

# Macquarie-Cudgegong Customer Advisory Group

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**Minutes of Meeting**  
**Wednesday 14 March 2018**  
**WaterNSW, Blueridge Business Park**  
**7 Commercial Avenue, Dubbo**

**Present:** Mike Bennett (Chair), Tony Quigley, Chris Hogendyk, Lyn Davies, Peter Schuster, Lindsay White, Brad Cam, Rob Tuck, Frank McKillop, Steve Carter, Grant Tranter (observer), Kerry Duncan (observer), Bill Tyrwhitt (observer), Paul Keyte (observer), Jonathan Dickson, Sri Sritharan, Mahmood Khan, Enrico Proietti and Toni Hayes (minutes).

Ronan Magarahan attended via Skype for agenda item 7.1.

Andrew Fraser and Himali Hadungoda attended for agenda item 8.4.

Mark Clayton attended for agenda item 8.7-8.9.

**Meeting Opened:** 9.30am.

**Welcome, introductions and safe driving reminder.**

1. **Apologies:** Rick Reid, Glen Whittaker, Chris Devitt, Tim Hosking, Michael Egan, Mark Taylor, David Stockler.
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.
4. **Minutes of Previous Meeting, 14 September 2017:**
  - Resolved the minutes of meeting held on 14 September 2017 be confirmed as a correct record. Taken as read.

*C Hogendyk/G Tranter  
carried*

5. **Actions arising from minutes:**

- See action sheet attached.

6. **Water Delivery**

6.1 **Water System Operations Report (S Sritharan)**

- WaterNSW provided an update on the water system operations report, including storage levels, water availability, resource assessment, inflows, system operations and outages and flood update – <http://www.waternsw.com.au/customer-service/news/operations>
- Operational losses discussed. Currently at 5% (sitting at target). WaterNSW works with customers to manage shortfalls and minimise operational losses.
- DOI Water has released a water allocation update today. General security allocation remains unchanged at 38% of entitlement for the current water year. Discussed.

- If dry conditions persist, the forecast usage in 2018-19, including environmental watering plans, is deliverable based on stored water currently in Burrendong and Windamere Dams. The forecast usage is based on some irrigation and environmental allocations being carried over into 2019-20.
- Conditions will be closely monitored and a bulk water transfer from Windamere Dam may be required, commencing January 2019.

## **7. System Operation and Asset Services**

### **7.1 Asset Maintenance and Services Update (R Magarahan)**

- Asset performance and maintenance in the Macquarie and Cudgegong valleys presented and discussed.

## **8. Presentations/Consultation**

### **8.1 Regulatory Update (J Dickson)**

#### **Reform Update**

- The final Matthews' Report, MDBA and Ombudsman's reports, were released in November 2017. WaterNSW held a number of meetings with customer groups, including CAG Chairs, in December 2017 to discuss resulting recommendations and seek customer input on key elements in the reports.
- Metering, resource/market information, compliance and protection of environmental flows remain key issues. WaterNSW will also be advocating for other legislative reforms (including making rules, roles and responsibilities clearer). Timeline presented and discussed.
- DOI Water has established a taskforce to implement the NSW government's action plan to reform water management. There will be a brief intensive period of consultation with tight deadlines. WaterNSW will be making a submission and water users will have the opportunity to engage with the taskforce directly.

#### **Summary of December Workshops**

- Summary of feedback from WaterNSW meetings with customers presented and discussed. Key feedback items include compliance, water take measurement, water information and environmental flows.
- Pattern approval discussed. WaterNSW does not hold information on what meters are compliant with AS4747, this is with the rule maker. Customers are of the opinion that WaterNSW should provide this information to help with compliance.
- Customers sought information on floodplain harvesting under the new rules, if it will be metered and measured what role WaterNSW will play. WaterNSW does not know what the regulator will do in this space, is in a state of flux.
- Customers questioned whether WaterNSW's submission will include an audit of the current meter fleet. Customers see WaterNSW as the bearer of this information and want to see what is out there. WaterNSW advised that this is currently under consideration.
- Customers questioned if WaterNSW has a position on current reading of unregulated meters once per year and whether this will be more frequent in the future. WaterNSW noted that this area needs improvement however must begin with the rules being clearer.

### **8.2 Voice of Customer Framework (J Dickson)**

- WaterNSW has recently introduced some changes to make things easier for customers and to keep customers informed, including a proposed new draft layout for WaterNSW invoices, electronic billing and a list of communications customers can subscribe to. We are moving towards customer choice in relation to billing.

- Customers raised a long-term issue pertaining to the way invoices are addressed to the Schemes. WaterNSW is aware of the problem and is working to address it. There are some data challenges around system capability functions, however, a lot of work is taking place to address this.
- WaterNSW has recently released 20 different bug fixes and improvements in relation to iWAS (separate to above). We have received feedback from customers and are working towards improvement.
- Customers noted issues with the way iWAS is calculating dam losses. WaterNSW advised this is a known problem however should now be rectified. If customers are still experiences issues, please contact WaterNSW.
- Customers requested that an iWAS update be added to future CAG agendas.
- In February WaterNSW launched “Your Voice”, a platform for customers to start a conversation, connect with others and provide feedback and insights into our future products and services. CAG members have been automatically registered for the online community.

### **8.3 Customer Communications (J Dickson)**

#### **Phone/CIMS Update**

- Implementation of WaterNSW’s new phone system was successfully completed in December 2017.

#### **Conditions Mailout**

- WaterNSW was requested by DOI Water to manage a Licence Conditions mailing on its behalf. WaterNSW extended our service centre capacity to capture and log queries, which are then allocated to a locally-based Licensing Officer for review/discussion with customers.
- Licence holders have 28 days to lodge a submission regarding any “discretionary/other” conditions.
- Customers noted that a number of licences had AS4747 as a requirement in the mailout, which would pre-judge the exposure bill. WaterNSW is aware that this exists in a number of valleys and is a condition that has been added to some licences.
- WaterNSW highlighted a number of concerns with the regulator prior to the mailout and suggested numerous options including delays, however this was rejected. WaterNSW’s first stance will be one of education and working with customers to help them understand what is required. We will continue to take this approach until we get some clarity on these issues.
- WaterNSW encourages customers to make a submission to DOI Water with any concerns.

### **8.4 Levels of Service (LOS) Project Update (H Hadungoda/A Fraser)**

- Project status update presented and discussed. Formal customer engagement commenced in February with Lachlan CAG members, with a workshop for Macquarie-Cudgegong planned for May 2018.
- The workshop will provide an opportunity for targeted consultation with customers about WaterNSW’s bulk water services and customer LOS preferences. The main objective is to hear customers’ views on LOS issues, identify key LOS gaps in the valleys that need to be addressed, and understand customer long-term LOS priorities/preferences in the valley.
- WaterNSW will contact CAG members with workshop dates and venue options in March.
- Customers questioned whether the CAG is symbolic of all customers in the valley and noted that willingness to pay would be different across all areas. Feel that priorities will be more reflective of the CAG rather than reality. WaterNSW noted there are some major customers within the valley that we will also need to engage with (LWUs, mining etc). The CAG is a starting point only and Customer

& Community is looking at how we can reach further. The project will look at very long-term projects, not just for the next few years.

#### **8.5 Local Water Utility (LWU) Review Update (J Dickson)**

- Discussions are ongoing with NSW Health and Local Health Units. The focus over the next few months will be consultation with Local Water Utilities, with outcomes to be incorporated into the review. The monitoring review is due December 2018 with final report due June 2019.

#### **8.6 Update on Carp Herpes Virus (J Dickson)**

- The FRDC is leading a project on potential release of the carp herpes virus. WaterNSW has undertaken some research and results have shown a decrease in dissolved oxygen levels, increase in bacteria and potential algal blooms, all of which may have the potential to compromise WaterNSW's ability to deliver suitable water to our customers. This research has been shared with the FRDC.
- The FRDC is establishing a number of working groups, which WaterNSW will be involved in. WaterNSW is completing further research to inform an operational response to minimise the impact of the virus on WaterNSW customers.
- Potential timing and release of the virus is likely to be determined late 2018, subject to FRDC processes.

#### **8.7 Annual Capital Plan (M Clayton)**

- Annual Capital Plan for the Macquarie-Cudgegong presented and discussed, including forecast, projects in progress, new/candidate projects and minor renewals.
- North Macquarie Marshes discussed. DOI Water had been developing a project for downstream works to potentially remove the requirement for replenishment flows, which included desilting, however WaterNSW has been recently advised this project will not proceed (previously costed at \$3.2M). WaterNSW will reassess available options which will provide the same outcome and hopes to have a position within the next 6 months. WaterNSW will update customers on progress of any candidate projects.
- Automation of Marebone Weir is in the very early stages of planning. From early discussions, may be more straightforward than initially thought, however needs more investigation.

#### **8.8 Fish Passage Update (M Clayton)**

- A Ministerial Taskforce on Fish Passage was established in July 2017 with the objective to capitalise on four significant funding options for restoring fish passage in the Murray-Darling Basin.
- The Taskforce aims to propose a NSW Fish Passage Strategy addressing key matters in the Terms of Reference. An approach was presented to the Minister at the end of 2017 with a number of recommendations. The Minister has now extended the timeline through to the end of 2018 to allow further evaluation and detail opportunities.
- In parallel, a WaterNSW project team has been established to progress feasibility design studies, performance criteria, develop standard designs, apply methodology and provide a state-wide estimate. A draft project management plan has been prepared and project completion scheduled for end-2019.
- There are currently 9 fish passage obligations remaining across the state.

### **8.9 Cold Water Pollution (CWP) Asset Strategy Update (A Fraser)**

- WaterNSW is required under some work approvals to address cold water pollution (CWP), subject to funding availability, with the objective to develop a cold water pollution strategy to quantify benefits of addressing CWP, develop asset solution options and prioritise WaterNSW dams.
- Asset solutions are being developed with a focus on the four priority sites (Copeton, Wyangala, Blowering and Keepit dams). A cost benefit analysis will be undertaken to determine economic viability of the proposed options and dams will be prioritised accordingly.

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

- An update on the Burrendong Temperature Curtain was provided, including background, current status and ongoing testing and assessment. Curtain reinstatement and commissioning is scheduled for completion March/April and once reinstated, WaterNSW will resume monitoring and testing.
- The curtain is a prototype, and assuming it is successful, there is a limited number of structures that it would be feasible on. However where suitable, could be a low cost solution to addressing CWP.
- A proof of concept assessment is to be done which may highlight other deficiencies (structural, engineering etc). Currently reinstating post-failure.

### **8.10 Regulatory Economics (J Dickson)**

#### **WAMC Determination Update**

- The current WAMC determination runs through to 2020 with functions split between WaterNSW and DOI Water. New pricing submissions are due by 30 June 2019.
- Recommendations from reviews arising from the Four Corners story (July 2017) and the formation of the new Natural Resource Access Regulator may result in a different resourcing allocation between WaterNSW, DOI Water and other agencies.
- Further guidance on the WAMC Determination will be provided once the resourcing and policy issues arising from this work are settled by government.

#### **Wentworth to Broken Hill Pipeline (W2BHP) Determination Update**

- The pipeline will be subject to a new IPART pricing determination. WaterNSW has commenced engagement with customers along the pipeline, including Essential Water.
- WaterNSW is required to submit its pricing proposed to IPART by 30 June 2018. IPART will commence its review of prices of Essential Water's water and sewerage services in Broken Hill at the same time.

#### **Rural Valleys Determination**

- The rural valleys determination runs through to 2021, with a new pricing proposal due to IPART on 30 June 2020.
- WaterNSW will continue to seek customer input to advocate for customer choice. This will include but not be limited to whether tariff structures can be improved, looking to apply greater cost reflectivity, simplicity and incentives for cost savings.
- Updates will be provided to CAGs as work progresses.

## Zero Dollar Trades

- WaterNSW has been asked questions around zero dollar trades. 60% of trades during the last water year across the MDB were declared zero dollars as the traded value.
- The basin trading rules require that the seller must notify the Approval Authority (in this case WaterNSW) in writing of the agreed price. WaterNSW recognises that some of these trades very likely will be related party transactions and is looking into its responsibilities in relation to processing trades.

## 9. Reports

Noted and taken as read.

## 10. General Business

Nil general business raised.

## Meeting Review and Close

**Next Meeting:** 5 June 2018 (Skype)  
12 September 2018 (Dubbo)

**Meeting closed:** 1.00pm



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 Magarahan	Meeting planned for 18 December 2017 is to be rescheduled.  Works have been costed, scope to be confirmed.
MC1709.04	WaterNSW to investigate if automation of the new bypass gates at Marebone Weir could be made a higher priority in the CAPEX program for 2017-18.	S Sritharan	<b>Complete.</b> Refer to agenda item 8.7.
MC1709.05	Obtain information from Water Regulation and Licensing on processes for amending conditions on unregulated licences to enforce suspension on extractions during environmental water deliveries.	D Starr/ J Dickson (S Sritharan)	MW0586 specifically states must be replenishment flow. One of the challenges is what happens when it moves out of the regulated system.  Customers noted that the original condition MW0587 (2017) states that any release from Burrendong Dam must not be taken by unregulated users. The rule has been updated by the regulator since the original condition.  G Tranter advised he spoke to DOI Water who stated that the change honours the WSP. Customers feel this is another negative for water users given the current environment.  WaterNSW noted that if conditions state the water can be pumped once it passes into the unregulated system it can.
MC1711.01	Find out current status of desilting of North Macquarie Bypass Channel since CL&W has	J Dickson	<b>Complete.</b> Refer to agenda item 8.7.

	confirmed the Lower Macquarie Basin Pipe Scheme is on hold.		
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New Actions			
Action No. yymm.action no	Action	Responsibility	Status
	Nil new actions.		