

Murrumbidgee Customer Advisory Group

Minutes of Meeting Tuesday 20 March 2018 Quest Griffith

Present: Brendan Barry (Chair), Iva Quarisa, Nick Maynard, Helen Dalton, James Maguire, Debbie Buller, Tanya Thompson, Scott Hogan, Bruce Campbell, Paul Maytom, David Heffer (observer), Patricia Murray (observer), John Dal Broi (observer), Jonathan Dickson, Vincent Kelly, Chris Braddock, Lindy Zaw, Luigi Castro, Enrico Proietti and Toni Hayes (minutes).

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

Meeting Opened: 10.00am.

Welcome, introductions and safe driving reminder.

Acknowledgement of Country

1. **Apologies:** Peter Sheppard, Jenny McLeod, Karen Hutchinson, Alan Shea, Hilton Taylor, Richard Stott, David Stockler.
2. **Confirmation of Agenda Items:**
 - Nil additional items added.
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, 21 August 2017:**
 - Resolved the minutes of meeting held on 21 August 2017 be confirmed as a correct record. Taken as read.

*P Maytom/D Buller
carried*

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, water availability, supplementary event statistics, resource assessment, inflows, operational loss, system operations, system outages and flood update – <http://www.waternsw.com.au/customer-service/news/operations>
- Supplementary access discussed. Customers sought additional information on what inflow was taken in the event, how much water made it to end of system and total size of event.

Action MBG1803.01: WaterNSW to provide information in relation to the supplementary event in December 2017, including what inflow was taken in the event, how much water made it to end of system and total size of event.

Responsibility: V Kelly

- Operational loss discussed.
 - Customers noted the terminology gives a negative perception and what is recorded as a loss is not necessarily a loss in the traditional sense (ie might have environmental benefits downstream). WaterNSW advised that it is an entitlement loss in the Murrumbidgee, is water that should have stayed in the valley. The resource isn't available in the Murrumbidgee but does go to the water going to Lake Victoria.
 - The Commonwealth Environmental Water Office commented that it is keen for PPMs to be addressed as environmental water holders, who hold large entitlements, are making decisions without PPMs (don't have the ability to have flow recognised in the Murray).
 - WaterNSW advised that supplementary access is very different in that it is an opportunistic entitlement volume and does not change what happens to the general security entitlement.

Action MBG1803.02: Storage Forecast data for Blowering Dam to be checked and updated on WaterNSW's website if required.

Responsibility: V Kelly

- BoM updated its information mid-March so has changed since the presentation was put together and the prognosis is more optimistic.

7. System Operation and Asset Services

7.1 Asset Maintenance and Services Update (R Magarahan)

- Asset performance and maintenance in the Murrumbidgee presented and discussed.

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. The MDBA prepares a draft budget and submits to Ministerial Council for approval
- A MoU previously existed between State Water and MDBA and has now expired. Negotiations continue on a service level agreement (SLA) with a greater commercial focus to replace the MoU.
- A MoU has a number of commercial elements which WaterNSW is not bound to, whereas a SLA is more prescriptive. WaterNSW wants to ensure we are putting resources into the right place and doing things as efficiently as possible.
- 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 (DOIW) 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.
- Customers sought assurances that having "more boots on the ground" involves retaining knowledgeable, skilled staff who have an understanding of water. WaterNSW advised that it values experience and seeks to retain skilled staff however cannot give a commitment that staff will stay on. Education is a key component and roles will have a clear definition of what is required.
- Customers questioned WaterNSW's role in compliance activities with the establishment of the Natural Resources Access Regulator (NRAR). WaterNSW has been in active discussions with the regulator around who is responsible for what function.
- WaterNSW will have an education role and will continue to help customers understand rules. We will have an active and engaged team on the ground. Our current role is not likely to change, if compliance issues are identified WaterNSW will report to the regulator.
- DOIW is currently holding Water Reform Action Plan consultation forums, with one planned for Griffith on 6 April 2018.
- Customers raised concerns with the metering requirements of AS4747 and questioned how the metering project will comply. It is likely that some meters installed under the project will be non-compliant. WaterNSW is aware of the issues of this requirement and the lack of clarity around it and is waiting on the rules to come out. We will continue to liaise with NRAR and will also address in our submission to the regulator.
- Customers questioned if a draft of WaterNSW's submission will be circulated to CAGs for review prior to going to the regulator. WaterNSW advised there will be a very short engagement period once DOIW completes its consultation forums. WaterNSW is intending to hold a CAG Chairs forum once our submission is drafted. Input from customers will be very important and customers are encouraged to be involved in the process.

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.

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 DOIW 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 has received feedback from other valleys that there are errors with some of the conditions. WaterNSW previously suggested to DOIW that the timing of issuing letters was not appropriate, however, were directed to send them out. If there is a conflict with what is in the letter and what licence holders think is correct, they are encouraged to contact the regulator.
- There are two types of conditions: “mandatory” (what is set in stone and not up for discussion) which should be addressed with the regulator and “other/discretionary” where customers can respond to WaterNSW.
- Customers noted there has been poor communication on behalf of the regulator.

8.4 Levels of Service (LOS) Project Update (L Castro)

- Project status update presented and discussed. Formal customer engagement commenced in February with Lachlan CAG members, with a workshop for Murrumbidgee 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.
- Customers keen to understand what can be requested (list of priorities), who pays for it and at what cost. Potential/hypothetical candidate projects and examples of cost measures discussed. Specific, customer-supported projects will be discussed in further detail at the workshops.
- Customers who attended the Lachlan pilot workshop noted that most of the issues were around the WRP and questioned if priorities are determined by interest in WRP outcomes rather than infrastructure outcomes. WaterNSW noted that any projects must comply with the WRP rule within the valley, however WaterNSW can explore what asset modifications mean to those rules. Operationally, we can try to meet customer needs within the rules as best we can.

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.
- WaterNSW will continue to provide updates to customers.

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 (C Braddock)

- Annual Capital Plan for the Murrumbidgee and Lowbidgee valleys presented and discussed, including forecast, projects in progress, new projects and minor renewals.
- Customers sought additional information on scope of works for the WHS Murrumbidgee and Lowbidgee Action Audit Project, which will be provided to them out of session.

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 statewide 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 (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 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. Discussed.

9. Reports

Noted and taken as read.

10. General Business

10.1 Murrumbidgee Valley Loss Assessment (V Kelly)

As per action MBG1708.08:

- Losses are categorised in two ways:
 - Operational losses – flows passing end of system in excess of requirement;
 - System losses – many contributing factors, most not quantifiable, including evaporation, seepage, evapotranspiration, flow measurement accuracy, metering accuracy, extraction without measurement.
- Operational loss statistics presented and discussed for private diversions, orders minus usage and ordering accuracy for total valley, Murrumbidgee River and Yanco (Billabong System). The graphs do not show daily or weekly bearings, which is important for river operations.
- There is still a large gap between orders vs take. As a valley, the Murrumbidgee has been over-ordering by 200GL. WaterNSW has been able to bring this back to 140GL. The IVT provides more flexibility/benefit however this year there has been minimal IVT, so users wear the risk.
- It was noted that the AWD may increase up to 10% if customers were more accurate with taking what they order.
- Customers commented that the current process for adjusting orders is onerous and suggested if a cancelling mechanism was incorporated into iWAS people would be more likely to make adjustments to orders. WaterNSW advised that there has been some recent upgrades to iWAS, with further improvements to come. Feedback noted.

- WaterNSW has been educating customers on the importance of correct orders and customers are now making an effort to let us know of any changes. If we know people are not going to take what they have ordered we can make adjustments along the system and better manage the resource.
- WaterNSW will continue to report at a valley level the gap between orders vs take to keep customers informed.

10.2 Linked/Tagged Licences (V Kelly)

- Water can only be taken under a WAL by a nominated water supply work. A 'link' between the WAL and water supply work must be established prior to extraction commencing.
- A WAL may be linked to multiple water supply works, which allows customers to move water between their works without having to submit a water allocation assignment. Multiple WALs may be linked to a water supply work.
- Where hydrological connection and water supply considerations are suitable, links between water sources are permitted. A linked access licence only facilitates movement of water across water sources for extractive purposes, not for a transaction with a third party.
- Detailed discussion covered the details of these Licences and effects on Valley water movements.
- Customers thanked WaterNSW for providing detailed information on linked/tagged licences. Still some concerns with customer level of understanding.

10.3 Sharing of Supplementary Events (V Kelly)

- At a previous CSC meeting, WaterNSW made a presentation on supplementary access and how announcements are made. From that, there was a desire from customers to approve a process for announcement of sharing of supplementary events.
- To date there has been no progress on this as a number of issues were identified with equitable sharing of small events. The issue has also been raised at the SAP as the WRP requires equitable sharing.
- The process is coarse and risk averse and as such WaterNSW is looking to improve/refine. There is a possibility that a longer term roster could be done over a number of events rather than individual events, which may also provide opportunity for complementary outcomes. In the Murrumbidgee there is no requirement for environmental advantage, whereas in some valleys a portion of supplementary events are embargoed for the environment.

Action MBG1803.03: *WaterNSW to put together a proposal/process for equitable sharing of supplementary events between specific licence types and on what basis it can be done.*

Responsibility: V Kelly

- OEH advised it is actively negotiating with 3 large water users in the first instance about interest in preserving particular hydrographs to that provide environmental outcomes at Darlington Point. Would like to put an arrangement in place with individual customers to transfer general security water to the licence holders who would then abstain from extraction of supplementary water. The hydrograph will be maintained, environmental outcomes achieved and customers benefit through more efficient storage of water.

Meeting Review and Close

Next Meeting: 6 June 2018 (Skype)
18 September 2018 (Griffith)

Meeting closed: 3.05pm

Carried Forward Actions				
Action No. yymm.action no	Action	Responsibility	Status	
MBG1708.04	Future Asset Services and Maintenance Updates to include future planned maintenance activities for the valley.		R Magaharan	COMPLETE. Refer to agenda item 7.1.
MBG1708.07	More detail of the Local Water Utility (LWU) Review to be provided to CAG members at the March 2018 meeting.		G Begg	COMPLETE. Refer to agenda item 8.5.
MBG1708.08	WNSW to provide information on the current Murrumbidgee Valley loss assessment for review, including identification of contributing factors (which factors are measureable/aren't measurable) with a view to quantifying losses in the Murrumbidgee system. To be included as agenda item March 2018.		V Kelly	COMPLETE. Refer to agenda item 10.1.
MBG1708.09	Condensed version (fact sheet) of the key issues associated with linked/tagged licences to be uploaded to the WaterNSW internet for the information of all customers.		V Kelly	In progress.
MBG1708.10	<p>WNSW to provide answers to the following re linked/tagged licences, for further discussion/review at the March 2018 meeting:</p> <ul style="list-style-type: none"> - What was initial intent of the linked/tagged rules? - Are there any unintended consequences of these rules? - 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)? - 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)? <p>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?</p>		V Kelly	COMPLETE. Refer to agenda item 10.2.

New Actions			
Action No. <small>yymm.action no</small>	Action	Responsibility	Status
MBG1803.01	WaterNSW to provide information in relation to the supplementary event in December 2017, including what inflow was taken in the event, how much water made it to end of system and total size of event.	V Kelly	
MBG1803.02	Storage Forecast data for Blowering Dam to be checked and updated on WaterNSW's website if required.	V Kelly	
MBG1803.03	WaterNSW to put together a proposal/process for equitable sharing of supplementary events between specific licence types and on what basis it can be done.	V Kelly	