

# Namoi-Peel Customer Advisory Group

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## TO BE RATIFIED AT MARCH 2019 MEETING

**Minutes of Meeting**  
**Thursday 23 August 2018**  
**The Crossing Theatre**  
**117 Tibbereena St, Narrabri**

**Present:** Ian Coxhead (acting Chair), Bruce Logan, Brendon Warnock, Andrew Watson, Lindsay White, Paul Keyte, Tom Woolaston, Darren Raeck, Jono Phelps (observer), David Stockler, Lew Hyson (observer), Jonathan Dickson, Dan Berry, Ken Gee, Andrew Scott, Emma Oates and Toni Hayes (minutes).

Ronan Magaharan, Andrew Fraser, Mark Clayton and Graham Begg attended via Skype for specific agenda items.

**Meeting Opened:** 11.00am.

### **Welcome and introductions.**

- 1. Apologies:** David Phelps, Mark Taylor, David Gee, Jon-Maree Baker, Steve Carolan, Ken Stump, Ildu Monticone, David Gowing.

*B Logan/T Woolaston*

### **Confirmation of Chairperson**

The Namoi-Peel CAG agreed to continue Chairmanship of David Phelps to the end of the current term of office, 30 June 2019.

- 2. Confirmation of Agenda Items:**

– Nil additional agenda items tabled.

- 3. Declaration of Interest(s):**

– Declarations of interest were sought from attendees in relation to the meeting's agenda items. No interests were declared. Items included in the agenda are not considered confidential unless declared as such.

– L Hyson attended the meeting as an observer requested by Peel Valley WUA and declared his interest as a water broker for National Water Traders.

- 4. Minutes of Previous Meeting, 20 February 2018:**

– Resolved the minutes of meeting held on 20 February 2018 be confirmed as a correct record. Taken as read.

*B Logan/B Warnock  
carried*

– J Phelps provided comments from an email sent by J Baker dated 21 August 2018:

*The minutes are a report of WaterNSW Policy download and do not reflect the depth of customer feedback provided at the meeting. Minutes of customer feedback is important to ensure confidence in WaterNSW capacity for genuine engagement.*

– WaterNSW noted the comments and advised that the minutes are a record of the meeting, not verbatim of conversation. Specific actions are recorded as required.

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## 5. Actions arising from minutes:

- See action sheet attached.

## 6. Water Delivery

### 6.1 Water System Operations Report (K Gee)

- WaterNSW provided a presentation on the operations plan for the Namoi and Peel valleys. The plan is publicly available on WaterNSW's website at <http://www.waternsw.com.au/customer-service/news/operations>.
- Under minimum inflow scenarios, 2018/19 deliveries will be extremely constrained. Efficiency strategies, including block releases and limiting the length of river for deliveries (to Gunidgera Weir) will need to be implemented.
- A BWT from Split Rock Dam to Keepit Dam will be required to deliver remaining account volumes in the Lower Namoi. WaterNSW will hold a meeting with Split Rock WUA to discuss.
- WaterNSW is anticipating only one block release throughout November/December 2018 and is working directly with key stakeholders. Will have a more specific timeline in the next couple of weeks.
- L Hyson questioned the figures presented in the water availability report indicating that DOW presented figures to Peel Valley WUA which were different. WaterNSW advised that the figures come from the Water Accounting System.

**Action NP1808.01:** Validate WaterNSW figures presented to CAG in the water availability report.

*Responsibility: K Gee*

- Customers commented there is not enough available information about what is being delivered (want to understand planning of releases) and questioned whether there was capability in iWAS. WaterNSW noted that weekly water availability reports are available on its website and the Water Live app is also available. WaterNSW is looking at investing in this further so customers can set alerts at various gauging stations to see movement of flows.

### 6.2 Computer Aided River Management (CARM) Update (D Berry)

- CARM is a computer modelling system WaterNSW is implementing to better provide forecasting, event flows, tributary modelling and water order/usage projections.
- Namoi Water has advised it is not supportive of funding the CARM rollout in the Namoi, indicating that the benefits for consumptive users has not been demonstrated.
- WaterNSW advised it is changing the operating platform for the state. The current CAIRO program is an old system using old operating systems. With no change, we run the risk of operational systems shutting down.
- CARM will be rolled out across all valleys, with the Namoi and Peel in the development stage.

## 7. System Operation and Asset Services

### 7.1 Asset Maintenance and Services Update (R Magaharan)

- Asset performance and maintenance in the Namoi and Peel valleys presented and discussed.
- Customers questioned the requirement for increased surveillance during the upgrade at Keepit Dam. WaterNSW advised dam surveillance was increased to daily visual monitoring of the dam during the upgrade works to ensure/maintain integrity of the dam and any issues due to coring are picked up early.

## 8. Presentations/Consultation

### 8.1 Drought Response (J Dickson)

- As part of the NSW Government's Emergency Drought Relief, a rebate of up to \$4,000 per licence for the fixed component of bills on general security and some supplementary licences will apply to **future** invoices.
- For regulated river customers, the rebate will be applied equally over the next four bills. For unregulated and groundwater customers, the rebate will be applied to the next bill for 2017/18. High security and government licences are excluded.
- Visit <https://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub/emergency-drought-relief-package> for more information.

### 8.2 Regulatory Update (J Dickson)

#### Reform Update:

- WaterNSW provided a recap on the water reform process to date. Draft WRAP regulations have been released and ongoing consultation with the Taskforce continues.
- Customers noted that legislation prohibits a State-Owned Corporation from licensing local government and asked whether WaterNSW has actively promoted changing to a single entity.
- WaterNSW advised that the original intention was for licensing to be a single entity, with the exception of licensing our peer agencies. Those functions are currently not with us, however the Minister is aware of the situation and has indicated a decision will be made in the next year.

#### Meter Ownership:

- WaterNSW currently owns and maintains meters in the southern valleys and Nepean and Bega systems. Metering legislation passed in June 2018 created a framework under which a transfer of ownership may occur.
- WaterNSW acknowledges there are transitional issues to be worked through and is actively involved in preparing a framework.

#### Metering Policy:

- The Taskforce is currently preparing a list of NMI-approved pattern approved meters. WaterNSW is seeking direction from the Taskforce to publish this on our website as per requests from our customers.
- WaterNSW's submission to the metering framework has been published at [https://www.industry.nsw.gov.au/\\_data/assets/pdf\\_file/0019/162505/Water-reformconsultation-submission-178.pdf](https://www.industry.nsw.gov.au/_data/assets/pdf_file/0019/162505/Water-reformconsultation-submission-178.pdf)
- Draft metering regulations expected to be released by the Taskforce in Q3 2018.
- Customers questioned overspend of \$65K on metering and compliance in the Namoi (refer attachment 1). WaterNSW advised the business has significantly overspent the allocated budget on compliance as a result of a surge of activity resulting from the Matthews' Report. Is a state-wide spend across all valleys and does not affect the price customers pay (is a regulatory allowance).

### 8.3 Pricing Determinations (J Dickson)

- The **WAMC pricing determination** runs 2016-20 with functions split between DOIW, NRAR and WaterNSW. New pricing submissions are due by 30 June 2019 from each agency.
- The **rural valleys pricing determination** runs from 2017-21, with submissions due to IPART 30 June 2020. WaterNSW will seek involvement from the CAGs on price modelling in early 2019. We will again seek to continue the journey towards customer choice.
- **IPART Cost Share Review:** IPART is reviewing how the costs of providing rural bulk water services is shared between water users and the NSW Government, following a beneficiary pays or impactor pays framework.
- A draft report is due in October 2018 with final report due February 2019. Any changes will impact the next WAMC and Rural Pricing Determinations and customers are urged to be involved in the process.
- With four determinations on the landscape (WAMC, W2BH, Greater Sydney and Rural), WaterNSW will be seeking customer input via CAGs from February 2019 to June 2020.

### 8.4 Levels of Service (LOS) Project Update (A Fraser)

- Workshops have been held with Peel (7 August) and Namoi (15 August) customers.
- WaterNSW is about to engage a consultant to assist with the Future Trends study, high-level costing and economic analysis and will commence a LOS gap analysis and options development.

### 8.5 Burrendong Temperature Curtain Update (M Clayton)

- Following extensive investigations into cause of failure and some subsequent design modifications the curtain was partially reinstated (due to low storage levels) and made operational in August 2018. Full reinstatement and testing will commence once water levels in the storage increases.
- More information is available at <https://www.waternsw.com.au/projects/burrendong>.

### 8.6 Nimmie-Caira SDL Project (M Clayton)

- The NSW Government acquired 19 parcels of land in Nimmie-Caira (on behalf of the Commonwealth) as an SDL project associated with the implementation of the Murray Darling Basin Plan. WaterNSW operates and maintains 60 assets within the system.
- Out of the 60 impacted assets, only four are located on or near the Murrumbidgee River and are required to deliver water to both the Nimmie-Caira and regulated customers. The other remaining impacted assets are used to manage flows within the Nimmie-Caira system on behalf of the environmental water holders.
- WaterNSW is working with DOI Water to legally discharge its obligations with respect to operating and delivering water within the Nimmie-Caira footprint. No impact is expected to Lowbidgee customers as needs can be met by assets retained by WaterNSW.

### 8.7 Fish Passage Ministerial Taskforce Update (M Clayton)

- WaterNSW provided an update on the Fish Passage Ministerial Taskforce (as discussed at previous meetings). A strategic business case has been drafted with target completion October 2018 and approval process 2018/19.
- Customers questioned if the corrective works done at Mollee Weir were under warranty. WaterNSW advised there were some defects, which have been repaired by the contractor. Other works are required to be done around control work that are not contractor responsibility and require us to investigate.

- Customers sought clarification of the overspend of \$8M at Mollee Weir and what, if any, impact it has on prices. WaterNSW advised that if there is an increase in cost, this will be reflected in servicing capital 50/50 share. Depending on cost share and over/under spend. If Capital plans elsewhere come in below budget and there is underspend elsewhere the nett position may be zero. In the instance where this is not the case, WaterNSW runs the risk that the regulator may choose not to pass the costs through the next pricing determination.
- Customers sought information of the cost of the weir raising project at Gundiger. WaterNSW advised that there are two projects – the weir raising (\$200K) and channel works (\$800-900K). Both have been approved and are ready to go, with the weir raising anticipated to be executed in winter 2019.

### 8.8 Local Water Utility (LWU) Monitoring Review (G Begg)

- WaterNSW provided an update on the LWU Monitoring Review. Forty-two surveys have been completed to date.
- Emerging themes include strong interest in an active notification mechanism, potential for WaterNSW to act as a hub for data sharing and potential to supplement monitoring program by adding instruments to existing hydrometric stations.
- Review to be completed December 2018 with an update to be provided to CAGs early 2019.

### 8.9 Wentworth to Broken Hill Pipeline (W2BHP) Update (J Dickson)

- WaterNSW provided an update on the W2BH Pipeline Project. Completion of pump stations is well progressed and project currently on track for completion at the end of the year.

### 8.10 CAG Term of Office

- The current CAG term of office ends 30 June 2019. WaterNSW will call for nominations for the 2019-2022 CAG during February 2019.
- WaterNSW encourages current members to renominate and invites other interested customers to nominate through their respective nominating organisations/water user groups.

## 9. Reports

- Noted and taken as read.
- Customers sought additional information on Walgett Weir Fishway expenditure in the Capex report. Taken as a question on notice.

**Action NP1808.02:** Investigate Capex expenditure of \$6K for Walgett Weir Fishway – who pays, was there a project and what does the work entail?

Responsibility: M Clayton

- Customers sought detail on Corporate Systems costs in the Namoi Capex (\$1.2M) – what is it for and where does the funding benefit customers. WaterNSW advised that this is the Namoi's share to deliver services required under the Operating Licence. Benefit to customers is avoidance of existing system failing, with ongoing upgrades to systems etc.

## 10. General Business

### 10.1 Dam Wall Debiting Update (D Berry)

- Customers are seeking an explanation as to why dam wall debiting is no longer occurring in the Namoi and are seeking to reinstate.

- WaterNSW advised that system changes occurred in 2014/15 when regulatory issues occurred in reporting annual water take as part of our Works Approval. Date of extraction from the river was different to the date water is pumped and WaterNSW has a legal requirement to report when water is used.
- A change back to dam wall debiting would require an extensive system change. If customers are supportive for this to happen, WaterNSW will have to come back to customers with an estimate of cost and timeline. Is an issue to customers only when accounts are full.
- Customers requested feedback be provided to David Phelps (Chair) out of session.

**Action NP1808.03:** WaterNSW to provide feedback on dam wall debiting in the Namoi to D Phelps out of session.

*Responsibility: D Berry*

## 10.2 Groundwater Monitoring

- Customers noted that this summer might see some zones approach the 3-year rolling average and asked if WaterNSW would provide an update to customers later in the year.
- WaterNSW advised that a survey has just been sent to groundwater users which may help inform some of this.

## 10.3 Zero Dollar Trades

- Customers sought information from WaterNSW on zero dollar trades for trades between related parties.
- The basin trading rules require that the seller must notify WaterNSW in writing of the agreed price. WaterNSW recognises that some of these trades are between related parties and recognises that for a related party transaction, a zero dollar value may be acceptable. We continue to seek direction from the MDB in terms of our role in accepting a trade if it appears to not be compliant.

## Meeting Review and Close

**Next Meetings:** Tuesday 12 March 2019 (location TBC)

**Meeting closed:** 2.20pm

Carried Forward Actions			
Action No. yymm.action no	Action	Responsibility	Status
	Nil carried forward actions.		

New Actions			
Action No. yymm.action no	Action	Responsibility	Status
NP1808.01	Validate WaterNSW figures presented to CAG in the water availability report.	K Gee	<p><b>Complete.</b></p> <p>The difference in the figures is due to DOI Water using a different source of information which did not include trades out of the Peel. (difference of 700ML).</p> <p>Figures presented in WaterNSW's report are the most up to date and are correct.</p>
NP1808.02	Investigate Capex expenditure of \$6K for Walgett Weir Fishway – who pays, was there a project and what does the work entail?	M Clayton	<p><b>Complete.</b></p> <p>The \$6K was for preliminary planning work in support of the proposed fishway offset at Walgett. As this was to be for the benefit of Namoi customers (through a more cost-effective offset than Gunidgera), the project works were to be capitalised and enter the Namoi Valley RAB.</p> <p>As Namoi Valley is not funding the project, the capex accrued against this code will be written off. No further expenses will be incurred against this project in the Namoi Valley. Consequently, this will not impact customer prices.</p>
NP1808.03	WaterNSW to provide feedback and updates on dam wall debiting in the Namoi to D Phelps out of session.	D Berry	



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