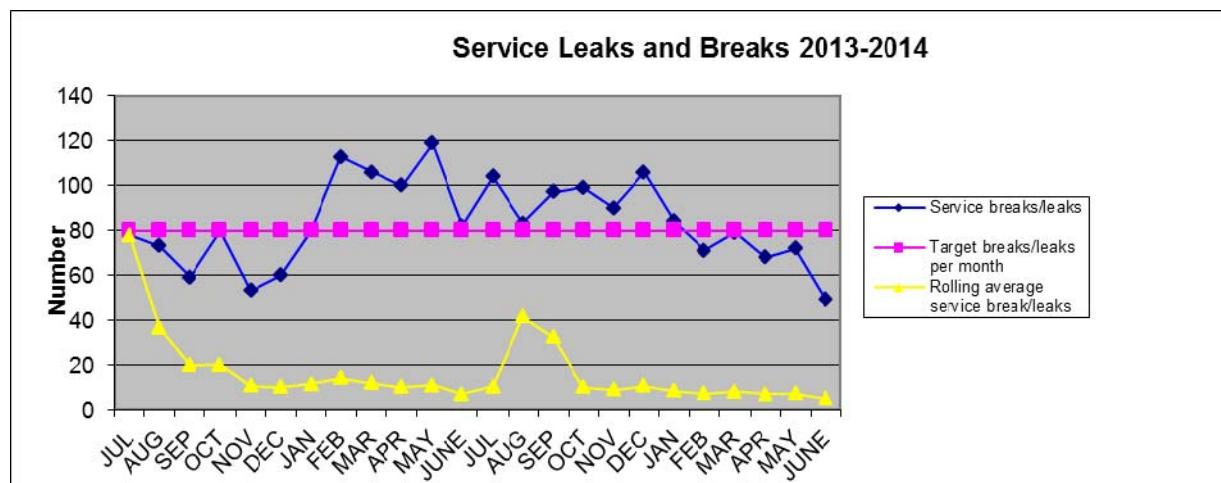
The number of after-hours call-outs for Treatment and Supply (20 call-outs) increased slightly during June compared to May. The number of callouts is lower than the 12 month rolling average of 32 call-outs. The trend line in the graph continues to indicate a gradual decrease in call-outs over the last 12 months. The call-outs were required to attend faults in Rockhampton, Gracemere and Mount Morgan at water treatment plants, sewage treatment plants, reservoirs and water and sewerage pump stations. In almost all cases, the faults were rectified within the targeted rectification time according to the Priority Ratings used for rank reactive maintenance events.

NETWORK SERVICES

Workplace Health and Safety

- There were no lost time injuries for the month.
- No employees are currently on long term lost time injuries.
- Six safety incidents were reported for the month.

Regional Service Leaks and Breaks



Performance

Target achieved.

Issues and Status

Maintenance records indicate a high percentage of service breaks and joint failures consistently occurring on poly services.

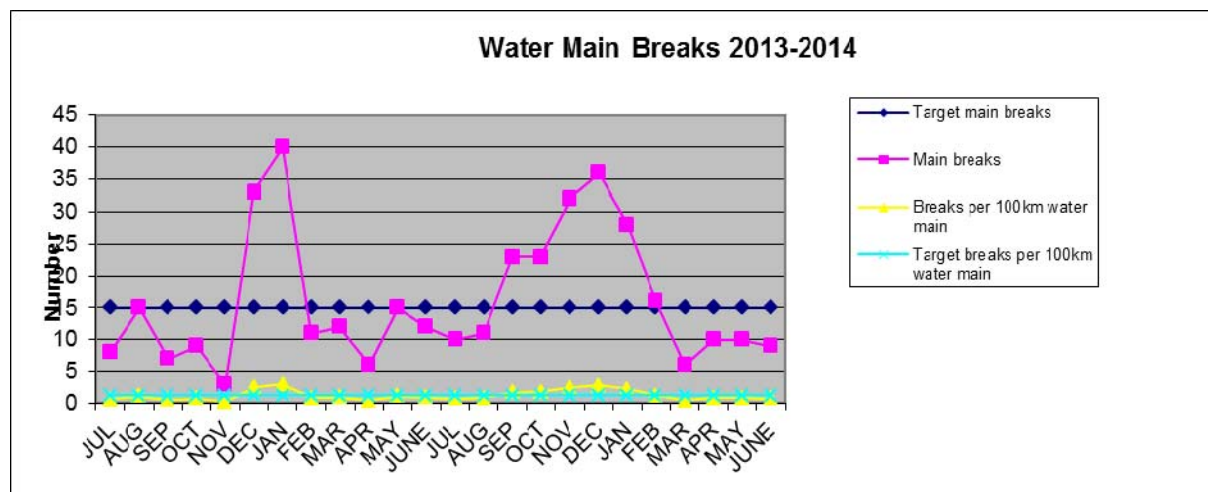
Response to Issues

Water services subject to two failures are being replaced under the capital replacement programme to minimise the risk of failure.

- Poly pipe and fittings = 95%
- Galvanised iron = 5%

Locality	Service Leaks / Breaks
Rockhampton	46
Mount Morgan	3
Regional Total	49

Regional Water Main Breaks



Performance

Target achieved

Issues and Status

The following table shows the number of breaks per month.

Water main type	March 2014	April 2014	May 2014	June 2014
Cast Iron	0	0	1	3
A C	4	5	6	4
PVC	2	5	3	2
Mild Steel	0	0	0	0
Poly	0	0	0	0
TOTAL	6	10	10	9

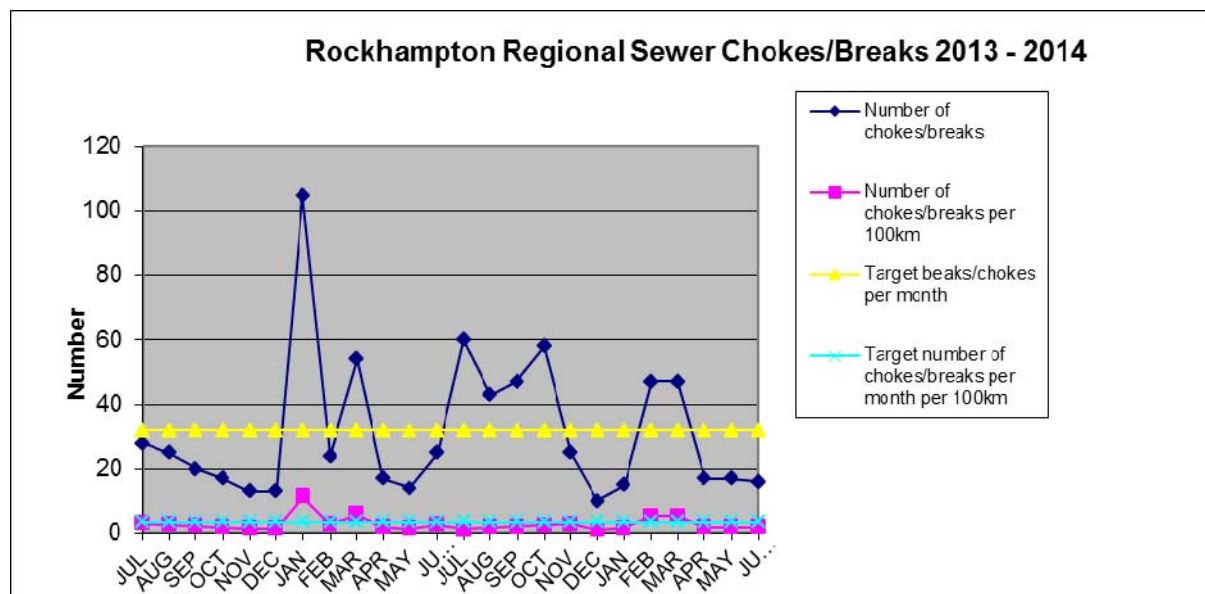
Response to Issues

Continue defect logging and rectification will reduce failure occurrences.

	Number of Main Breaks	Target Main Breaks	Breaks per 100 km	Target Breaks per 100 km	Rolling average per 100 km
June	9	15	0.72	1.21	1.42

Locality	Main Breaks
Rockhampton	8
Mount Morgan	1
Regional Total	9

Rockhampton Regional Sewer Chokes/Breaks



Performance

Target achieved.

Issues and Status

High percentage of tree root blockages consistently occurs in Earthenware pipes.

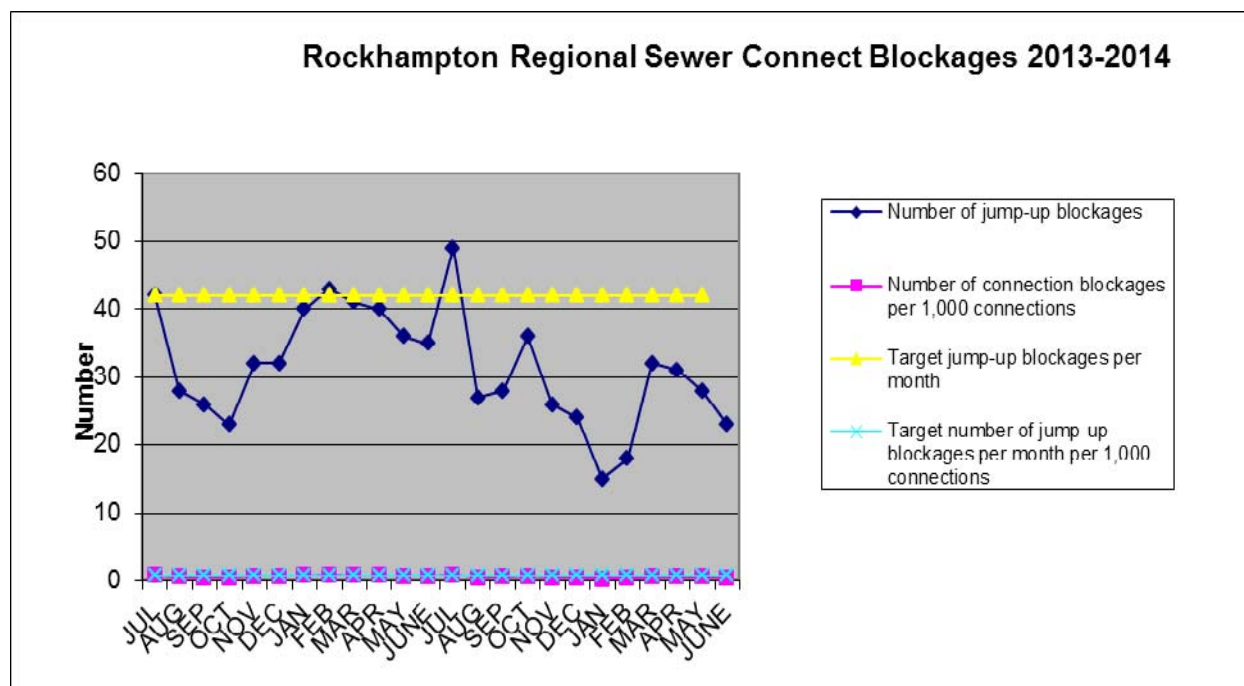
Response to Issues

Continue to log defects and monitor outcomes to ensure inclusion in the Capital Relining rehabilitation program.

	Number of chokes/breaks	Target chokes/breaks per month	Number of chokes/breaks per 100 km	Target number of chokes / breaks per month per 100km	Rolling 12 month average per 100 km chokes / breaks
June	16	32	1.8	3.47	3.63

Locality	Surcharges	Blockages
Rockhampton	7	16
Mount Morgan	0	0
Regional Total	7	16

Rockhampton Regional Sewer Connection Blockages



Performance

Target achieved

Issues and Status

Data indicates that the majority of blockages have been caused by tree root intrusion.

Response to Issues

Continue to access properties with repeat breaks and chokes for inclusion in the capital replacement programme.

	Number of connection blockages	Target connection blockages per month	Number of connection blockages per 1,000 connections	Target number of connection blockages per 1,000 connections	12 month average per 1,000 connections
June	23	42	0.41	0.79	0.56

Locality	Connection Blockages
Rockhampton	23
Mount Morgan	0
Regional Total	23

Sewer Rehabilitation Program

Work Location	Number completed for the month	Year to date totals
Access Chambers raised	5	109
Sewers repaired	12	183

Private WorksTable 1: New Water Connections:

Region	June	Year to Date 2014	Year to Date 2013	Year to Date 2012	Year to Date 2011
Gracemere	2	76	492	397	269
Rockhampton	30	294	173	113	103
Mount Morgan	0	0	0	0	0
Regional Total	32	370	665	510	372

This table shows the water connection data, for June, for the past four years.

Region	June	June 2013	June 2012	June 2011
Gracemere	2	15	46	14
Rockhampton	30	18	13	6
Mount Morgan	0	0	0	0
Total	32	33	59	20

Table 2: Details on Private Works Jobs

Table 2 shows the quantity of private works jobs quoted and accepted during the reporting period and year to date. Jobs include both water and sewerage.

	June	Amount	YTD	Amount
Quotes Prepared	9	\$74,752.91	260	\$1,626,262.92
Quotes Accepted	8	\$23,401.54	198	\$1,238,347.16
Jobs Completed	12	\$111,271.80	201	\$1,191,308.57

Customer Enquiries - Pathways

Request Type	No. of Requests	Requests Outstanding
NSPWSC - Network Services – Private Works/Standard Connection Enquiry	19	2

Table 3: Undetected Leaks (Residential)

	June	YTD
New requests	8	108
Number declined	1	10
Number approved	1	91
Require more info	2	63
Total KI rebated	7,063	65,238
Total value approved	\$12,566.78	\$111,819.91

Table 4: Undetected Leaks (Commercial)

	June	YTD
New requests	0	2
Number declined	0	0
Number approved	1	11
Require more info	0	0
Total KI rebated	5,233	14,990
Total value approved	\$4,055.58	\$7,898.45

Table 5: Residential Rebates

	June	Total YTD Applications	Total YTD \$
Washing machines	14	248	\$24,800
Stand Alone tank	1	6	\$1,500
Integrated tank	0	0	\$0
Dual flush toilet	0	9	\$450
Shower rose	0	5	\$125
Other	0	0	\$0
Total	15	268	\$26,875

Currently there is one unapproved application pending further advice from the applicants. It relates to:

- Customer not enrolled on the Australian Electoral Commission at installation address (1).

There was also one declined application relating to:

- Customer claimed rebate after 12 months of purchase (1).

Water Meters

A total of 827 meters were read during the month of June being the last of the Mount Morgan meters and approximately 18,000 accounts were issued to customers. The difference in the reads compared to bills is due to two weeks lead time for bills to be processed and mailed to customers with there being overlaps from one month to the next. The last quarter reads for 2013/14 were completed on 3 June. The first quarter reads for 2014/15 commence on 9 July.

Sectors Read for June	18	Total
No. of meters in Sector	827	827
No-Reads	5	5
% Of No-Reads	0.6%	0.6%

Special Water Meter Reads

Reading Type	No. of Reads	\$ Value
Water Account Search - Averaged Readings \$27 per read	55	\$1,485.00
Water Account Search - On-Site Readings \$143.00 per read	45	\$6,435.00
Total \$ Value for June		\$7,920.00
Total \$ Value Year to Date		\$103,478.00

Customer Enquiries - Pathways

Request Type	No. of Requests	Requests Outstanding
NSWMRE - Network Services - Water Meter Reading Enquiry	25	2
NSSWMR - Network Services Special Water Meter Read Enquiry	4	0
FINIRR - Finance - Irrigators (Asset)	4	0

Building Over Sewers

The following summary is an overview of the core business activity that requires ongoing negotiations with the respective stake holders and detailed investigations to determine location and condition assessments of the associated infrastructure.

Activity Summary

	June	YTD
General enquiries	21	562
Site investigations	10	192
Approval Permits issued	1	28
Permits closed	0	7
Total	32	789

Building Over Sewer Permits in Progress

There are two permits in progress.

INFRASTRUCTURE PLANNINGGeneral*Office Relocation*

The infrastructure planning unit has now relocated from the Dooley Street Depot to the Walter Reid Building.

Sewer Network Investigations*SewerGEMS Software and Model Development*

The SewerGEMS sewer network modelling software was recently upgraded at no charge under the provisions of the Bentley Support licencing agreement.

Significant updating of the three North Rockhampton models has been carried out to provide a more reliable assessment of the northern sewer networks capacity.

A Bentley Webinar was also attended to ascertain what new features are available in the latest version of SewerGEMS. Interesting developments include the capacity to now use SewerGEMS for Stormwater modelling and the ability to link SCADA data directly to the network model for direct verification of flow data.

South Rockhampton Flood Levee Project – Northern Side Review

A background information brief detailing the functionality of the northern sewer catchment was prepared for AECOM to assist them in their analysis of North Rockhampton, as part of the South Rockhampton Flood Levee Project.

In preparing this brief it was noted that the northern sewerage network has significant capacity in excess of 8xADWF, however it is still very susceptible to high rates of infiltration as the capacity of the North Rockhampton Sewerage Treatment Plant has been shown to have a limited capacity of just under 5xADWF.

A more detailed assessment of this observation will be carried out to explore any potential augmentation opportunities at the treatment plant that may further increase the capacity of the northern network as a whole.

Allenstown Plaza – Sewer Easement Dispute

After twelve months of negotiation Johnson Law has received three signed copies of the easement schedule. These documents have now been forwarded to the CEO and Mayor for signing. The documents will then be returned to Johnson Law who will register the easement.

Bruce Highway Sewer Pump Station Wet Well

Korte Nominees Pty Ltd have requested, received and accepted a quotation for Council to prepare both a Sewer and Water network analysis reports for the proposed development of a Motel and Restaurant at 982-996 Yaamba Road

Water Network Investigations

Water Meter – Thematic Mapping of Consumption

An investigation has been initiated to explore any potential correlation between meter consumption and meter failure that might provide some additional rigor behind the development of future water meter replacement strategies.

The intention is to link water meter IDs to their respective property parcels. The respective property parcels will be coloured up to represent designated ranges to consumption. Different maps will be prepared to highlight the consumption for residential and industrial meters. The investigation will look at both total consumption since the meter was installed and quarterly consumption.

Once established, these maps will also form the general framework to enable a more detailed assessment of water loss to be carried out. The flow meters recently installed at the various reservoirs throughout the network will provide the actual flow delivered to a supply zone. This flow can then be compared to the billed consumption from those meters supplied by the respective reservoir.

10 NOTICES OF MOTION

Nil

11 URGENT BUSINESS/QUESTIONS

Urgent Business is a provision in the Agenda for members to raise questions or matters of a genuinely urgent or emergent nature, that are not a change to Council Policy and can not be delayed until the next scheduled Council or Committee Meeting

12 CLOSURE OF MEETING