



LITHGOW CITY COUNCIL

MINUTES

POLICY AND STRATEGY COMMITTEE
MEETING OF COUNCIL

HELD ON

04 SEPTEMBER 2006

**MINUTES OF THE LITHGOW CITY COUNCIL MEETING
HELD AT THE CIVIC CENTRE, LITHGOW ON 4 SEPTEMBER 2006**

Meeting Commenced 6.03pm

Public Gallery: 8

PRESENT

His Worship the Mayor
Councillor Neville Castle
Councillor B P Morrissey
Councillor W McAndrew
Councillor H K Fisher
Councillor B S Moran
Councillor M M Collins
Councillor M J Wilson
Councillor A E Thompson
Councillor M F Ticehurst

APOLOGIES

NIL

Also in attendance

General Manager, Mr Paul Anderson
Group Manager Regional Services, Mr Andrew Muir
Group Manager Community and Corporate, Ms Kathy Woolley
Minutes Secretary, Ms Casey Clarke
Policy and Planning Manager, Mrs Amanda Muir

CONFIRMATION OF MINUTES

Confirmation of the Minutes of the Policy and Strategy Committee Meeting of Council held on the 7 August 2006 were taken as read and confirmed by Councillors B S Moran and W McAndrew

**06- 278 RESOLVED
CARRIED**

DECLARATION OF INTEREST

His Worship the Mayor called for Declarations of Interest on any matter before the Meeting.

NIL

QUESTIONS FROM THE PUBLIC GALLERY

At 6.00pm members of public gallery were invited to address questions through the Mayor to Councillors and Staff: -

NIL

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GENERAL MANAGER REPORTS

**ITEM:1 GM - 04/09/06 - OH&S AWARD AT ANNUAL STATECOVER
CONFERENCE**

REPORT FROM: DANNY OLDFIELD, RISK & SAFETY OFFICER

REFERENCE

NIL

SUMMARY

Council's Organisational Development unit has been working towards compiling an OH&S Management system which is compliant with AS4801. This system has been developed in line with council's memorandum of understanding with Australian Risk Management Services. This report advises council of the recent OHS commendation awarded to council by State Cover.

COMMENTARY

Council's OH&S Risk Officer have been consulting extensively with divisional areas of council to write a system which is specific to Lithgow City Council requirements, this will be a working document and be robust enough to accommodate the changing work environment of local government

The system additionally addresses all the OH&S requirements of State Cover Audit tool of which council are assessed against annually, this in turn attracts a financial incentive payment if council can demonstrate compliance in the area of OH&S continual improvement.

As part of council's overall push to modernise the organisation a training program to assist divisional managers to implement the systems was submitted to the Annual State Cover OH&S Excellence awards, council received nomination as one of six finalists. Lithgow Council's efforts were acknowledged by the judging panel and were awarded a Highly Commended Award for 2006. Council's OH&S committee will be reviewing the document over coming weeks with adoption by the Executive management team expected on September 30, 2006. All new staff will then be inducted into the new OHS system.

POLICY IMPLICATIONS

A revised and renewed OH&S policy will need to be considered by Council shortly.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

CONCLUSION

Council is committed to ensuring there is a safe place of work for all staff, contractors and visitors. The new OHS system will assign responsibility to all levels of the organisation making safety at Lithgow Council something that is shared by all everybody.

RECOMMENDATION

THAT:

1. The information be received
2. No Financial impact
3. An Actual OH&S Policy will be submitted to council for consideration at the September council meeting.

06- 279 RESOLVED

THAT:

1. The information be received.
2. No Financial impact
3. An actual OH&S Policy will be submitted to Council for consideration at the September council Meeting.
4. Congratulations be given to the staff.

MOVED: Councillor B S Moran

SECONDED: Councillor H K Fisher.

CARRIED

REGIONAL SERVICES REPORTS

ITEM:2 REG - 04/09/06 - REQUEST TO INSTALL MURALS - LITHGOW TIDY TOWNS

Report from: Andrew Muir; Acting Group Manager Regional Services

REFERENCE

Nil

SUMMARY

To determine a request from Lithgow Tidy Towns to install murals on the wall of the Tattersalls Hotel adjacent to Councils walkway.

COMMENTARY

Council is in receipt of a request from Lithgow Tidy Towns to install murals on the wall of the Tattersalls Hotel adjacent to Councils walkway. The project would be similar to the successful mural installations on the railway bridge in Eskbank Street. Tidy towns have obtained the consent of the property owner and have indicated that the murals would be of weathertex panels and would depict landscapes of Hassans Walls featuring local flowers. Providing the murals are securely affixed and protected in the event of graffiti, no objection is raised to the proposal.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

No formal development application would be required

06- 280 RESOLVED

THAT Council indicate to Lithgow Tidy Towns that it has no objection to the installation of murals on the wall of the Tattersalls Hotel providing they are securely affixed and treated with appropriate anti graffiti treatment.

MOVED: Councillor H K Fisher

SECONDED: Councillor W McAndrew.

CARRIED

COMMUNITY AND CORPORATE SERVICES REPORTS

ITEM:3 COMM - 04/09/06 - UPDATE OF STRATEGIC PLAN

REPORT FROM: KATHY WOOLLEY: GROUP MANAGER COMMUNITY &
CORPORATE

REFERENCE

Item 4 Policy & Strategy Committee 06/02/2006
Item 5 Policy & Strategy Committee 06/03/2006
Item 4 Policy & Strategy Committee 03/04/2006
Item 3 Policy & Strategy Committee 05/06/2006

SUMMARY

The purpose of this report is to provide a regular update on the Strategic Plan project.

COMMENTARY

Draft Local Profile - "Where are we now?"

The draft Local Profile of the Strategic Plan is completed and will be utilised in the upcoming round of community engagement. It provides information on "where we are now" in relation to the following topics:

- Spatial and Character
- Social and Community
- Economic
- Land Use and Rural Lands
- Environmental
- Services & Infrastructure
- Transport
- Planning Policy and Instrument.

Issues Paper – "Where do we want to go?"

The draft Issues Paper of the Strategic Plan has been prepared and will be utilised in the upcoming round of community engagement. It identifies the following as they relate to the issues of community, employment and economic growth, infrastructure and servicing, rural lands, environment and settlement:

- Community Attitudes
- Key Facts
- State and Regional Policy Matters
- Local Issues.

Stage Two of the Community Engagement Program

This stage of the community engagement program will occur between the 5th and 15th September, 2006. It aims to involve the community in identifying the key local issues which are important to the community and which the Strategic Plan needs to address.

This program will involve the following workshops and an open house conducted across the Local Government Area.

Date	Town	Venue	Time
Tuesday, 05/09/06	Lithgow	Lithgow Workmen's Club 3 Tank Street, Lithgow	6.30 – 9.00pm
Wednesday, 06/09/06	Cullen Bullen	Community Hall Castlereagh Highway, Cullen Bullen	6.30 – 9.00pm
Thursday, 07/09/06	Hampton	Hampton Halfway House Hotel Jenolan Caves Road, Hampton	6.30 – 9.00pm
Friday, 08/09/06	Lithgow	Council Chambers 180 Mort Street, Lithgow	10.00 am – 12.30pm
Monday, 11/09/06	Portland	Portland Central School Vale Street, Portland	6.30 – 9.00pm
Tuesday, 12/09/06	Wallerawang	Wallerawang Bowling Club Mackenzie Street, Wallerawang	6.30 – 9.00pm
Thursday, 14/09/06 Open House	Lithgow	Lithgow Workmen's Club 3 Tank Street, Lithgow	2.00 – 7.00pm

Project Schedule – Important Dates

The project schedule for the Strategic Plan has been reviewed in light of recent delays with the acquisition of data and problems associated with the transfer of the Local Environmental Plan zoning maps into GIS layers. These delays, the Christmas period and school holidays have resulted in the Stage 3 Community Engagement Program or exhibition of the draft Strategic Plan being held over until February 2007. Therefore, it is envisaged that the draft Strategic Plan will be reported to Council for final consideration in April 2007.

5/15 September 2006	Stage 2 Community Engagement Program is undertaken.
December 2006	Council consideration of draft Strategic Plan to enable exhibition.
February 2007	Stage 3 Community Engagement Program - Exhibition of draft Strategic Plan
April 2007	Council consideration of draft Strategic Plan and submissions.

POLICY IMPLICATIONS

No policy implications arise from this report.

FINANCIAL IMPLICATIONS

The Strategic Plan is funded by the Planning Reform Fund Program and is currently within budget limits.

LEGAL IMPLICATIONS

No legal implications arise from this report.

06- 281 RESOLVED

THAT the information be received.

MOVED: Councillor B P Morrissey

SECONDED: Councillor W McAndrew.

CARRIED

**ITEM:4 COMM - 04/09/06 - LITHGOW SEWAGE TREATMENT PLANT STAGE
2 AUGMENTATION CONCEPT DEVELOPMENT**

REPORT FROM: POLICY & PLANNING MANAGER – A MUIR

REFERENCE

- Item 24, 25 March 2002, Ordinary Meeting
- Item 25, 8 July 2002, Ordinary Meeting
- Department of Commerce, 2006, Lithgow Sewerage Scheme Stage 2 Augmentation Concept Development Report
- Correspondence from the Department of Commerce dated 24 August 2006
- Environment Protection Licence No. 236

SUMMARY

This report reviews the Lithgow Sewerage Scheme Stage 2 Augmentation Concept Development Report which details the works required to complete compliance with the remaining requirements on the Pollution Reduction Program of the Environment Protection Licence for the Lithgow Sewage Treatment Plant. It recommends adoption of the concept and provides a means of funding the works.

COMMENTARY

Background

At its meeting of 8 July 2002, Council resolved to adopt the augmentation option of nitrification/denitrification plus breakpoint chlorination/dechlorination at a cost of \$1,547,000 as a means of achieving the Pollution Reduction Program (PRP) on the Environment Protection Licence (EPL) for the Lithgow Sewage Treatment Plant (STP). This option involved "supplementing existing biological secondary treatment in the trickling filter plant with a small aeration/nitrification reactor to achieve nitrification. The existing effluent ponds would provide subsequent denitrification necessary to achieve the requisite total nitrogen target" on the PRP (Department of Commerce, 2006).

However, an investigation of leachate from the Lithgow Solid Waste Facility (Lithgow Landfill which is located above the STP) identified a possible leakage of effluent from the ponds at the STP into groundwater and despite further investigation it has not been possible to conclusively prove whether or not the ponds are leaking. Therefore, the Stakeholders (Department of Commerce (DOC), Department of Energy, Utilities and Sustainability (DEUS), Department of Environment and Conservation (DEC), Sydney Catchment Authority (SCA) and Council) agreed that the ponds needed to be made impervious or abandoned from the treatment process. Lining of the ponds was cost prohibitive and thus denitrification would need to be incorporated into the treatment process i.e. a full scale aeration tank reactor is required instead of a small nitrification reactor as reported to Council on 8 July 2002. Therefore, an intermittently decanted extended aeration (IDEA) process was selected as the most economic means of achieving the PRP targets (Department of Commerce, 2006).

As a result of the above amendment to the proposed augmentation option and the need to comply with the PRP targets, the augmentation process was spilt into 2 stages of which Stage 1 has been completed and handed over to Council for operation. Stage 1 involved the following:

- Decommissioning of an existing overflow pipe to Farmers Creek and the old septic tank works.
- Construction of a 3ML storm detention pond adjacent to the Sewage Pumping Station No. 1.

- The provision and operation of chemical dosing facilities to regulate levels of ammonia, faecal coliforms, phosphorus and pH.
- Occupational Health and Safety works.

Proposed Stage 2 Augmentation Works

The DOC on behalf of Council and DEUS have prepared the Lithgow Sewerage Scheme Stage 2 Augmentation Concept Development Report which details the concept for the augmentation of the STP to achieve the targets on the PRP. Unfortunately, the Report contains errors relating to the design and completion of Stage 1 and the staging of construction for the third sludge lagoon. Nevertheless, the DOC has provided written clarification stating "Stage 1 has recently been completed and is not in the *draft design stage* or *proposed construction* as stated in the Stage 2 report.....The new (third) sludge lagoon listed as being part of Stage 1 has not been constructed and is now part of Stage 2" (Department of Commerce, 24 August 2006). It is suggested that Council is now able to consider the proposed Stage 2 augmentation works.

The proposed Stage 2 augmentation works involve supplementing the existing biological secondary treatment in the trickling filter plant with an aeration/nitrification/denitrification tank (IDEA tank). In addition, the following works are also proposed:

- Partitioning of Effluent Pond No. 1 to form a lined emergency storage pond to receive emergency overflow from the Stage 1, 3ML storm detention pond.
- Third sludge lagoon.
- Installation of a chlorine contact tank.
- Relocation of chemical dosing facilities to the IDEA tank.
- Installation of a supervisory control and data acquisition system for monitoring and control of the treatment operations.
- Other minor works.

"It is important to note that this proposed plant configuration is a hybrid plant in which the existing trickling filter plant contributes a significant amount of treatment capacity. While the augmented plant capacity is 23,000 equivalent persons (EP), should the trickling filter plant be decommissioned at some time in the future the remaining capacity within the IDEA plant would be nominally 16,000 EP. Future decommissioning of the trickling filter plant would therefore be contingent on construction of an additional 7,000 EP in treatment capacity to maintain the 23,000 EP overall augmented plant capacity. Since the IDEA plant proposed it to receive all the STP inflows, they have hydraulic capacity for 23,000 EP but would require biological capacity augmentation" (Department of Commerce, 2006).

A site plan illustrating Stage 1 and 2 works is provided within Councillor's Business Paper Packages.

A Membrane Bioreactor (MBR) process was also considered as it offered improved effluent quality; however, it was cost prohibitive i.e. a capital cost of Stage 2 incorporating MBR was conservatively estimated at \$20 million.

It should be noted that the Stakeholders (as listed above) have agreed in principle to the proposed Stage 2 works and are keen to see Council progress with the works.

POLICY IMPLICATIONS

There are no policy implications as a result of this report.

FINANCIAL IMPLICATIONS

Estimated Cost

The estimated cost of the Stage 2 augmentation works as provided by the DOC is \$7,030,600. However, this cost has been prepared at a conceptual level and will be the subject of change and refinement during the detailed design stage. A breakdown of this figure is provided below.

Component of Works for Stage 2	Cost (\$)
Direct construction costs	6,006,000
Survey and design	424,600
Construction management	600,000
TOTAL ESTIMATED COST	\$7,030,600

The costs provided for survey, design and construction management are estimates/offers of service and Council Officers are exploring options to reduce these costs.

Funding

Council is likely to receive the following in funding from the DEUS and the SCA:

- \$2,741,934 from DEUS, however, this is based on a historical funding level and has not been finally determined.
- \$1,330,000 from the Sydney Catchment Authority.

Therefore, Council will need to fund \$2,958,666. Council's Management Plan for the financial years of 2006/07, 2007/08 and 2008/09 show an expenditure of \$2 million each year. However, due to the date of completion of the PRP (i.e. 31 December 2006 and any likely amending date as discussed below in the section on Legal Implications), it is considered necessary for Council to complete all Stage 2 works in the current financial year.

The Wastewater Fund currently has a reserve of \$2 million and the Department of Local Government (DLG) has approved a loan of \$1.5 million, being \$650,000 in the 2005/06 loan program, as per Council's Resolution No. 06-172 at its meeting of 5 June 2006 which will finalise Stage 1 and \$850,000 pending final DLG approval in the 2006/07 loan program. Therefore, it is suggested that an application be made to the DLG seeking approval to increase the loan funds by an additional \$2,150,000 to finalise Stage 2.

The Management Plan will need to provide for adjustment to reflect the correct expenditure for the works i.e. \$7,030,600 and to borrow an additional \$2,150,000.

In addition, Council should note that the augmentation of the Wallerawang STP is also to be undertaken in 2006/07 financial year at an updated cost of approximately \$4,000,000 (verbal advice from the DOC) with expected grant payments of \$2,260,000 and as such Council should consider a further application to the DLG for the balance of \$1,740,000 loan funding.

The Management Plan will need to provide for adjustment to reflect the correct expenditure for the works i.e. \$4,000,000 and to borrow an additional \$1,740,000.

Therefore, the wastewater debt service at the completion of 2006/07 will be a total loan fund of \$5,390,000.

LEGAL IMPLICATIONS

The PRP on the EPL for the STP requires the following:

"U1.1 The following undertakings or works must be completed by the specified dates where those dates fall within the currency of this licence.

U1.2 By 31 July 2005 the licensee must have completed the following works.

(a) Undertake an upgrade of the Lithgow sewage treatment plant such that the quality of the wastes at the authorised point of discharge from the plant will be able to meet the following concentration limits for the following pollutants:-

*Biological Oxygen Demand (BOD) - 10 mg/l
Total Suspended Solids (TSS) - 15 mg/l
Total Nitrogen - 10 mg/l
Ammonia Nitrogen - 2 mg/l
Total Phosphorous - 0.5 mg/l
pH - 6.5 – 8.5
Faecal Coliforms - 200 organisms /100 ml*

(b) Prevent the discharge of untreated effluent from "Sewage PS No.1" (as identified in Figure 4.3 of the Department of Public Works and Services document "Lithgow Sewerage Augmentation, Sewerage Treatment Plant, Augmentation Strategy Options", Final Report No. 01080 September 2002) from entering the waters of Farmers Creek.

(c) Construct, and operate, a new sludge lagoon, which is lined to prevent the pollution of groundwater and the relining (if necessary) of the existing two sludge lagoons in accordance with Conditions E1.1 and E1.2.

(d) Install, and operate, a contact tank for the breakpoint chlorination process.

U1.3 By 31 December 2006 the licensee must have completed the following works.

*(a) Install, and operate, a nitrification / de-nitrification reactor
(b) Decommission the unused tertiary ponds" (Environment Protection Licence No. 236).*

The completed Stage 1 augmentation works have partially completed condition number U1.2(a) and (d) and fully completed condition number U1.2(b). The proposed Stage 2 augmentation works will fulfill all remaining requirements of the PRP. However, it is unlikely that the works will be completed by 31 December 2006. Therefore, Council will need to apply for a variation of the PRP on the EPL and it is suggested that this occur upon the finalisation of the tender documentation and proposed schedule of works. However, it should be noted that the process from today, if Council resolves to proceed with the proposed Stage 2 augmentation works, involves:

- Submission of a development application.
- Undertaking the detailed design for Stage 2 (i.e. construction plans).
- Preparation of tender documentation, calling for, reviewing and selecting a preferred tenderer.
- Approval from the Minister for Energy, Utilities and Sustainability.
- Construction and hand over to Council.

06- 282 RESOLVED

THAT

1. The proposed Lithgow Sewerage Scheme Stage 2 augmentation works be adopted and work proceed to achieve compliance with the Pollution Reduction Program as soon as possible.
2. The Management Plan for 2006/07 is altered to show the following and reflected in the September Quarterly Review:
 - a. Lithgow STP expenditure of \$7,030,600, grant income of \$4,071,934 and loan funds of \$2,150,000.
 - b. Wallerawang STP expenditure of \$4,000,000, grant income of \$2,260,000 and loan funds of \$1,740,000.
3. An application be forwarded to the Department of Local Government for an increase in loan funds for wastewater to \$5,390,000.
4. The General Manager explore options to reduce the costs of survey, design and construction management.
5. A variation to the Pollution Reduction Program on the Environment Protection Licence for the Lithgow Sewage Treatment Plant be sought to extend the period for compliance in accordance with the proposed schedule of works provided in the tender documentation.
6. The General Manager explore the option of combining the sewage treatment for Portland and Wallerawang into a single option.

MOVED: Councillor B S Moran

SECONDED: Councillor M J Wilson.

CARRIED

ITEM:5 COMM - 04/09/06 - DRAFT PLANNING AGREEMENT POLICY

REPORT FROM: POLICY & PLANNING MANAGER – A MUIR

REFERENCE

Nil

SUMMARY

This report provides Council with a draft Planning Agreement Policy for consideration to be placed on public exhibition.

COMMENTARY

A planning agreement is a voluntary agreement or other arrangement between a planning authority such as Council and a developer who has sought a change to an environmental planning instrument or proposes to make/has made a development application under which the developer is required to dedicate land free of cost, pay a monetary contribution or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. The Department of Planning recommend that councils publish policies and procedures concerning the use of planning agreements and this draft Policy provides such.

Whilst there is no statutory exhibition period required for this draft Policy, it is considered appropriate for reasons of public participation that it be exhibited for a period of 28 days from 7 September 2006.

POLICY IMPLICATIONS

The draft Policy will form Council policy if adopted after exhibition.

FINANCIAL IMPLICATIONS

The cost of advertising can be funded from the Policy and Planning Recurrent Budget.

LEGAL IMPLICATIONS

The Environmental Planning and Assessment Act 1979 and Environmental Planning and Assessment Regulation 2000 set out the requirements for planning agreements. The draft Policy is consistent with these requirements.

06- 283 RESOLVED

THAT the draft Planning Agreement Policy be exhibited for a period of 28 days from 7 September 2006.

MOVED: Councillor M J Wilson

SECONDED: Councillor B S Moran.

CARRIED

QUESTIONS WITHOUT NOTICE

QWN - COUNCILLOR B P MORRISSEY

1. Mr Mayor can you please investigate if it is possible for the Committee meeting times to be changed to an earlier time? Is it possible for the Policy and Strategy Committee Meeting to start at 6.30pm and if needed, an extension of time granted at 7.00pm?

The General Manager advised that Council is currently reviewing the Council Code of Conduct and this is part of the process. Council is reviewing the average times the two Committee meetings have run for over the last 12 months to see if this is a viable suggestion.

Under the Local Government Act, Council has to advertise each Meeting and by changing the meeting times, advertising becomes much more difficult.

Meeting closed at 6.12pm.