

WATER SUPPLY SYSTEM - Narromine Shire Council serves a population of 5,200 (2,120 connected properties). Water is drawn from 15 bores (18 ML/d) to supply Narromine and Trangie and from an offstream storage to supply Tomingley. Council has 2 storage dams (total capacity 52 ML). The water supply network comprises 4 service reservoirs (11 ML), 3 pumping stations, 8.1 ML/d delivery capacity into the distribution system, 10 km of transfer and trunk mains and 55 km of reticulation. The water supply is unfiltered.

PERFORMANCE - Narromine Shire Council achieved 100% implementation of the NSW BPM requirements. The 2014-15 typical residential bill was \$735 which was above the statewide median of \$582 (Indicator 14). The economic real rate of return was 4.8% which was greater than the statewide median (Indicator 43). The operating cost (OMA) per property was \$515 which was above the statewide median of \$400 (Indicator 49). Water quality complaints were negligible compared to the statewide median of 3 (Indicator 25). Compliance was achieved for microbiological water quality (100% of the population, 1 of 1 zones compliant), chemical water quality and physical water quality. There were no failures of the chlorination system or the treatment system. Narromine Shire Council reported no water supply public health incidents. Current replacement cost of system assets was \$16M (\$7,400 per assessment). Cash and investments were \$5M, debt was nil and revenue was \$1.5M (excluding capital works grants).

IMPLEMENTATION OF REQUIREMENTS OF NSW BEST-PRACTICE MANAGEMENT (BPM) FRAMEWORK

| | | | |
|--|-----|--|-------------|
| (1) Complete Current Strategic Business Plan & Financial Plan | YES | (3) Sound water conservation implemented | YES |
| (2) (2a) Pricing - Full Cost Recovery, without significant cross subsidies | Yes | (4) Sound drought management implemented | YES |
| (2b,2c) Pricing - Appropriate Residential Charges | Yes | (5) Complete performance reporting (by 15 September) | YES |
| (2d) Pricing - Appropriate Non-residential Charges | Yes | (6) Integrated water cycle management strategy | YESC |
| (2e) Pricing - DSP with Commercial Developer Charges | Yes | IMPLEMENTATION OF ALL REQUIREMENTS | 100% |

TRIPLE BOTTOM LINE (TBL) PERFORMANCE INDICATORS

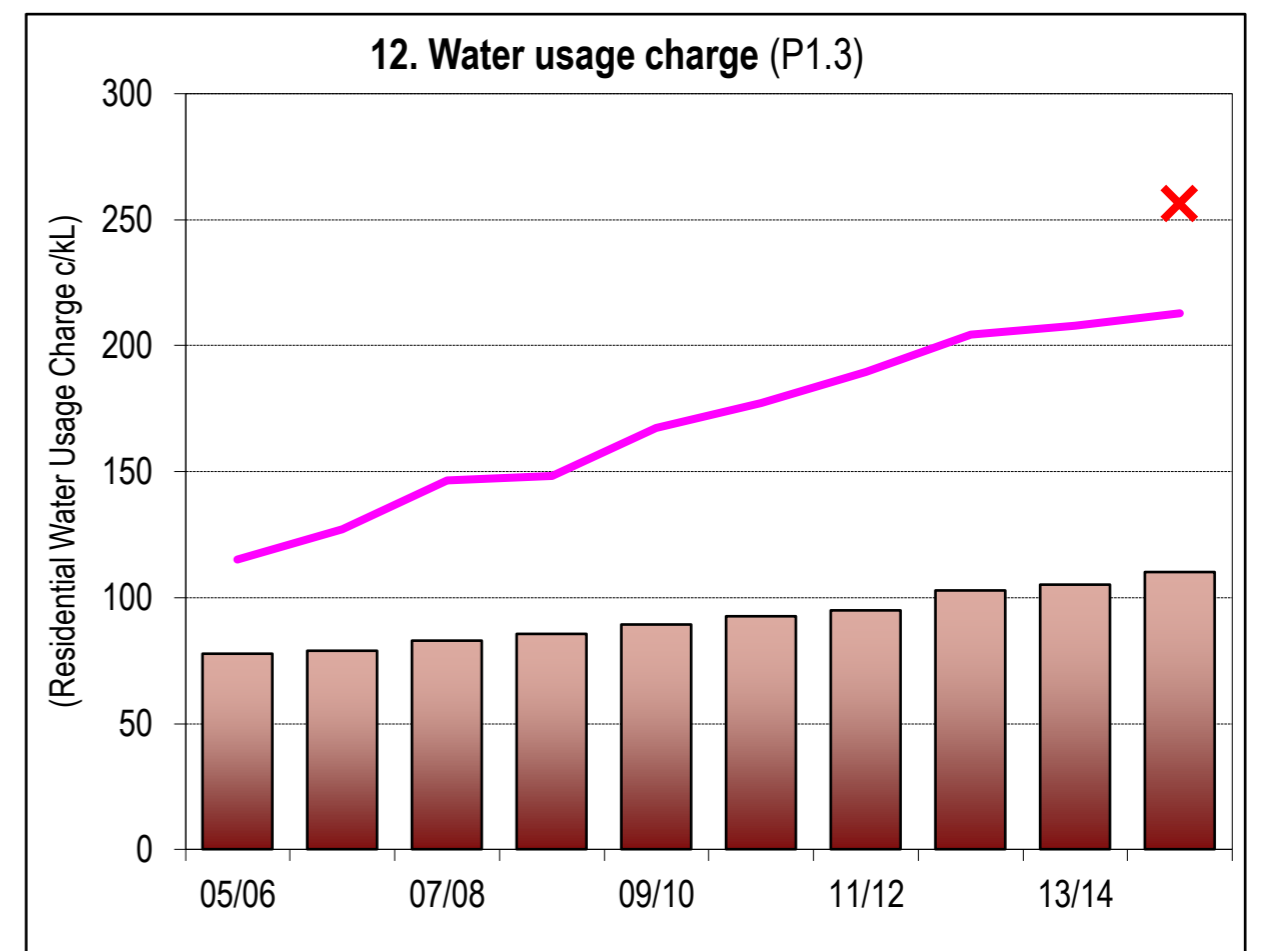
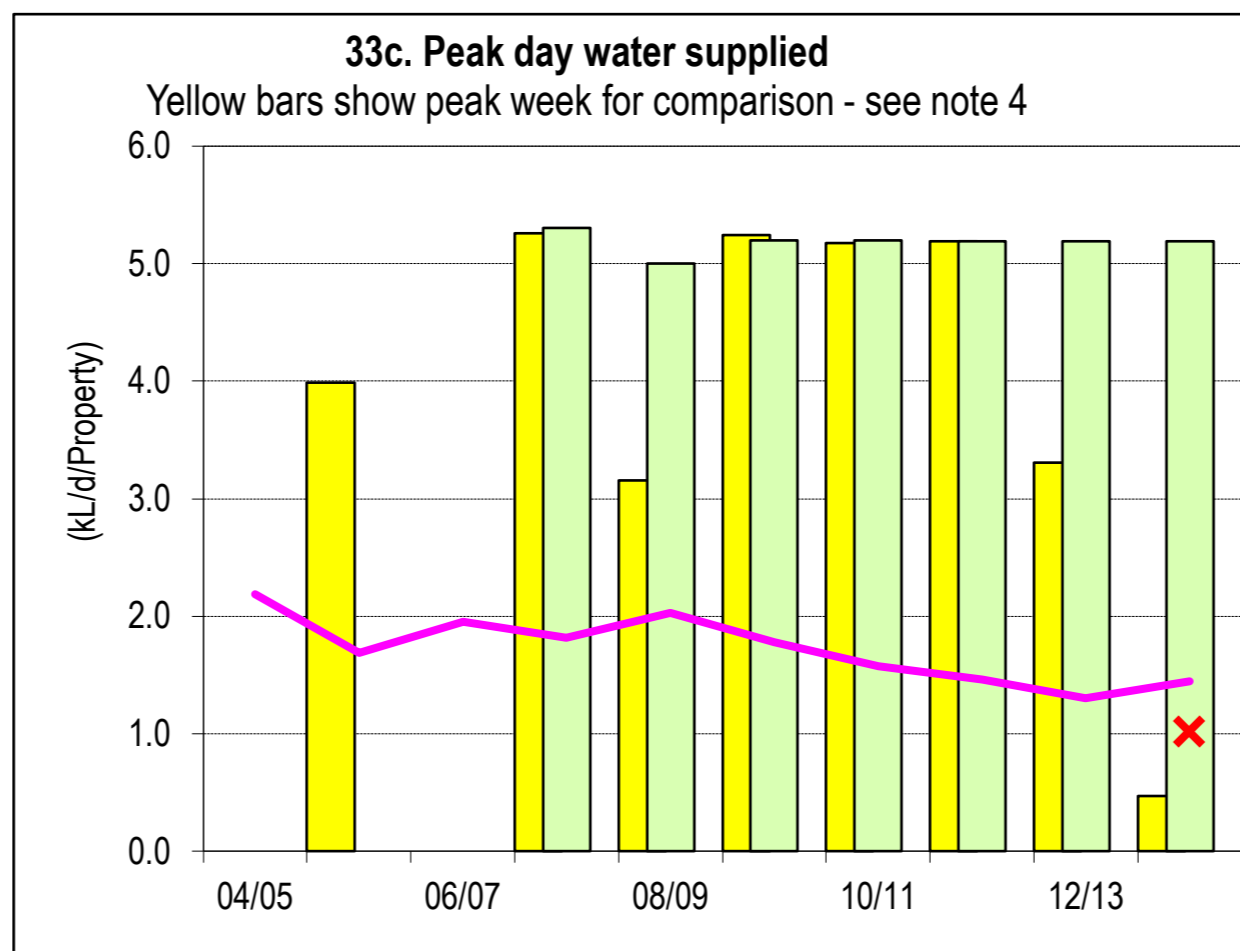
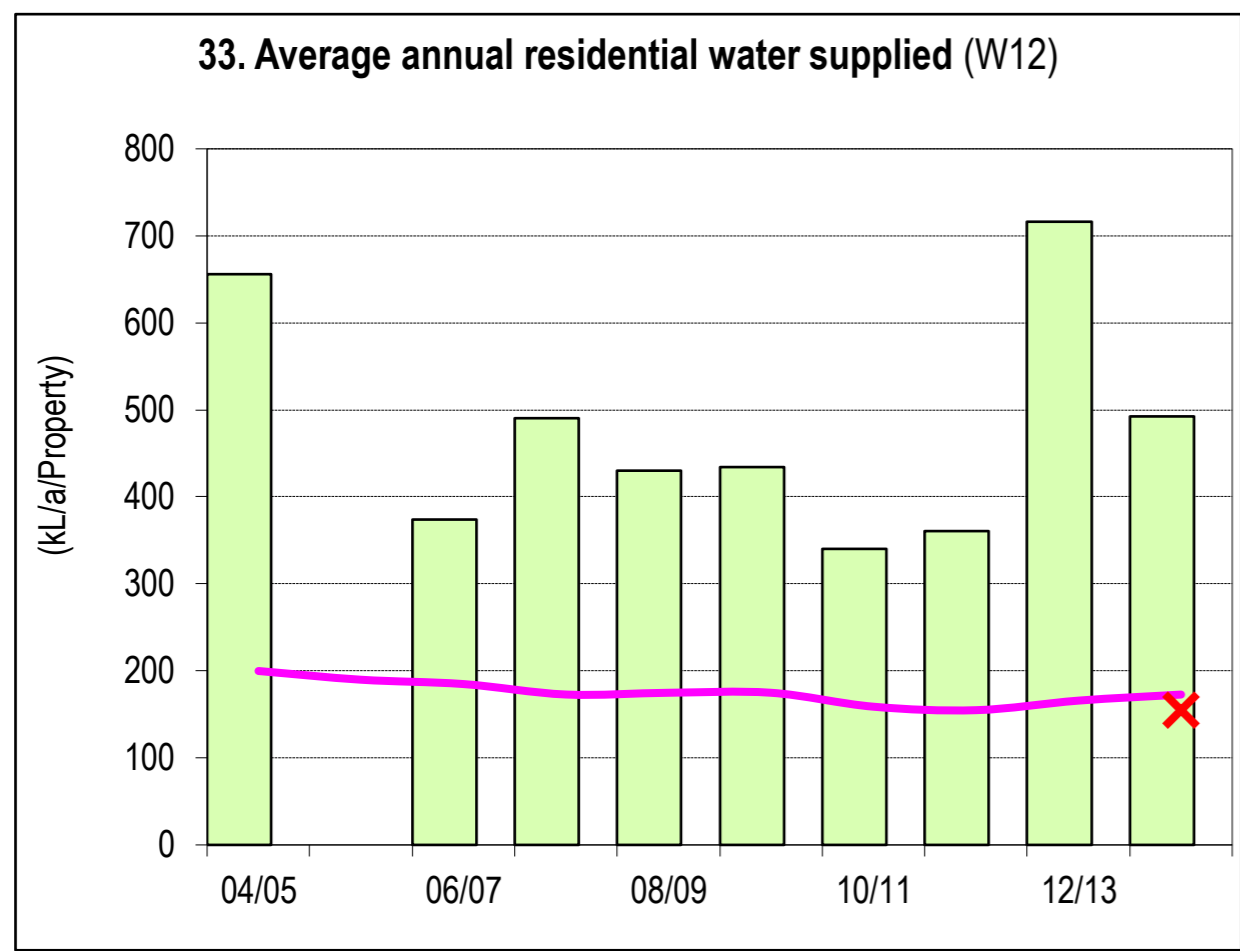
| NWI No. | LWU RESULT | RANKING | | MEDIANS | |
|----------------------|--|------------------|----------|-----------|-----------|
| | | 1,501 to 3,000 | All LWUs | Statewide | National |
| | | Note 1 | Note 2 | Note 3 | Note 4 |
| | Col 1 | Col 2 | Col 3 | Col 4 | Col 5 |
| UTILITY | CHARACTERISTICS | | | | |
| C1 1 | Population served: 5200 | | | | |
| C4 2 | Number of connected properties: 2120 | | | | |
| | Number of assessments: 2230 | | | | |
| | 3 Residential connected properties (% of total) | % | | 91 | |
| | 4 New residences connected to water supply (%) | % | 3 | 4 | 0.9 |
| A3 5 | Properties served per kilometre of water main | Prop/km | | 32 | 35 |
| | 6 Rainfall (% of median annual rainfall) | % | 1 | 1 | 77 |
| W11 7 | Total urban water supplied at master meters (ML) | ML | | 6,800 | 10,280 |
| | 8 Peak week to average consumption (%) | % | | | 152 |
| | 9 Renewals expenditure (% of current replacement cost of system assets) | % | 1 | 1 | 0.5 |
| | 10 Employees per 1000 properties | per 1,000 prop | 2 | 3 | 1.5 |
| SOCIAL | CHARGES & BILLS | | | | |
| P1 | Residential tariff structure for 2014-15: two part; independent of land value; access charge \$193 | | | | |
| P1.3 12a | Residential water usage charge for 2013-14 all usage (c/kL) | c/kL (2013-14) | 4 | 4 | 208 185 |
| | 12 Residential water usage charge for 2014-15 all usage (c/kL) | c/kL (2014-15) | 4 | 5 | 213 |
| P3 14a | Typical residential bill for 2013-14 (\$/assessment) | \$/ (2013-14) | 2 | 4 | 550 567 |
| | 14 Typical residential bill for 2014-15 (\$/assessment) | \$/ (2014-15) | 2 | 4 | 582 |
| | 15 Typical developer charge for 2014-15 (\$/equivalent tenement) | \$/ (2014-15) | 2 | 3 | 5,500 |
| F4 16 | Residential revenue from usage charges (% of residential bills) | % | 1 | 2 | 73 68 |
| F5 17 | Revenue per property - water (\$/property) | \$/prop | 5 | 4 | 795 849 |
| SOCIAL | HEALTH | | | | |
| H6 18a | Risk based drinking water quality plan? | Yes | 2 | 3 | 99.6 |
| | 19 Physical compliance achieved? Note 11 | Yes | 1 | 1 | |
| | 19a Chemical compliance achieved? Note 11 | Yes | 1 | 1 | |
| H4 19b | % population with chemical compliance | 100 | 1 | 1 | 100 |
| | 20 Microbiological (E. coli) compliance achieved? Note 11 | Yes | 1 | 1 | |
| H3 20a | % population with microbiological compliance | 100 | 1 | 1 | 100 100 |
| SOCIAL | SERVICE LEVELS | | | | |
| C9 25 | Water quality complaints per 1000 properties | per 1,000 prop | 1 | 1 | 3 2 |
| C10 26 | Water service complaints per 1000 properties | per 1,000 prop | 2 | 3 | 6 1 |
| C17 27 | Incidence of unplanned interruptions per 1000 properties | per 1,000 prop | 1 | 1 | 50 96 |
| C15 28 | Average duration of interruption (min) | min | 1 | 1 | 150 113 |
| A8 30 | Number of water main breaks per 100 km of water main | per 100km | 5 | 4 | 10 13 |
| | 31 Drought water restrictions (% of time) | % of time | 1 | 1 | 0 |
| | 32 Total days lost (%) | % | 1 | 1 | 2.9 |
| ENVIRONMENTAL | NATURAL RESOURCE MANAGEMENT | | | | |
| W12 33 | Average annual residential water supplied - STATEWIDE (kL/property) | kL/prop | 4 | 5 | 173 185 |
| | 33a Average annual residential water supplied - COASTAL LWUs (kL/property) | kL/prop | | | 157 |
| | 33b Average annual residential water supplied - INLAND LWUs (kL/property) | kL/prop | 4 | 4 | 263 |
| A10 34 | Real losses (leakage) (L/service connection/day) | L/connection/day | 4 | 4 | 70 79 |
| | 35 Energy consumption per Megalitre (kiloWatt hours) | kWh | 1 | 2 | 620 |
| | 36 Renewable energy consumption (% of total energy consumption) | % | | | 0 |
| E12 36a | Net greenhouse gas emissions - WS & Sge (net tonnes CO2 - equivalents per 1000 properties) | t CO2 | 3 | 3 | 370 390 |
| ECONOMIC | FINANCE | | | | |
| F17 42 | Current replacement cost per assessment (\$) | \$/ | 5 | 5 | 16,500 |
| | 43 Economic real rate of return - Water (%) | % | 1 | 1 | 1.2 1.9 |
| | 44 Return on assets - Water (%) | % | 1 | 1 | 1.1 |
| F22 45 | Net Debt to equity - WS&Sge (%) | % | 5 | 5 | 1 11 |
| F23 46 | Interest cover - WS&Sge | >100 | 1 | 1 | 4 2 |
| | 47 Loan payment per property - Water (\$) | \$/ | 4 | 4 | 64 |
| F24 47b | Net profit after tax - WS & Sge (\$'000) | \$/000 | 1 | 3 | 1180 5345 |
| ECONOMIC | EFFICIENCY | | | | |
| F11 48 | Operating cost (OMA) per 100km of main (\$'000) | \$/000 | 5 | 5 | 1,290 |
| | 49 Operating cost (OMA) per property (\$/prop) Note 9 | \$/prop | 3 | 3 | 400 439 |
| | 50 Operating cost (OMA) per kilolitre (cents) | c/kL | 1 | 2 | 126 |
| | 51 Management cost (\$/prop) | \$/prop | 5 | 5 | 140 |
| | 52 Treatment cost (\$/prop) | \$/prop | 1 | 1 | 58 |
| | 53 Pumping cost (\$/prop) | \$/prop | 5 | 5 | 43 |
| | 54 Energy cost (\$/prop) | \$/prop | 4 | 5 | 25 |
| | 55 Water main cost (\$/prop) | \$/prop | 4 | 3 | 74 |
| F28 56 | Capital Expenditure (\$/prop) | \$/prop | 3 | 2 | 181 175 |

NOTES :

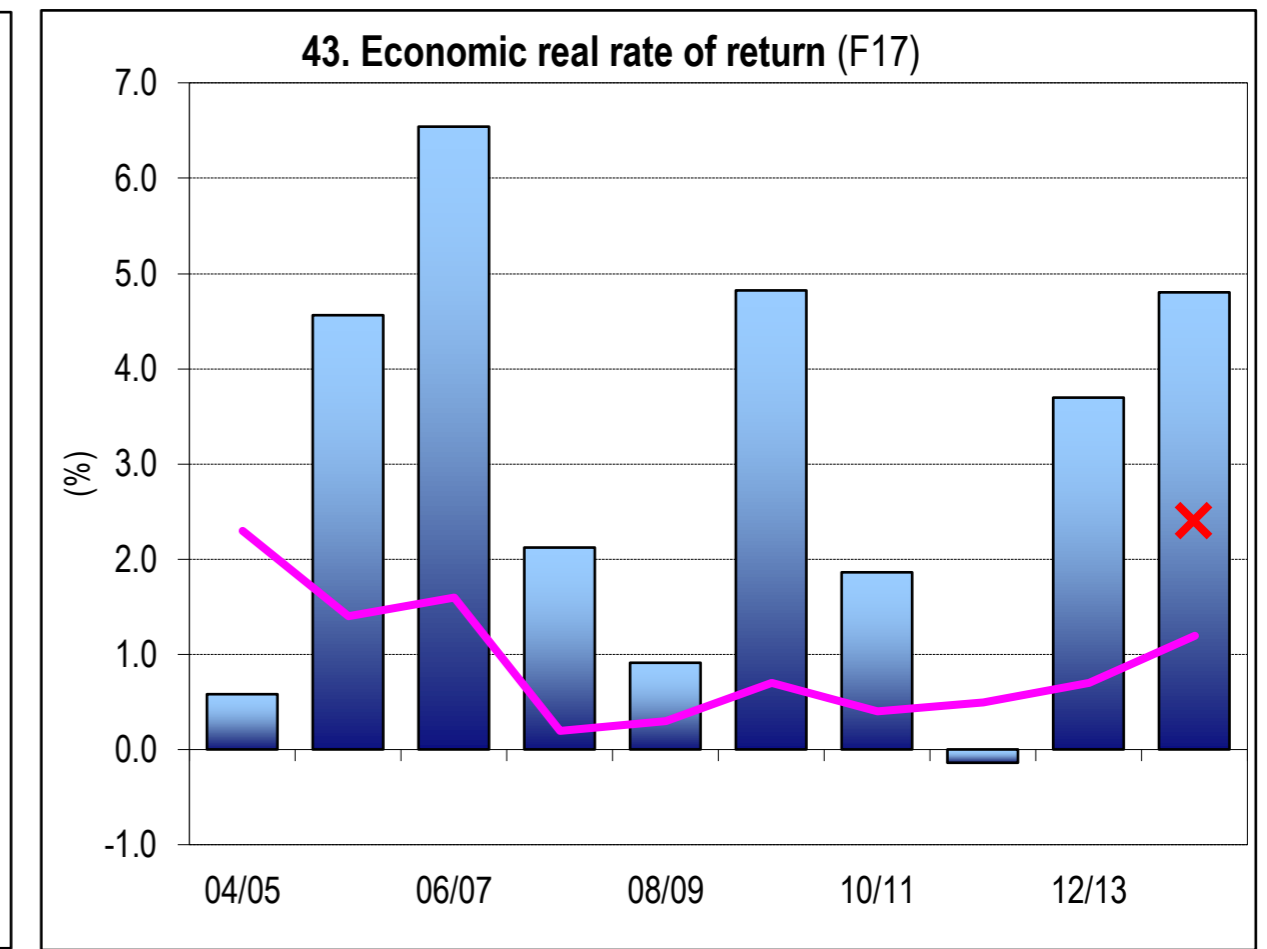
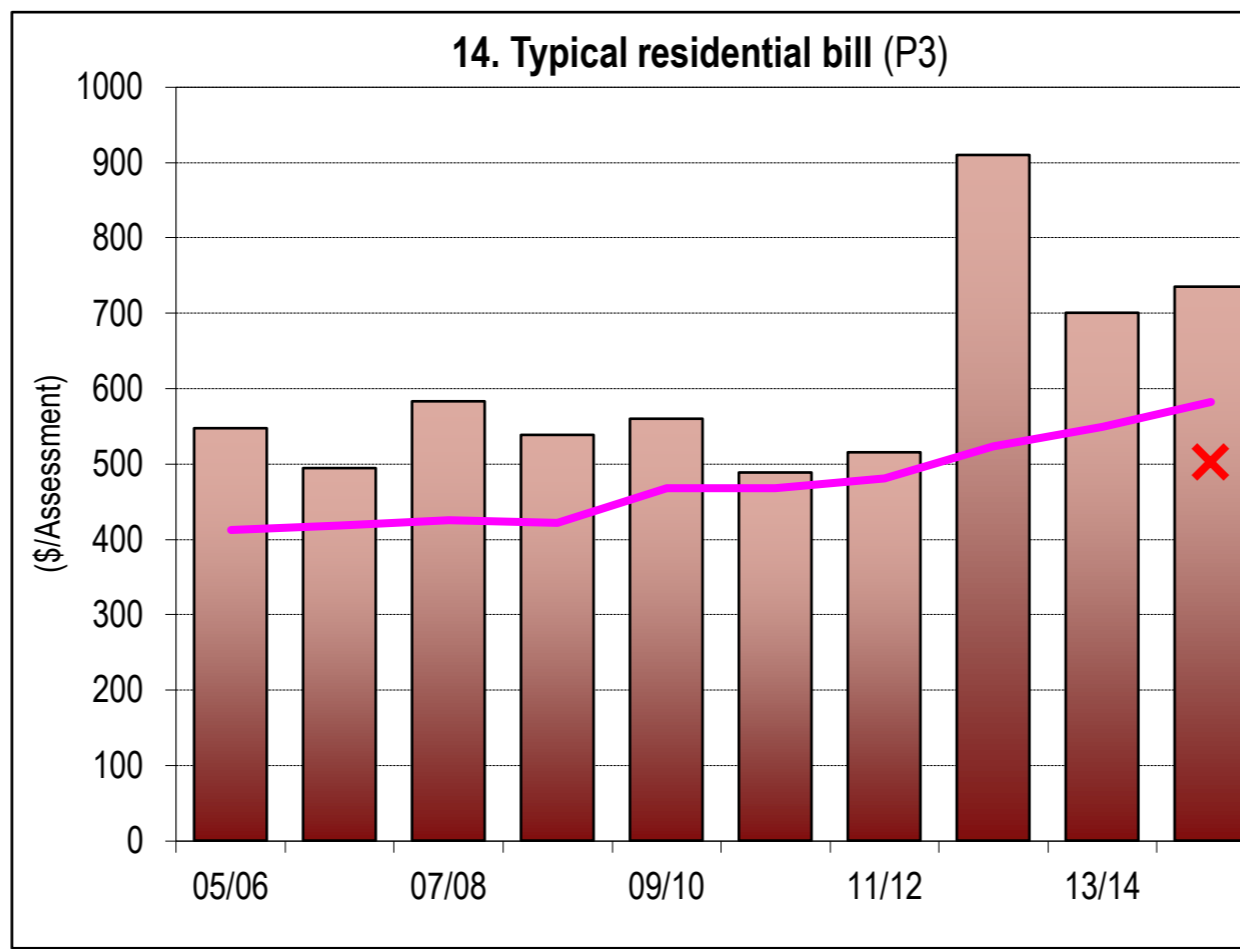
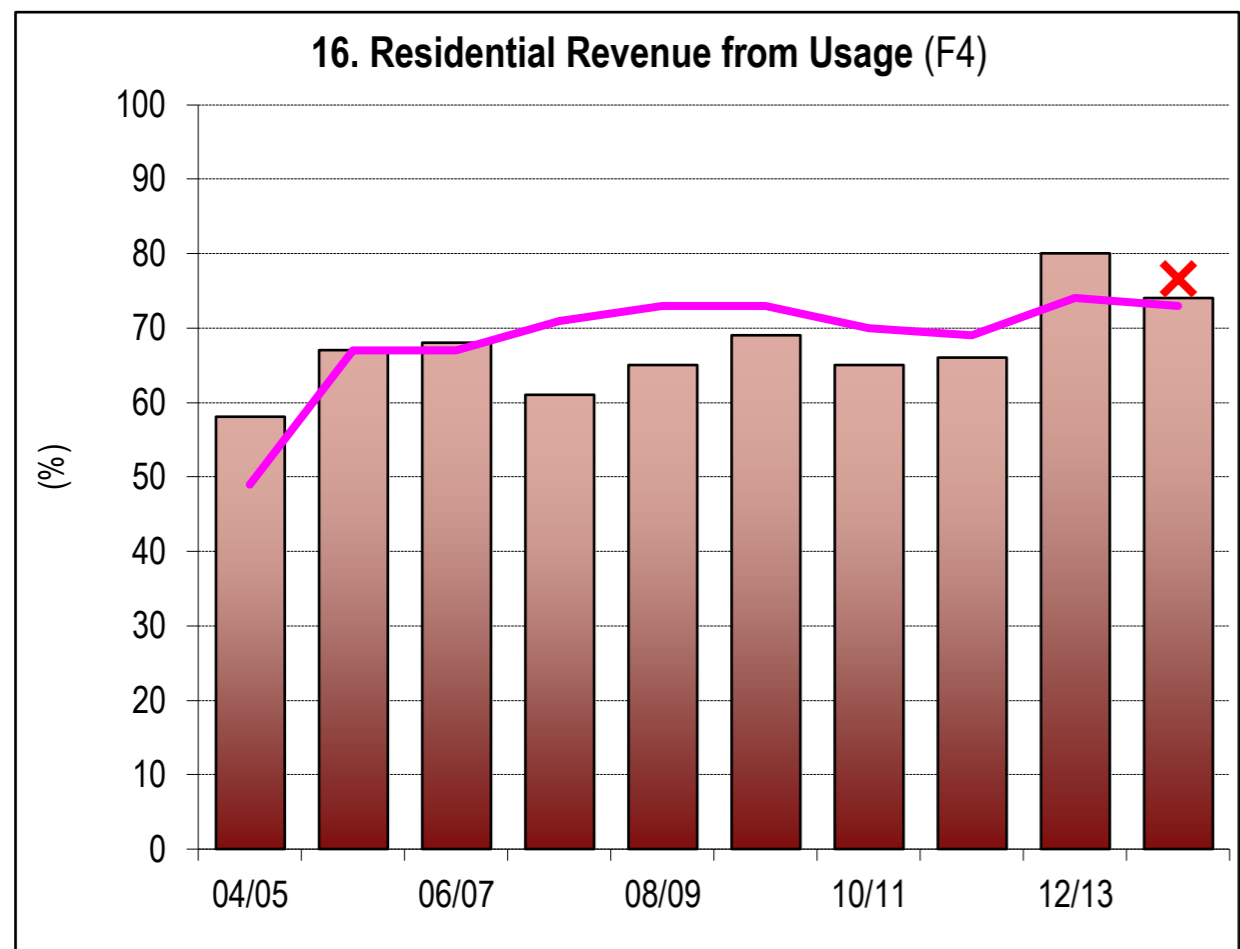
- Col 2 rankings are on a % of LWUs basis - best reveals performance compared to similar sized LWUs (ie. Col 1 is compared with LWUs with 1,501 to 3,000).
- Col 3 rankings are on a % of LWUs basis - best reveals performance compared to all LWUs (ie. Col 1 is compared with all LWUs).
- Col 4 (Statewide Median) is on a % of connected properties basis- best reveals statewide performance (gives due weight to larger LWUs & reduces effect of smaller LWUs).
- Col 5 (National Median) is the median value for the 67 utilities reporting water supply performance in the National Performance Report 2013-14 (www.bom.gov.au).
- LWUs are required to annually review key projections & actions in the later of their IWCN Strategy and financial plan and their Strategic Business Plan and to annually 'roll forward', review and update their 30-year total asset management plan (TAMP) and 30-year financial plan.
- Narromine Shire Council has a good quality unfiltered groundwater supply.
- 2014-15 Non-residential Tariff: Access Charge based on Service Connection Size* (eg. 40mm \$765), Two Part Tariff; Usage Charge 110c/kL.
- Non-residential water supplied was 23% of potable water supplied excluding non-revenue water. Non-residential revenue was 3% of annual rates and charges, indicating fair pricing of services between the residential and non-residential sectors.
- The operating cost (OMA) per property was \$515. Components were: management (\$219), operation (\$25), maintenance (\$185) & energy (\$86).
- Rehabilitations included 1.7% of water mains, 4.25% of service connections and 5.3% of water meters. Renewals expenditure was \$398,000/100km of main.
- Compliance with ADWG 2011 for drinking water quality is shown as "Yes" if compliance has been achieved (indicators 19, 19a & 20).
- Narromine Shire Council has 3 fully qualified water treatment operators who meet the requirements of the National Certification Framework.

(Results shown for 10 years together with 2013-14 Statewide Median and Top 20%)

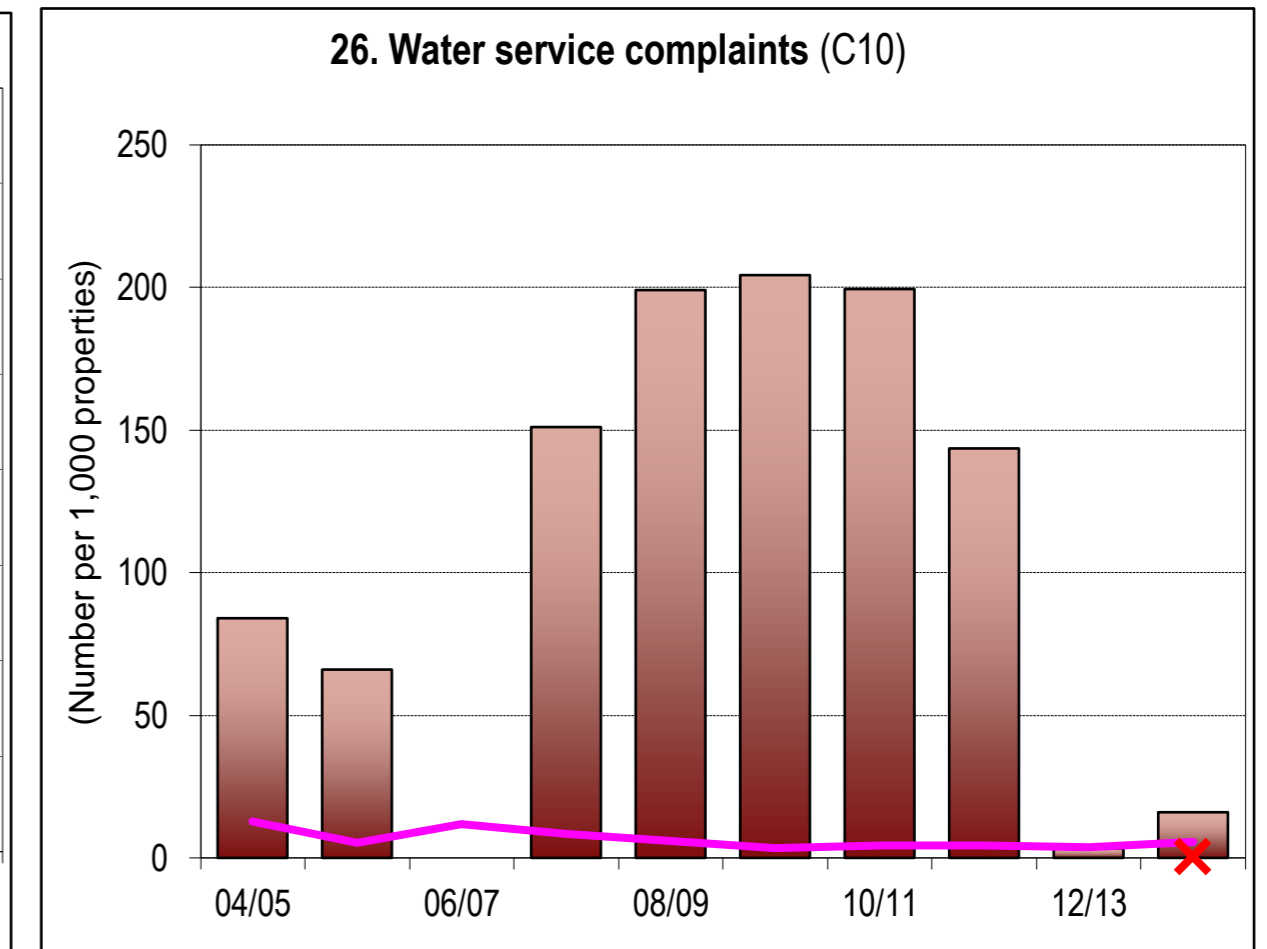
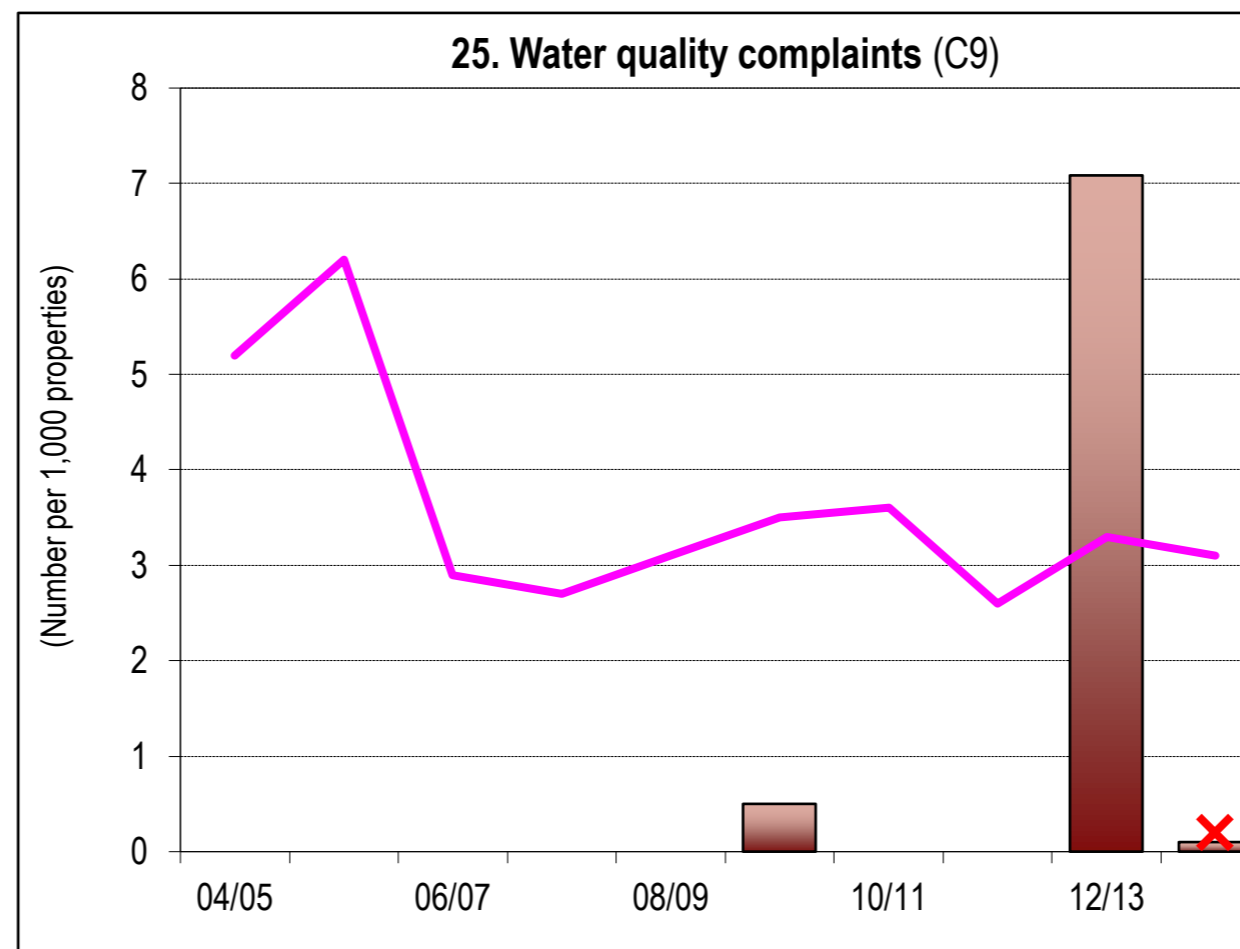
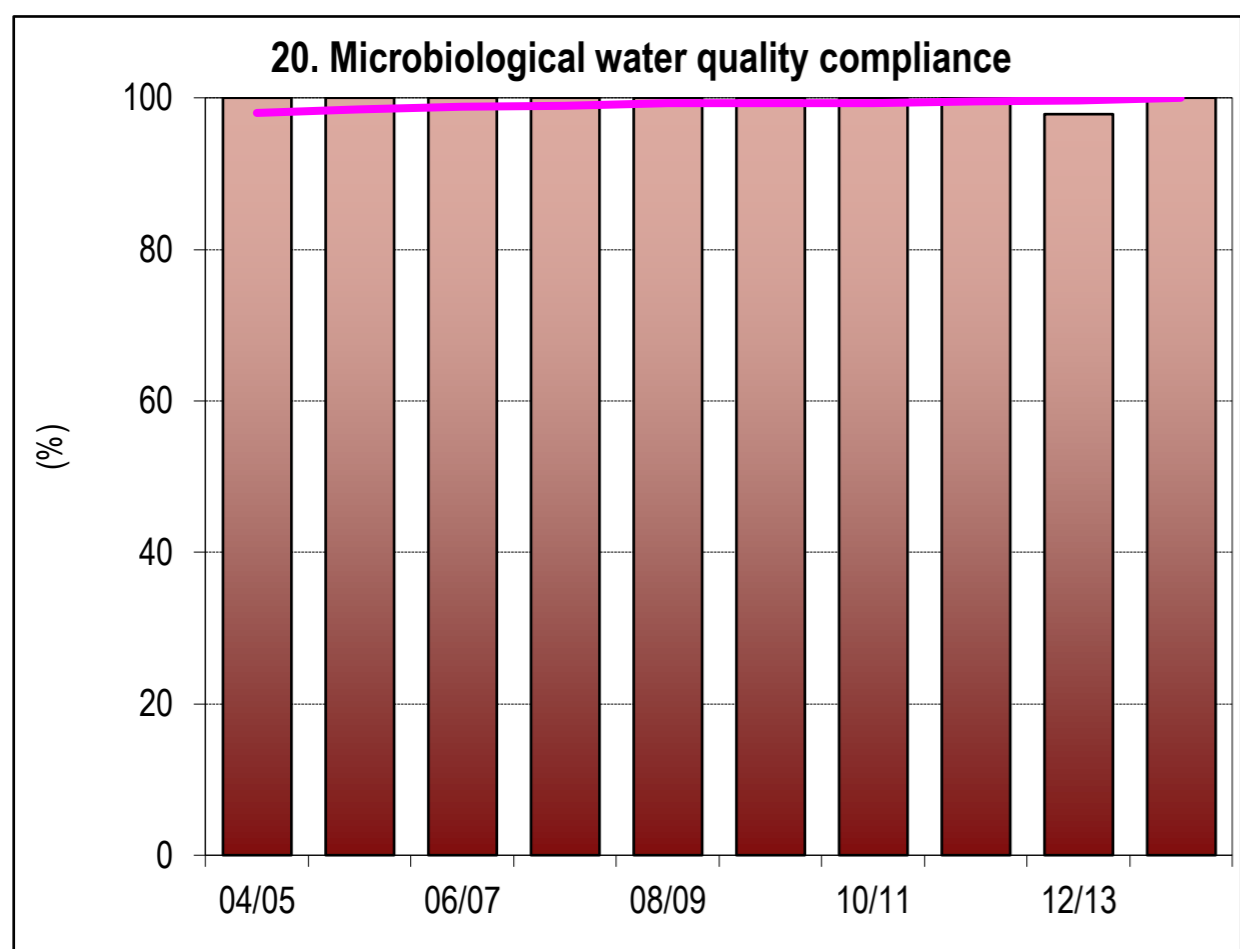
RESIDENTIAL USE/REVENUE FROM USAGE



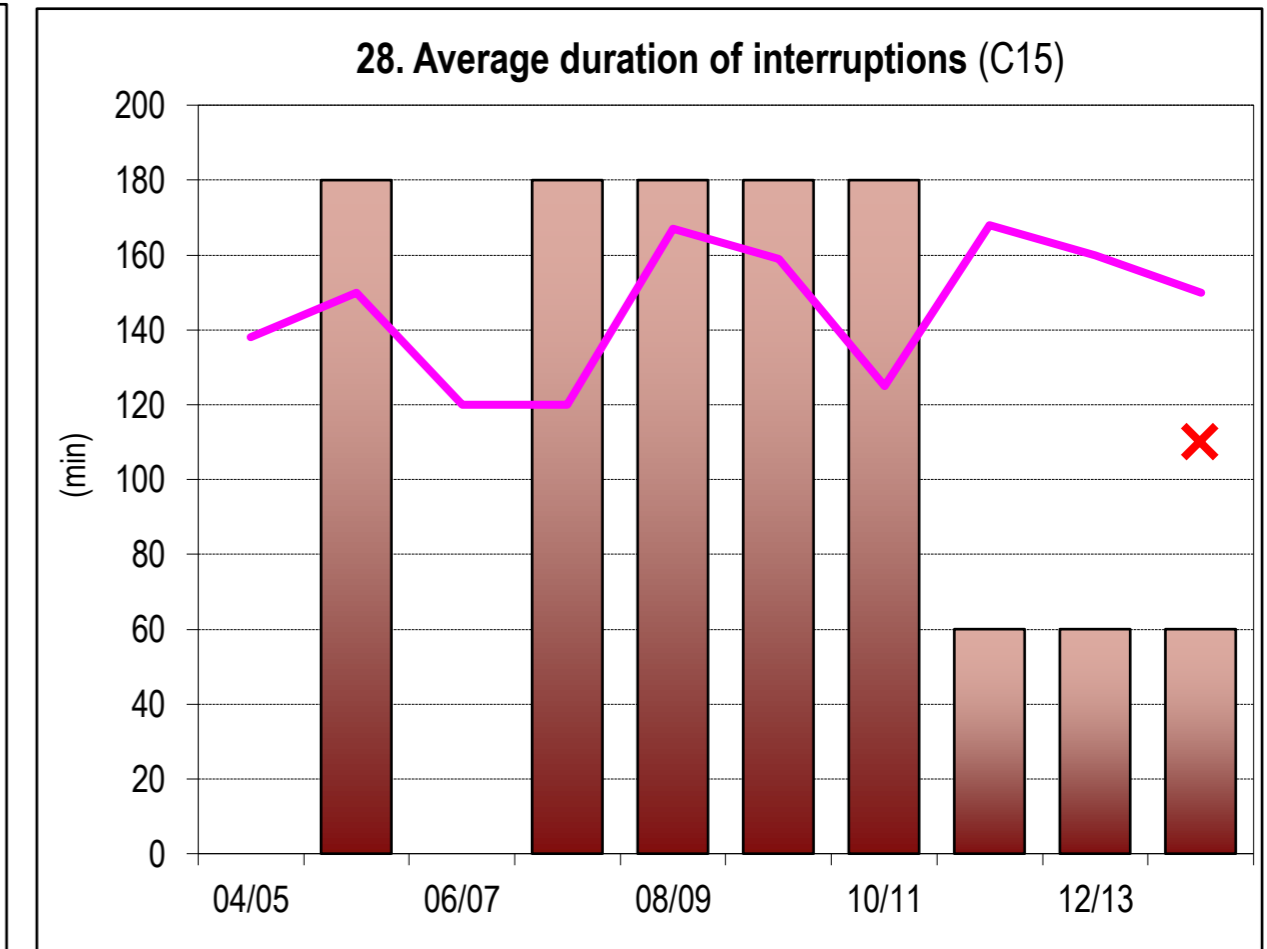
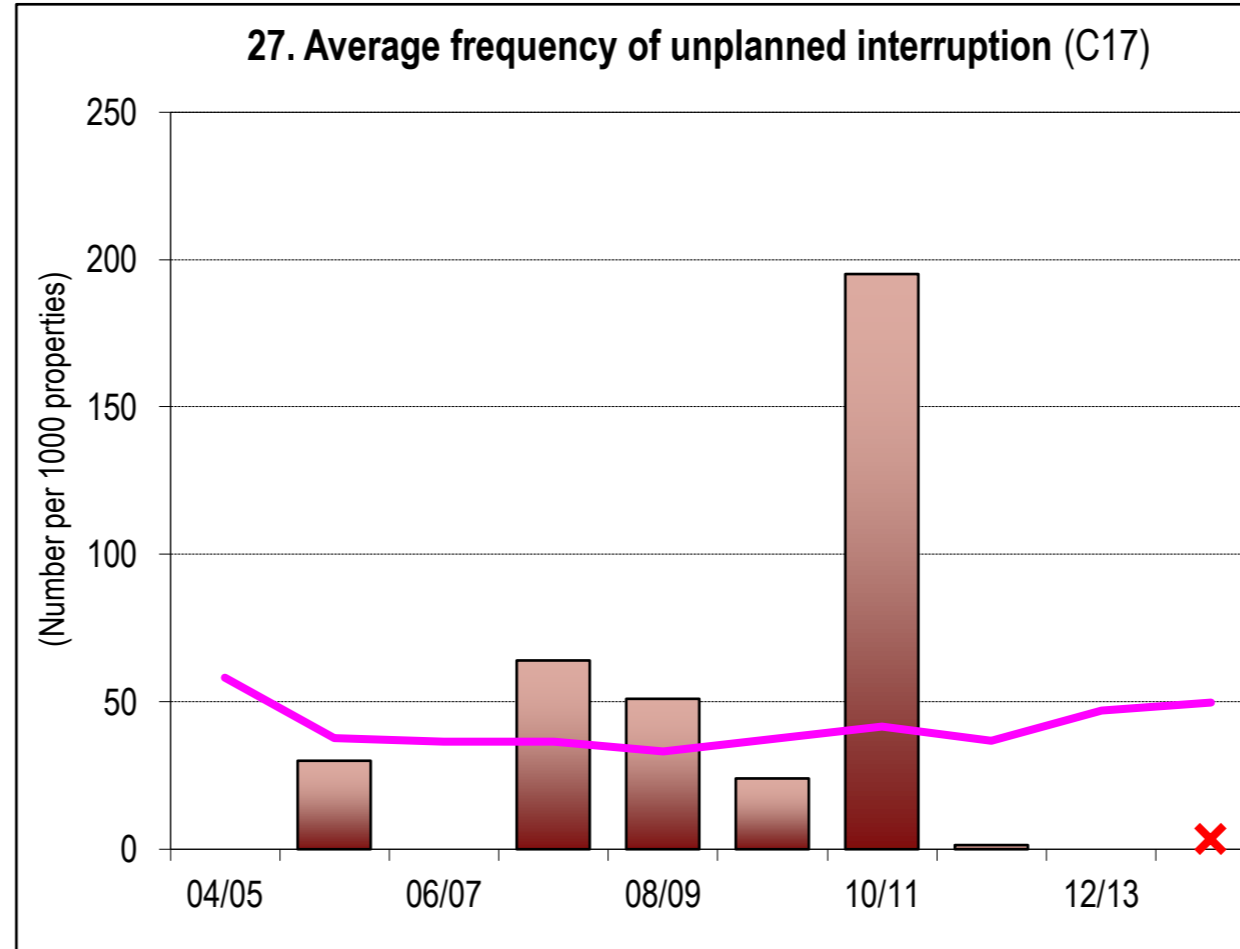
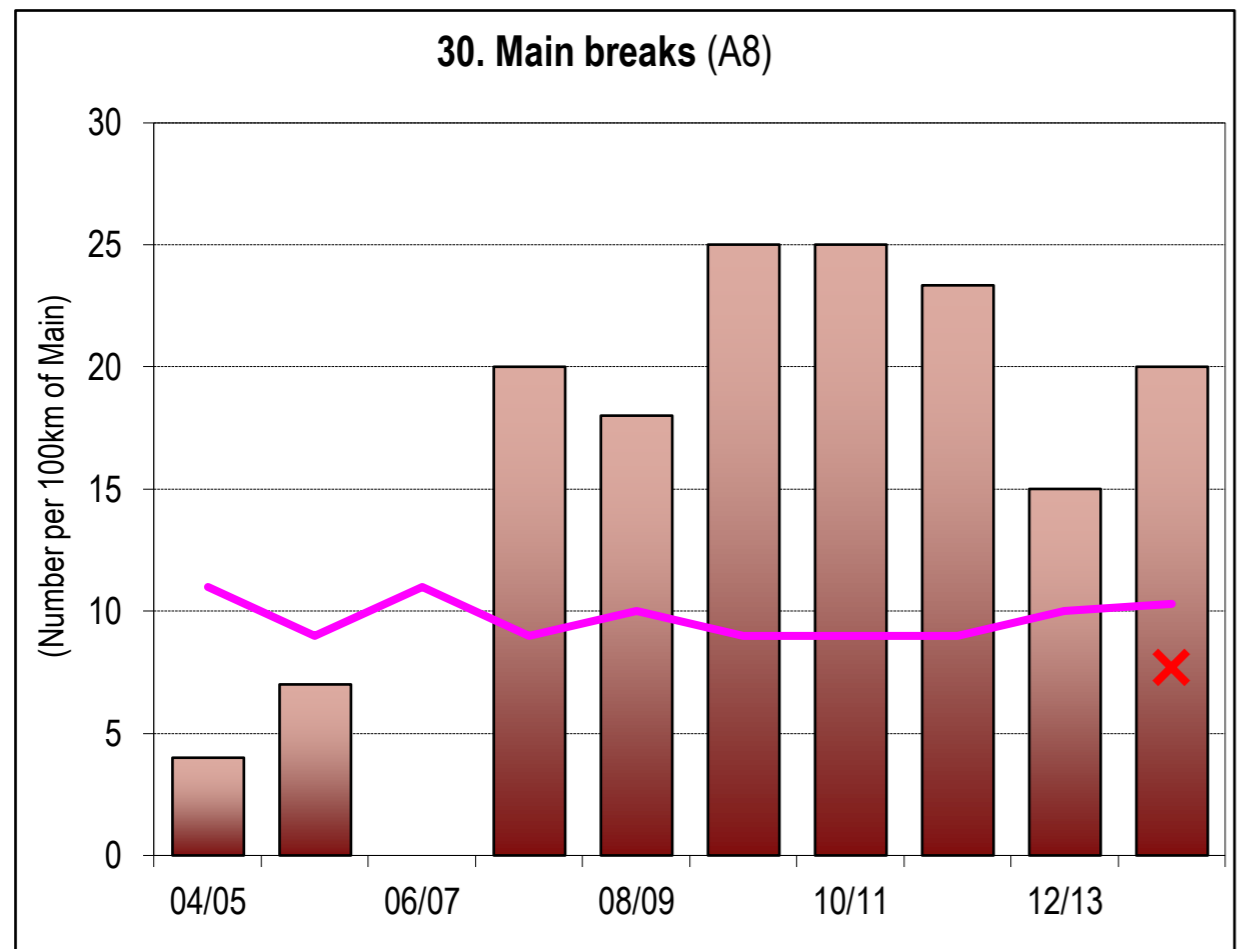
COST RECOVERY



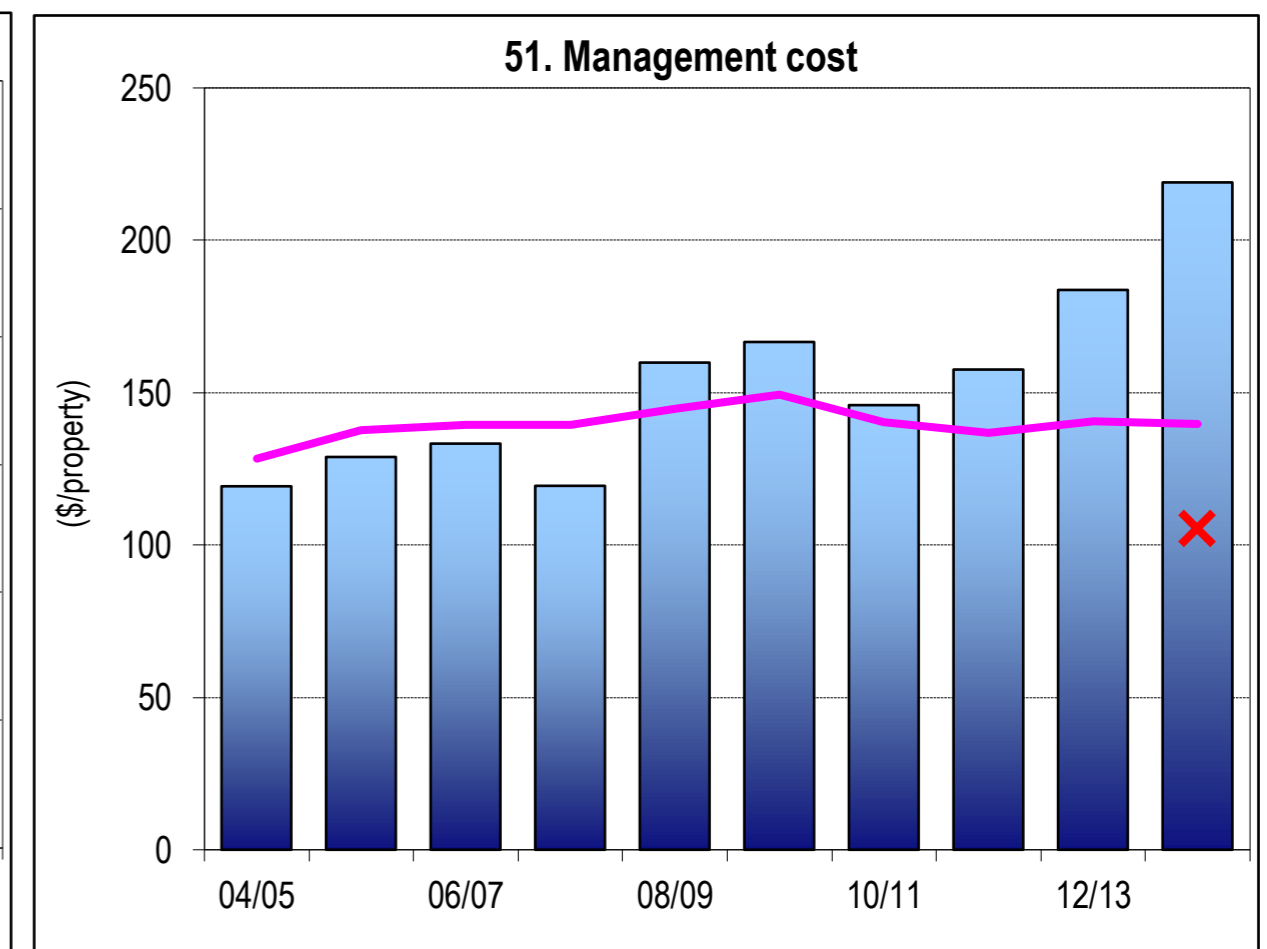
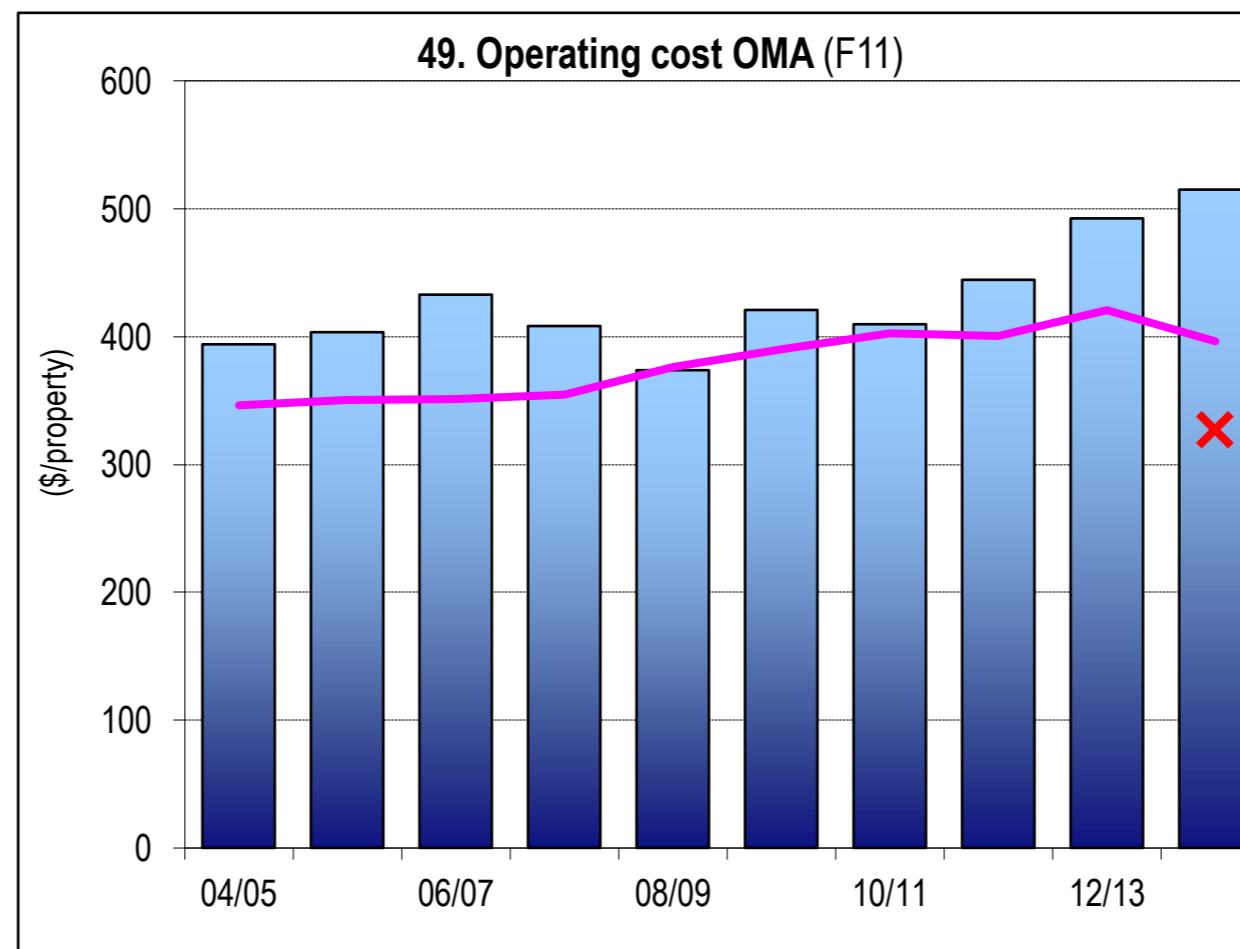
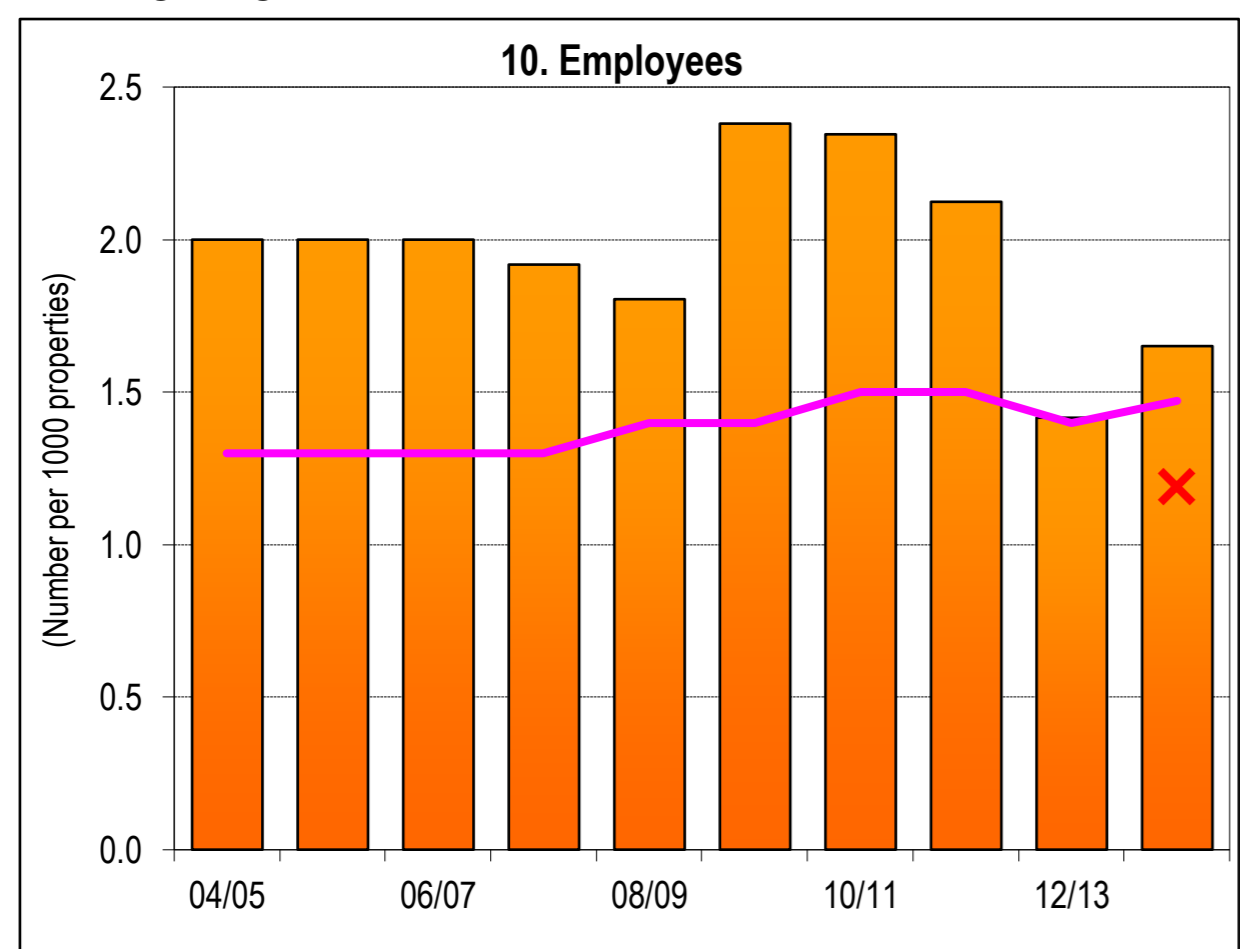
WATER QUALITY/CUSTOMER SERVICE



RELIABILITY



EFFICIENCY



NOTES:

- Costs are in Jan 2014\$ except for graphs 12 and 14, which are in Jan 2015\$.
- Microbiological water quality compliance 1999-00 to 2003-04 was on the basis of 1996 NHMRC/ARMCANZ Australian Drinking Water Guidelines for E. coli; from 2004-05 to 2010-11 compliance was on the basis of the 2004 NHMRC/NRMMC Australian Drinking Water Guidelines (ADWG) and for 2011-12 to 2013-14 compliance was on the basis of the 2011 ADWG.
- Indicators 33 and 33c - Green shading of bars shows % of time Drought Water Restrictions applied in each year:
- Indicator 33c - Yellow bars show Peak Week Water Supplied for comparison with Peak Day Water Supplied shown in green.

LEGEND
 State Median for all years ———
 Top 20% for 2013-14 X

- 0 - 30%
- 30-50%
- >50% of time