



BOGAN SHIRE COUNCIL

Business Paper Extraordinary Meeting

1 December 2021



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1 December 2021

COUNCIL MEETING NOTICE

This extraordinary meeting is called with less than 3 days' notice under Section 367(2) of the Local Government Act for Thursday 1 December 2021 at 8:00am in the Council Chambers, Nyngan.

AGENDA

1. Opening Prayer
2. Apologies
3. Declarations of Interest
4. General Manager's Report

Your attendance at this meeting would be appreciated.

Yours sincerely

Derek Francis
General Manager

REPORT TO EXTRAORDINARY MEETING OF COUNCIL – GENERAL MANAGER'S REPORT

Mayor and Councillors

The following report is submitted for consideration:-

1 NYNGAN EMERGENCY BORE

Summary:-

The purpose of this report is to seek direction from Council regarding whether or not to progress preliminary work towards the installation of the pipeline along the Old Warren Road from Nyngan's water treatment plant to the town's emergency bore.

1.1 Introduction

The purpose of this report is to seek direction from Council regarding whether or not to progress preliminary work towards the installation of the pipeline along the Old Warren Road from Nyngan's water treatment plant to the town's emergency bore.

1.2 Background

Towards the end of the last drought Council was engaged in discussions with the NSW Government about how to supply water to Nyngan and the Shire's villages for critical human needs in the event of Lake Burrendong and the Macquarie River running dry. To avoid the need to evacuate Nyngan options considered by the NSW Government included carting water by train and the potential for accessing ground water sources.

The NSW Government provided \$250,000 in 2019 for the investigation of a groundwater bore east of Nyngan. A bore was drilled on the Old Warren Road approximately 13kms from Nyngan in January 2020. Pump test results of the bore were provided to Council in a report in February 2020, indicating a yield of 3 megalitres per day of good quality water.

Funding approval for \$2.43 Million for the project was received from the NSW Government in June 2020 and this was increased by \$1.2 Million in June 2021 to cover an expected increase in project costs. Also included in the letter from the Minister for Water was a statement that the additional funding was to ensure a larger pipe size was installed so that "infrastructure may be augmented at a later date to facilitate delivery of water to Cobar in a period of extreme drought." It is understood that this refers to the borefields to the north east of the existing emergency bore that were proposed by the NSW Government. (Presentation to the Council meeting on 27 August 2020 refers).

Council has also resolved to allocate \$270,000 of its own funds to the project.

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Council received a water access licence on 18 November 2020 for the extraction of 200 ML for critical human needs from the emergency bore which is considered sufficient to supply water to Nyngan town and villages under Level 6 Water Restrictions in the event of a severe drought.

A second stage of the process has involved gaining approval from the Natural Resource Access Regulator (NRAR) for water supply work.

As part of this process, NRAR has undertaken extensive consultation with property owners in the vicinity of the bore and has been working through interpretation of applicable clauses of the *Water Management (General) Regulation, 2018* and the *Water Sharing Plan for the for the NSW Great Artesian Basin Groundwater Sources 2020* to finalise this matter.

1.3 Discussion

NRAR has yet to provide Council with a determination on our water supply work application to commission the emergency bore.

Should approval be granted preliminary work towards the installation of the pipeline can commence which will include issuing tenders for Council to consider at its meeting in February or March 2022. Should approval not be granted there are avenues to seek a review of this decision, this process could however take a number of months and is likely to cost in the region of \$30,000.

There are concerns that delays would impact availability of grant funding but the bigger concern is the ever increasing cost of materials and construction which could impact on the project and result in Council having to fund more of it. Already, anecdotal reports are that construction costs have increased by 30% in the last few months. Certainly recent construction tender processes support this.

This report is being submitted to Council at this point because information now received from NRAR states that "Council currently has the option under clause 39A of the *Water Management (General) Regulation 2018*, when drought conditions occur, to apply for an exemption to operate the bore for emergency town water supply."

In effect this is understood to mean that, in drought conditions, the Minister for Water will grant permission for Bogan Shire Council to extract water for critical human needs without the approvals Council is currently seeking.

It will be necessary to seek approval for periodic extractions for maintenance purposes outside of drought conditions but this can be dealt with separately.

An option for Council to consider is abandoning the current bore site and sinking a second bore approximately 150 metres further along the Old Warren Road. This would resolve the issue that NRAR has been attempting to resolve but would come at a cost of approximately \$210,000 which Council would have to bear and there is

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no absolute guarantee that the same quantities of water would be present at the new site.

Council currently has the following options for a decision regarding whether or not to progress preliminary work towards the installation of the pipeline.

1. Make no decision at this point pending the outcome of the NRAR determination and any subsequent review processes that might be necessary.

This could have implications for cost increases and security of funding depending on how long these processes take. The review process, if required, will come at a cost.

2. Abandon the existing bore and sink a second bore further along the Old Warren Road.

This is an additional cost to Council and water availability at this site is unknown.

3. Proceed with preliminary work towards the installation which will include the submission of tender proposals to a future meeting of Council.

Council will have to make representation to the Minister for exemption to operate the bore whenever required under drought conditions and for approval to perform periodic maintenance.

1.4 Recommendation

For consideration.

Derek Francis

GENERAL MANAGER