

# Murray-Lower Darling Customer Advisory Group

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**Minutes of Meeting  
Tuesday 22 March 2018  
Quest Echuca, Heygarth St, Echuca**

**Present:** Sally Dye (Chair), Hilton Taylor, Henk Van De Ven, Katharine McBride, Rachel Strachan, Judith Damiani, Gordon Fox, Louise Burge, Rodney Stone, Paul Childs, Luke Barlow, Rachel Kelly, Jonathan Dickson, Vincent Kelly, Chris Braddock, Andrew Fraser, Ali Alamein and Toni Hayes (minutes).

Ronan Magarahan attended via Skype for agenda items 7.1 and 7.2.

Joe Davis (MDBA) attended via Skype for agenda item 10.2.

**Meeting Opened:** 10.00am.

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

1. **Apologies:** Nathan Holahan, Geoff Mann, John Lolicato, Dennis Gleeson, Nerida Healy, Ian Mason, David May, 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, 23 August 2017:**
  - L Burge sought to amend minutes on page 3 in relation to Hume Dam airspace rules:  
*Discussion on Hume airspace operations and concerns by customers impacted by recent flooding. WNSW noted that any adjustment to airspace rules will impact water availability for all water users in the valley. Customers noted anxiety amongst some customers re operating rules, and suggested stakeholders would like to be involved in future discussions on airspace.*
  - Amendment request withdrawn, but later resubmitted in amended form. Resolved to amend previous minutes to reflect that discussion on flooding risk was not about adjustment to, or operation of the rules, but more over support for active utilisation of the existing rules.
  - Customers noted there is no recognition in WaterNSW's Customer Service Charter of the role WaterNSW plays in the metering project in the Murray and Murrumbidgee. Noted.
5. **Actions arising from minutes:**
  - See action sheet attached.

## 6. Water Delivery

### 6.1 Water System Operations Report (V Kelly)

- WaterNSW provided an update on the water system operations report, including dam storages, supplementary event statistics, water availability, resource assessment, IVT account summary, storage and tributary inflows, system operations, system outages and flood update – <http://www.watnsw.com.au/customer-service/news/operations>
- TLM has approximately 9GL left on licence. There is nothing in the licence conditions to prevent them from using the water. Customers commented that the original intent for TLM was for icon sites, so when in drought it can't be touched. Concerns that what is happening now is not what was intended.

**Action MLD1803.01:** *Water Availability pie charts to be included in Water Operations reports for Lower Darling going forward.*

*Responsibility: V Kelly*

- Customers sought advice on whether any work has been done on understanding the impact to Murray general security allocations (how extractions and diversions have changed). WaterNSW advised that this is a question for DOI Water in terms of policy decisions. The issue has been raised at the SAP and should be followed up through that channel.
- Discussed Stevens Weir outage. MIL has advised customers it will close on 1 May.
- Planning for the Autumn and Easter period has been a focus. Lower flows through February have provided an opportunity to maintain river levels through Easter if dry conditions persist.
- Drought contingency measures discussed. Customers noted that at the lessons learnt workshop it was agreed that block banks worked well and there was a need for them to be installed north of Pooncarrie for S&D requirements. Disappointed there is not a willingness to do as modelling shows cease to flow could happen by Nov/Dec.
  - WaterNSW noted that block banks have worked well in the past and that the lessons learnt workshop also identified that it would be preferential to not use them in future if it can be avoided, and as such they are a tool to be used as a last resort in drought management process. WaterNSW undertook to review the modelling, which will be shared with customers at the next Lower Darling stakeholder meeting.
- A Critical Water Advisory Panel meeting is to be held 27 March where the drought plan will be put forward to get support from the government to go ahead. Customers expressed disappointment at the process and believe end of March will be too late. Noted and passed on to Operations teams.

## 7. System Operation and Asset Services

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

- Asset performance and maintenance in the Murray and Lower Darling valleys presented and discussed.
- Problems have been identified in relation to firmware and SD cards on some meters and the supplier has been required to fix under warranty. WaterNSW used this as an opportunity to do other maintenance work while there (including changing batteries). Batteries are covered by the maintenance and service charge which accounts for replacement over x number of years.
- Customers questioned where expenditure for these changes was being managed from. Firmware and SD cards are covered under Warranty.

- Discussion on algal alerts and concerns with delay in publication of alerts to the community. WaterNSW advised that algal alerts are on its webpage and are updated regularly. The standard is monthly testing, however when an alert moves to red testing is done weekly. There must be 2 test results of the same result to amend status between green/amber/red.

## **7.2 WaterNSW MDBA Update (R Magarahan)**

- The construction, operation and maintenance of the River Murray assets are carried out by State Constructing Authorities (SCA) such as WaterNSW. The SCAs advise the MDBA of their recommended construction and maintenance activities and a review process follows.
- Negotiations continue on a service level agreement (SLA) with a greater commercial focus to replace the expired MoU.
- Assets are owned and operated by WaterNSW. If a problem is identified and maintenance is required on an asset, WaterNSW would be contacted in the first instance. The MDBA is kept informed of any issues via a number of channels (review meetings, AMAP and RMOC). Is slightly different in the Murray with several SCAs owning the assets.

## **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.
- WaterNSW will be making a submission on all of the proposed reforms. Due to the tight timeframe, it is intended to convene a meeting of CAG Chairs prior to finalising our submission (due 15 April).
- DOIW is currently holding a number of Water Reform Action Plan consultation forums which WaterNSW has been attending. Customers are encouraged to attend.
- WaterNSW advised that implementation of the NSW Floodplain Harvesting Policy has been included in papers released by DOIW.
- Certification of meters discussed. Customers indicated their desire for WaterNSW to be the sole body responsible for certification of meters if compliance of meters sits with WaterNSW.

## 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.
- 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.
- Customers requested that MDBA fees and charges be separated/isolated when possible.

## 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. WaterNSW strongly encourages customers to lodge submissions where necessary.
- WaterNSW became aware of a number of issues with some of the conditions and raised these with the regulator prior to the mailout, however, were instructed to send the mailing.

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

- Project status update presented and discussed. Formal customer engagement commenced in February with Lachlan CAG members, with a workshop for Murray-Lower Darling planned for June 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.
- Third party impacts discussed. WaterNSW is responsible for delivering asset solutions and if we identify customer-supported solutions to long-term issues, this forces a conversation with the regulator. One way or other, every asset we build impacts WRPs.
- Potential/hypothetical candidate projects and examples of cost measures discussed, including separation between SDL projects. Customers want to ensure they don’t pay for something that was meant to be in the Basin Plan. Specific, customer-supported projects will be discussed in further detail at the workshops.

**Action MLD1803.02:** *WaterNSW to ascertain who pays for maintenance of Yanco 1 & 2 and advise Murray-Lower Darling CAG.*

*Responsibility: C Braddock*

- Discussed funding options and whether can put the LOS into other opportunities/alternative measures (SDL etc where customers don’t pay).

### **8.5 Local Water Utility (LWU) Water Quality Monitoring 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.
- Discussion on timing, conditions, clean up, implications etc.

### **8.7 Annual Capital Plan (C Braddock)**

- Annual Capital Plan for the Murray and Lower Darling presented and discussed, including forecast, projects in progress, new projects and minor renewals.

### **8.8 Fish Passage Update (C Braddock)**

- 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. Currently fish passage construction is 50/50 government/customer funded. Assessment of economic benefits is part of the process.

### **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 (C Braddock)**

- 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.

### **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 proposal 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.
- Concerns raised as to where the water allocation will come from and if costs will be subsidised and/or socialised across all users.
- WaterNSW advised the business case for the pipeline remains Cabinet in Confidence therefore full detail on cost and funding is still unknown.
- Advice received is that Essential Energy will be able to start pumping in December for testing purposes then fully operational by April 2019.
- Customers are keen to see the business case and believe the pipeline creates more third party impacts than it solves.

#### **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.

- Customers believe the figures may be correct, with the majority being related party transactions and internal trade. Questioned the purpose of WaterNSW chasing this information. WaterNSW advised that this is a requirement and highlighted importance of transparency in the market.

## 9. Reports

Noted and taken as read.

## 10. General Business

### 10.1 Linked/Tagged Licences

- Refer to attached presentation and white paper (note: time constraints prevented this presentation at the meeting).

### 10.2 MDBA Presentation on Capacity Issues (J Davis via Skype)

The MDBA provided a presentation (attached) on *Capacity and Demand in the River Murray System* (also presented to National Irrigators Council).

- Shortfalls are an inherent and inevitable risk in running the RMS: efficient running means there is little additional water in transit to meet extraordinary conditions; long travel times means there is often a lag to meet unexpected increase in demands/losses; limited channel capacity means there is little scope to provide additional water if already near channel capacity; and conditions are unique.
- River Murray operators work closely with NSW, Victoria and South Australian water managers to monitor and adjust operations for the best chance of meeting demand and minimising risk across the southern connected Basin, including opportunities for environmental water delivery.
- The shortfall in the Murray has always been there. Shortfall risk is a complicated and interrelated function of capacity and demand. The risk of shortfall can only be addressed by either increasing capacity, decreasing demand or increasing resilience of the system. Active management is critical.
- Discussion on Menindee Lakes Water Savings Project modelling and SDL adjustment measures. The system is very dynamic, unsure where the SDL will fall.

## Meeting Review and Close

**Next Meeting:** 28 June 2018 (eCAG/Skype)  
20 September 2018

**Meeting closed:** 3.30pm

Carried Forward Actions			
Action No. yymm.action no	Action	Responsibility	Status
MLD1708.01	Note to be included on future Storage graphs in Water Operations Report, advising date of data (e.g. "to end July").	V Kelly	<b>Complete.</b>
MLD1708.03	Note to be included on the rainfall and inflow graph (Hume Dam) showing sources of inflow.	V Kelly	<b>In progress.</b> WaterNSW sought clarification on what information the CAG is seeking. Was about the contribution being made from Snowy sources (contribution and timing of).  Action to be amended to reflect Hume Dam.
MLD1708.04	WNSW to provide answers to the following re linked/tagged licences, for further discussion/review at the March 2018 meeting: <ul style="list-style-type: none"> <li>– What was initial intent of the linked/tagged rules?</li> <li>– Are there any unintended consequences of these rules?</li> <li>– Are the tagged/linked licences being utilised in the manner originally intended? (And if not, are there any advantages to a small number of account holders)?</li> <li>– If these licence holders receive an advantage, is this deemed to be unfair advantage? (And if so, should action be taken, and what action would that be)?</li> </ul> If proven that linked licences are providing licence holders with an unfair advantage, is there any opportunity for customers to pursue a possible change to these licences?	V Kelly	<b>Complete.</b> Refer to agenda item 10.1.

<b>MLD1708.05</b>	WNSW to endeavour to provide End of System information as part of future Murray-Lower Darling Water Operations reports.	V Kelly	<b>Complete.</b>
<b>MLD1708.06</b>	WNSW to confirm advice on stakeholder involvement in MDBA review process for airspace and capacity issues.	V Kelly	Refer to agenda item 10.2.

New Actions			
Action No. <small>yymm.action no</small>	Action	Responsibility	Status
<b>MLD1803.01</b>	Water Availability pie charts to be included in Water Operations reports for Lower Darling going forward.	V Kelly	
<b>MLD1803.02</b>	WaterNSW to ascertain who pays for maintenance of Yanco 1 & 2 and advise Murray-Lower Darling CAG.	C Braddock	