

Macquarie-Cudgegong Customer Advisory Group - Minutes of Meeting



Location: WaterNSW, 7 Commercial Ave, Dubbo

Date: 26 February 2020

Time: 9.30am

Present: Lyn Davies (Chair), Tony Quigley, Rick Reid, Michael Bennett, Rob Tuck, Greg Murie, Glen Whittaker, Peter Schuster, Paul Keyte, Lindsay White, Grant Tranter (observer), Claire Cam (observer), David Stockler, Jonathan Dickson, Sri Sritharan, Emma Oates, Enrico Proietti and Toni Hayes (minutes).

M Clayton attended for agenda items 2.2, 2.3, 3.1, 3.2.

A Lavelle and A Hatton attended for agenda item 2.2.

A Fisher, A Fraser and H Hadungoda attended via Skype for agenda items 2.2 and 2.3.

S Ronan and T Hogarth from NRAR attended for agenda item 5.3.

Meeting Opened: 9.30am.

1. Introduction:

1.1 Welcome and introductions

1.2 Apologies

- Simon Earl, Garry Hemsworth, Stephen Chesworth, Michael Sutherland, David Frith, Frank McKillop, Jason Wilson.

*M Bennett/R Tuck
carried*

1.3 Confirmation of Agenda Items

1.4 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.

1.5 Minutes of Previous Meeting, 30 October 2019:

- Resolved the minutes of meeting held on 30 October 2019 be confirmed as a correct record. Taken as read.

*M Bennett/R Tuck
carried*

1.6 Actions arising from minutes

- See action sheet attached.

2. Presentations/Consultation

2.1 Regulatory Economics – Pricing Determination Engagement (J Dickson)

Rural Pricing Determination:

- WaterNSW has heard from customers about the deep and lasting impact of ongoing drought, and as a result we believe delaying the timing of the IPART Rural Pricing Determination is in the

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best interest of our customers. With support from the CAGs, we will seek to defer the current timeline.

- WaterNSW is proposing a 2-year deferral with no change to proposed revenue for the two years (excluding the impact of inflation); and the application of the updated 20-year rolling average, which, due to lower volumes, would lead to an approximate 5% average bill increase. Discussed.
- The Macquarie-Cudgegong CAG is supportive of the proposal to defer.

Customer Juries:

- In line with the deferred timeline, WaterNSW will commence engagement with Customer Juries in the next calendar year. Customer Juries will be a core component of engagement on the Rural Pricing Determination and will be in addition and complementary to CAG meetings.
- Members are supportive of the jury concept however noted that time requirements may impact those considering involvement in juries (number of meetings, travel commitment etc). MRFF voiced support for the Customer Jury approach and offered to assist the process and encourage customers to get involved as required.

WAMC (Water Administration Ministerial Corporation) Pricing Determination:

- A new IPART WAMC pricing determination will be in place from 1 July 2021. The Determination applies to the WAMC services provided by WaterNSW, DPIE-W and NRAR.
- WaterNSW's objective for our customers in the 2021 determination is to ensure new charging arrangements lead to efficient, cost reflective charges at lowest cost providing transparency to customers on what their charges are paying for.
- As discussed at the October/November 2019 CAG round, current charging does not provide transparency of the functions and costs for WAMC services across the three water agencies. WaterNSW is working with DPIE-W and NRAR to develop charging arrangements to increase transparency and improve cost reflectivity.
- Feedback received from the October/November 2019 CAG round highlighted broad consistency from customers on the key messages around transparency, cost reflectivity and value for money.
- Members are supportive of WaterNSW's proposal to separately identify the costs for each organisation and the move to fully cost-reflective fee-for-service charges over time.

2.2 Projects Update

WaterNSW provided an update on emergency drought projects and critical water activities underway across the state:

Critical State Significant Infrastructure (CSSI) Projects (M Clayton):

- In October 2019, the Prime Minister and NSW Premier announced the planning and delivery of three new or augmented dams in NSW (Wyangala Dam raising, and construction of new dams on the Mole River and Dungowan Creek). These projects have been identified as Critical State Significant Infrastructure (CSSI) projects in the *Water Supply (Critical Needs) Act 2019*.
- The projects have been mobilised with project delivery planning underway, shovels expected in ground October 2020 and construction commencement expected October 2021. There will be more detailed consultation with CAGs and community groups as the projects progress.

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Western Weirs program (CSSI) (M Clayton):

- The Western Weirs program involves a holistic approach to improving the management of the Barwon-Darling and Lower Darling rivers and includes assessing feasibility of modifying and changing the operation of river infrastructure; improving asset condition and capability of existing weirs; improving river health and reduction of no-flow events; provision of fish passage and implementation of a new ownership and maintenance regime.
- Development of hydrology and hydraulic models, project plan, community and stakeholder engagement/consultation plan and Interagency meetings are currently underway. Stakeholder engagement and consultation is forecast to commence February/March 2020.
- The question of asset ownership will form part of the project brief. We note that final funding is still unknown.

Narromine/Nyngan pipeline (A Lavelle):

- This project is an emergency drought response measure, funded by Government, with the objective to identify a viable drought relief water supply to meet the critical water needs of Nyngan and Cobar and construct a pipeline to meet the drought requirements and integrate into the long-term Macquarie Valley strategy by the cease-to-flow date.
- Preliminary desktop investigations are being finalised to identify viable groundwater sources within 120km of Nyngan for drought supply, with test bores to commence in early March to the west of Narromine. Two alternate groundwater investigation areas are to be confirmed with test drilling to be undertaken in March/April.
- WaterNSW has briefed Local Councils and DPIE on the proposal and community notifications will be issued prior to test bores and ongoing as necessary. Members stressed they would like to be included in the engagement and consultation process.
- Members commented that WaterNSW is taking on a project that is not theirs and there are concerns this is a distraction from its core business. WaterNSW has the expertise to deliver the pipeline and when requested, has a Government obligation to do so.
- Members questioned if/where the Albert Priest works sit within this project. WaterNSW advised that the Government hasn't come to a decision regarding Albert Priest Channel in relation to this project. Emergency drought projects work differently to other projects.
- Customer feedback will be incorporated into engagement plans going forward.

Macquarie River Re-Regulating Weir (A Lavelle):

- The objective of this project is to provide water security to the Belubula system. The project is progressing well with the concept design finalised and a detailed business case has commenced. There is ongoing consultation with NSW Fisheries.
- The proposed location is downstream of the existing Gin Gin Weir. If approved, successful implementation will decommission the existing weir and build a new weir. The fishway will be on the new structure.
- Community information sessions will be held 26/27 March 2020 in Narromine.

Macquarie Valley Drought Relief Strategy (A Fraser/H Hadungoda):

- The objective of this project is to develop drought relief solutions for the townships of the Macquarie Valley which will avoid towns failure in current and future droughts while maintaining the sustainability of local employment for businesses.
- The strategy will investigate improving efficient delivery of water for critical human needs downstream and upstream of Burrendong Dam during low dam levels; explore groundwater

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availability and suitability to optimise surface and groundwater use; and explore potential short and long-term asset solutions and options.

- WaterNSW will continue to liaise with councils to develop a draft strategy with a view to submitting to the NSW Government by mid-2020.

Deep water access at Burrendong Dam (A Lavelle):

- The recent rainfall event has deferred the project for about 6 months. HV works almost complete, pontoons and pumps arriving on site this week, commissioning plans being finalised. Will be ready to go when water levels allow.
- WaterNSW will continue to communicate to customers as the project progresses.

2.3 Major Projects – partner update (M Clayton)

- WaterNSW is currently planning and delivering a \$10billion portfolio of Water Infrastructure, most of which is on a fast-tracked delivery timetable. This will require WaterNSW and Industry to form strategic partnerships. The three dams in the CSSI project are an important part of this broader portfolio.
- We have gone to the market to seek a Portfolio Delivery Management Partner (PDMP) to boost our capability and capacity and manage the development and delivery of critical projects.
- There has been a huge response to the EOI process. Now shortlisted, with request for tender (RFT) to go out shortly. WaterNSW expects the awarding of contract to be around April 2020.

2.4 Water Reform Implementation Plan (WRIP) – metering update (J Dickson)

- WaterNSW provided an update on metering reform including current timelines for compliance and work in progress on meter transfer, meter ownership and pending information on telemetry.
- Customers are encouraged to check Works Approvals, confirm installations are compliant with Works Approvals and understand the pathway to compliance. This may differ from customer to customer.
- The Data Acquisition Service (DAS) and Duly Qualified Person (DQP) Portal is due for release end March 2020.
- Telemetry rollout discussed and requirement to be compliant when installations can't be wet tested. NRAR is taking a very balanced approach to this. WaterNSW encourages customers to do what they can and keep records of what they have done to attempt to achieve compliance.

2.5 Fixed Fee Rebate update (E Proietti)

- As previously advised, the government has repeated the rebate for the current water year. WaterNSW continues to advocate for further rebates to assist those with no access to water.
- An additional \$1M has been provided to valleys where High Security and S&D access has been unavailable.
- Issuing of regulated Q1 bills was delayed as a result of the extension of the rebate and the impact from the bushfires across NSW.
- For more information go to <https://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub>

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2.6 Groundwater update (J Dickson)

- WaterNSW is currently recruiting for a hydrologist to have these specific skills in the organisation.
- Members highlighted that groundwater temporary transfers are taking longer than the 10-days turnaround for a decision. WaterNSW advised that hydrogeological assessments (performed by DPIE) are taking longer than anticipated, causing a knock-on effect and resulting backlog.

3. Assets:

3.1 Maintenance update (M Clayton)

- Asset performance and maintenance in the Macquarie and Cudgegong valleys presented and discussed, including routine preventative and corrective maintenance delivery.

3.2 Capital Plan update (M Clayton)

- WaterNSW provided an update on current projects under the 2018-21 Determination, including forecast expenditure, completed projects and work in progress.
- The pricing submission for FY22-23 is currently being drafted. There are 3 existing DSU fishway offset obligations in the Macquarie, to be commenced in the next determination (Gin Gin Weir, Gunningbar Offtake and Marebone Break).
- Fishways discussed. The expectation is the fishway will be built as WaterNSW has an obligation to do it under S218 of the Fisheries Act. Delivery is not the issue; the question is how it is funded. The Taskforce has not yet reached an outcome on this and is seeking government funding.

4. Business Papers:

- Noted and taken as read.

5. General Business:

5.1 Supplementary Event/Announcement

- Members commended WaterNSW on its operations during the recent supplementary events, including temporary transfers. The rivers were well-run, updates were timely and the EWN worked well. This was very much appreciated by irrigators and a “life saver” for a lot of people.
- Members highlighted the issue of delays by DPIE-W in making the announcements and highlighted concerns with the process. The WSP is being overridden by departmental personnel when the RA triggers a high flow event. Customers stated if triggers are met, an announcement should be made. This happened recently in the Belubula where the trigger was met but rejected due to potential for future drought in the Lower Lachlan. Concerns this could happen in the Macquarie.
- Members also noted that announcements from DPIE-W don't emphasise that events are only for a limited period (one or two days) and this needs to be highlighted in the media so people understand.
- Further discussion to take place with the Operations Team at the Macquarie ROSCCo (after the CAG).

5.2 Transfers from Windermere

- Transfers from Windermere Dam discussed. Concerns that customers in the Macquarie are subsidising costs yet transfers not done. The bottom half of system is killed before any water is transferred.

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- Further discussion to take place with the Operations Team at the Macquarie ROSCCo (after the CAG).

5.3 WAMC update from NRAR (S Ronan)

- NRAR was invited to present its WAMC plans to customers and use the opportunity to answer questions on IPART submission planning. NRAR provided an update on allegations and investigations to date (statistics), services, IPART processes, agency roles, objectives and functions and compliance management.
- Members raised the following questions/issues that NRAR responded to in meeting:
 - How will NRAR pay for additional staff that have been appointed? How many will be based in Dubbo? How much will customers pay for?
 - Why does NRAR assess State Significant projects and not the normal process?
 - Social Licence: need better clarity and perspective on the results presented on your website. Just gives irrigators a bad name without perspective ie 98% of irrigators doing the right thing.
 - Are you open to customers asking NRAR for advice on what we need to do to achieve compliance or address on farm issues? ie lag in river, raft floating down river.
 - The rules need to be written and implemented before you can do your role (ie telemetry). That all takes time and has a December deadline for >500mm.
 - We need clarification of the law and how NRAR will respond to farmers actions, (eg fencing on riverbanks washed away in flooding, tree fall in rivers blocking pump sites) to know where we stand, it needs to be quick for on-farm decisions.
 - Do you divide the costs for recovery by the valleys applicable and the water type (reg, unreg, GW)?
 - Is your guide for cost recovery based on where infringement is taking place?

6. Water Delivery:

- Water Delivery and Operational Drought Update was presented as part of the ROSCCo meeting following the CAG. For copies of presentations and meeting notes please visit <https://www.waternsw.com.au/supply/regional-nsw/roscco>.

Meeting Review and Close

Next Meeting: Wednesday 1 July 2020

Meeting closed: 1.25pm

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Macquarie-Cudgegong Customer Advisory Group – Actions – 26 February 2020

Carried forward actions

Action No.	Action	Responsibility	Status
MC1705.03	WaterNSW to look at costing of re-routing channel at Bulgeraga Creek.	R Magaharan	<p>Action complete, works ongoing (re-added to action sheet).</p> <p>February 2020 update: Two options have been identified, to improve the section of channel extending (approximately) 600m downstream from the Bulgeraga Creek Regulator. These are to:</p> <ul style="list-style-type: none"> - clean up and refurbish the existing meandering alignment by removing trees, repairing scours and placing rock armouring at vulnerable locations, or - bypass the existing alignment with a new channel on a generally straight alignment, positioned slightly to the west of the existing channel. <p>Cost estimates are being developed for these two options.</p>
MC1809.02	WaterNSW to report transmission loss by river section in Operations Plans going forward.	A Langdon (M Barratt)	Long-term project, ongoing.
MC1809.03	WaterNSW to decide on consistent terminology for Operations Plans for all reports on losses, that clearly breaks down system loss, WSP requirement flow, transmission loss and operational loss.	A Langdon (M Barratt)	Long-term project, ongoing.

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MC1809.04	WaterNSW to advise if there are any long-term plans to address issues at Gin Gin weir which affect customers in low flow conditions.	R Magaharan	<p>Action complete, works ongoing.</p> <p>There are plans in place to block the lower scour valve when water levels permit. This should keep the weir pool at a higher level during periods of low flows.</p> <p>13 February 2020 update:</p> <p><i>All equipment required for the job has been fabricated/purchased and a Purchase Order issued for the excavator hire to install blanking plate.</i></p> <p><i>Current weather conditions have resulted in some good flows D/S of Burrendong Dam, The Bell and Talbragar rivers have been the main contributors.</i></p> <p><i>Water flow at Gin Gin as of 13/2/2020 is currently over 7000ML/d, so we will have to wait until these flows subside before works can start.</i></p>
MC1910.01	Groundwater to be added to CAG agendas going forward.	T Hayes	<p>Complete.</p> <p>Refer to agenda item 2.7.</p>
MC1910.02	WaterNSW to take customer concerns regarding prohibition of trading from S&D to S&D and warranties for carryover to the CWAP meeting for discussion. Response to be provided to customers out of session.	D Berry	<p>Complete.</p> <p>Trading Order has been announced, allowing these trades. Sri has taken up carryover discussion with DPIE.</p>

New actions

Action No.	Action	Responsibility	Status
	Nil new actions.		

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