

Macquarie-Cudgegong Customer Advisory Group

TO BE RATIFIED AT FEBRUARY 2019 MEETING

Minutes of Meeting

Wednesday 12 September 2018

WaterNSW, Blueridge Business Park, DUBBO

Present: Michael Egan (Chair), Peter Gainsford, Rick Reid, Glen Whittaker, Lyn Davies, Tony Quigley, Stewart Crawford, Lindsay White, Grant Tranter, Paul Keyte (observer), Frank McKillop (observer), Owen Johns (observer), David Stockler, Jonathan Dickson, Adrian Langdon, Mahmood Khan, Dan Berry, Emma Oates and Toni Hayes (minutes).

Ronan Magaharan attended for specific agenda items.

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

Meeting Opened: 9.30am.

Welcome and introductions.

1. **Apologies:** Chris Devitt, Chris Hogendyk, Mike Bennett, Peter Schuster.

Confirmation of Chairperson

The Macquarie-Cudgegong CAG agreed to continue Chairmanship of Michael Egan to the end of the current term of office, 30 June 2019.

2. **Confirmation of Agenda Items:**

- Refer to agenda item 10.

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.

4. **Minutes of Previous Meeting, 14 March 2018:**

- Resolved the minutes of meeting held on 14 March 2018 be confirmed as a correct record. Taken as read.

*L Davies/F McKillop
carried*

5. **Actions arising from minutes:**

- See action sheet attached.

6. **Water Delivery:**

- 6.1 **Water System Operations Report (M Khan)**

- WaterNSW provided a presentation on the operations plan for the Macquarie-Cudgegong including storage, supplementary access, water availability, rainfall, inflows, operational loss, storage forecasts, outage planning and prognosis. The plan is publicly available on WaterNSW's website at <http://www.waternsw.com.au/customer-service/news/operations>.

- Customers questioned if the new drought sequence will affect resource assessments going forward. WaterNSW advised it won't change at this stage, we are still following previous recorded low inflows as directed by DOI Water.

Action MC1809.01: *Water Availability figures in the Operations Plan to be corrected and updated by WaterNSW.*

Responsibility: M Khan

- The total amount of water resource required for August 2018 to May 2020 is 866GL, whereas total resource available is 601GL, which results in a shortfall of 265GL. Discussed.
- Customers noted the figures in the resource assessment confused many people when the planning variation was added. WaterNSW advised that the planning horizon was moved to ensure we captured all forecast available inflows and to include at least one winter season.
- Customers noted that the term “operational loss” is misleading and infers that water going out of the system is unused when it is actually transmission loss. WaterNSW advised that water going out of the back end of the system to what the WSP requires is operational loss.
- Customers requested that the operational loss figure be broken down further to show transmission loss, seepage, evaporation etc and is included in reports going forward. WaterNSW can provide an indication of the overall system and where we see the overall losses by river section.

Action MC1809.02: *WaterNSW to report transmission loss by river section in Operations Plans going forward.*

Responsibility: A Langdon

Action 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.*

Responsibility: A Langdon

- As a direct consequence of the worst drought on record, the Minister has announced restricted access to water in accounts for the Macquarie valley. WaterNSW will release a Customer Notice today to explain the detail of the Order and how it came to be. Carryover accounts in the Cudgegong are not restricted.
- All carryover account holders in the Macquarie valley will be permitted to access a maximum of 70% of the water allocation in their carryover account on 1 July 2018. The remaining 30% of the water in carryover sub accounts will be held in a “drought sub account”. Customers are not permitted to use or trade the water in the drought sub account.
- Negative account balance discussed. WaterNSW is working with the regulator on the 19 accounts with a negative balance. Is only a small volume.
- Customers noted they would have liked to have seen something happen in this sequence at the beginning of the water year and requested notification when below drought of record. WaterNSW advised that it has been engaging with customers and peak industry bodies for several months about reserving a decision until after the winter period where typically replenishment flows are generated. For the second consecutive winter, those inflows have not occurred.
- Plans will be updated monthly on WaterNSW's website when a resource assessment is done. Any inflows will first go into the drought sub account and then build a reserve before any AWD is announced. Customers noted that even 1% will be very valuable.

- WaterNSW advised that it is looking to create a “live” webpage where it will be more transparent about where we are sitting, where water is sitting in accounts and what inflows are required for announcements.

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.
- CARM Lite models are now being developed. The lite models have the same modelling functions to predict tribute inflows and river operations but lack more detailed knowledge around where water is going due to the lack of telemetered meters. The system will be set up to allow for this future function if it becomes available.
- CARM is currently in operation in the Murrumbidgee and CARM Lite will be rolled out across all regulated valleys, with the Macquarie currently in the development stage.
- It was commented on that with the addition of telemetry in the draft WRAP regulations that CARM benefits may be received. WaterNSW is in active discussions with the regulator regarding the telemetry requirements and will advise when further information is to hand.

7. System Operation and Asset Services

7.1 Asset Maintenance and Services Update (R Magaharan)

- Asset performance and maintenance in the Macquarie-Cudgegong presented and discussed, including breakdowns and defects, maintenance and upcoming works.
- Customers advised that the North Marsh bypass channel gate is still leaking.
- Customers advised there are ongoing problems at Gin Gin weir which affects customers in low flow conditions and questioned if there were plans to fix long-term. Pipe appear to be blocked. Taken as a question on notice.

Action 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.

Responsibility: R Magaharan

- Customers questioned cost of repair works to breaches in the North Marsh bypass channel.

Action MC1809.05: WaterNSW to advise cost of repairs to channel breaches in the North Marsh bypass channel.

Responsibility: R Magaharan

8. Presentations/Consultation

8.1 Drought Response (J Dickson)

- As part of the NSW Government’s Emergency Drought Relief, a rebate of up to \$4000 per licence for the fixed component of bills on general security and some supplementary licences will apply to **future** invoices. Customers don’t need to apply for this, the rebate will be automatically applied.
- 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.

- Customers questioned how the rebate will work within the schemes, which don't fall under the ICD? The schemes are joint water supply authorities with a number of owners but only one licence and are being charged the fixed charges but not getting the rebate.
- WaterNSW advised that the rebate is a government decision and is at a licence level, not volumetric. WaterNSW is currently working to get clarity on this and is actively working to address the anomalies, however the decision sits with the Minister. Customers are also encouraged to pursue with their local member.

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.
- Updated fact sheet has been emailed to the CAG today and is available on the Department of Industry website.

Ownership of Meters

- 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
- The draft metering regulations have been released by the Taskforce.
- Customers noted there has been past requests for WaterNSW to conduct an audit of meters in the valley so customers can have an informed debate during the reform process and questioned where this is up to. WaterNSW advised that this is a logistically and costly exercise which cannot be justified at this time. Discussed.
- NRAR is now responsible for compliance. WaterNSW is still responsible for determining usage/take (whether physical, telemetry or combination) as well as billing and operations. The obligation will be on the works approval holder to have a compliant meter. It is yet to be fleshed out who the certifying authority will be.
- Customers questioned if the timing of WaterNSW's billing and accounts will change if/when telemetry is introduced. WaterNSW is looking into the space of customer choice and flexibility around billing. Some customers prefer a more frequent bill and telemetry will make transition a lot easier (to achieve the read), however we still may validate the read physically. WaterNSW has a vested interest to ensure the meter is reading correctly.

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 Voice of Customer Update (E Oates)

- WaterNSW thanked customers for participating in the Voice of Customer survey. Over 700 customers were surveyed across the state and feedback is currently being collated.
- Some customers indicated a preference for CAGs to meet face to face more frequently than twice per year and as such WaterNSW will hold three face-to-face meetings in 2019 and no eCAGs. This was welcomed by the CAG.

8.5 Levels of Service (LOS) Project Update (A Fraser)

- A workshop was held with Macquarie-Cudgegong customers on 28 May 2018 which was valuable in getting a lot of information on customer preference/requirements.
- Currently working on analysis and options development and will 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.
- Once complete, will be combined with the 20-Year Infrastructure Strategy to inform the next pricing determination.

8.6 State Infrastructure Strategy (SIS) Priority Catchment Project (H Hadungoda/A Fraser)

- The 2014 NSW State Infrastructure Strategy (SIS) identified the Macquarie and Gwydir valleys as priority catchments. WaterNSW has been funded to develop a preliminary business case to identify, analyse and recommend a preferred option/s for addressing identified water supply issues in the valley and guide future infrastructure investment in the valley.
- WaterNSW has engaged a delivery partner to assist in developing a business case and will establish a stakeholder advisory group to be a key form of communication between the local community, stakeholder organisations and the project team throughout the development process.
- The project will run for over 12 months and will parallel some of the LOS work. When this is finished, the plan is to put the report through the Infrastructure NSW gateway process.
- Customers noted that a lot of these projects have been looked at many times in the past and nothing ever happens and questioned why this would be different. WaterNSW acknowledged this, however noted there is now an opportunity to put forward a strong, rational argument to the government as to why the options make sense.

8.7 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>.

8.8 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.
- WaterNSW will divest the assets back to DOI Water. We may have future involvement in operating/maintaining the assets however this is unknown at this stage. We won't have ownership.
- Customers questioned the aim of the project and how it helps with the SDL. WaterNSW advised that it is for environmental purposes and will provide numbers out of session.

Action MC1809.06: *SDL numbers on Nimmie-Caira to be provided to the committee out of session.*

Responsibility: M Clayton

8.9 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 the likelihood of spending the \$370M over 20 years. WaterNSW advised that feedback from the Minister to date is that he is supportive of the strategy, however the reality is that funding is usually only 5-6 years at a time. The first 5 years is the biggest opportunity but whether it continues to be supported by future governments is not known.
- Proposed sites in the Macquarie discussed. Includes all major barriers from Burrendong Dam down, with many included in the first tranche. Is currently only a proposed schedule and has not been prioritised. Includes a mix of environmental and regional priorities, targeting minor weirs and regulating structures in the valleys below major dams.
- Offsets associated with the Burrendong Dam upgrade will proceed. They are only on hold until the least method of cost for construction can be resolved. WaterNSW is required to fulfil its obligations and the offset will proceed irrespective of whether the broader state-wide strategy proceeds or not.

Action MC1809.07: *WaterNSW to provide a list of fish passage strategy nominated projects in the Macquarie.*

Responsibility: M Clayton

8.10 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.

8.11 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.

8.12 CAG Term of Office (J Dickson)

- 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.

10. General Business

10.1 Monitoring Bores

- Customers noted there are some glitches with a couple of groundwater observation bores and requested WaterNSW look in to. Has been raised in the past.
- P Gainsford to provide relevant details to E Oates for follow up out of session.

10.2 Delivery Rating to Gum Cowl

- Customers noted that the delivery rating to Gum Cowl changed in the past week and sought clarification from WaterNSW.
- WaterNSW advised that as a result of new gauging, the data was adjusted to reflect the new gauging result.

10.3 10-Year Renewal of Licences

- Customers highlighted an issue with the 10-year renewal of access and use licences which are being sent to every member in the schemes and has created a huge issue in relation to auditing. The renewal is going to every name party will full access code. Has not happened in the past.
- WaterNSW advised this is a known issue which we are keen to resolve, however there are a lot of bugs associated with this. We are embarking on fixing up and consolidation of the water accounting system to resolve a lot of these issues.

Meeting Review and Close

Next Meetings: **eCAG:** Thursday 29 November 2018 (Skype)
 Face to Face: Wednesday 27 February 2019 (Dubbo)

Meeting closed: 12.55pm

Carried Forward Actions			
Action No. yymm.action no	Action	Responsibility	Status
MC1709.01	Discussions to occur with landholder regarding rerouting of Bulgeraga Creek Channel.	R Magaharan	COMPLETE. Site visit held 5 September 2018.

New Actions			
Action No. yymm.action no	Action	Responsibility	Status
MC1809.01	Water Availability figures in the Operations Plan to be corrected and updated by WaterNSW.	M Khan	
MC1809.02	WaterNSW to report transmission loss by river section in Operations Plans going forward.	A Langdon	
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	
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	
MC1809.05	WaterNSW to advise cost of repairs to channel breaches in the North Marsh bypass channel.	R Magaharan	
MC1809.06	SDL numbers on Nimmie-Caira to be provided to the committee out of session.	M Clayton	

<p>MC1809.07</p>	<p>WaterNSW to provide a list of fish passage strategy nominated projects in the Macquarie.</p>	<p>M Clayton</p>	<p>COMPLETE.</p> <p>Existing WaterNSW Dam Safety Upgrade offset projects (currently on hold):</p> <ul style="list-style-type: none"> - Dubbo North Weir - Gin Gin Weir - Marebone Break Regulator <p>Others:</p> <ul style="list-style-type: none"> - Gunningbar Regulator - Mills Crossing (Bulgeraga Channel) - Bulgeraga Creek Regulator - Gum Cowal channel Regulator - Monkeygar Breakaway – 6 erosion structures - North Macquarie Marsh – 9 locations
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