

Greater Sydney Customer Advisory Group

- Minutes of Meeting



Location: Video Conference

Date: 28 October 2021

Time: 9.00am

Present: Peter Griffiths (Chair), Peter Freewater, Lachlan Hammersley, Paul Rasmussen, Marina Hollands, Matthew Trapp, Jonathan Dickson, Ben Shallis, Rob Skewes, Lachlan Browne, Enrico Proietti, Sonia Townsend, Emma Oates, Alicia Walters, Ryan Lindsay, Naomi Bell and Toni Hayes.

The following attended for specific agenda items: D Swift-Hoadley, M Brooks, J Wilson, B Mayhew, L Zaw, N Chowdhury (WaterNSW), J Douglas (DPIE), G Abood, H Schokman, N James (NRAR).

Meeting Opened: 9.00am.

1. Introduction and Acknowledgement of Country:

1.1 Welcome and introductions:

1.2 **Apologies:** Nil received.

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, 29 July 2021:

– Resolved the minutes of meeting held on [29 July 2021](#) be confirmed as a correct record. Taken as read.

P Rasmussen/P Griffiths (carried)

1.6 Actions arising from minutes

– See action sheet attached.

1.7 Election of Chair

– Peter Griffiths was nominated and elected Chairperson unopposed.

P Griffiths/P Rasmussen (carried)

2. Assets:

2.1 Asset Maintenance (B Mayhew)

- Asset performance and maintenance in the Greater Sydney and Fish River valleys presented and discussed, including routine preventative and corrective maintenance delivery. The assets team completed 2057 planned maintenance work orders and 446 corrective maintenance work orders between July and September 2021 in the Greater Sydney and Fish River areas.
- Customers questioned how many breaks are being observed in the Fish River pipeline over a time period. WaterNSW advised that typically we are seeing a couple per month on average. Failures on stage 1 and stage 2 lines tend to be in the higher-pressure areas of the pipeline.

Action GS2110.01: WaterNSW to include a system map for the Sydney catchment area (Warragamba and metropolitan area) in presentations going forward.

Responsibility: B Mayhew

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2.2 Capital Plan Update (L Zaw)

- WaterNSW provided an overview on the capex component of the final IPART determination, including Fish River valley capital plan changes and FY22 initiated projects.
- Changes to the original capital plan include deferral of the intake tower coating at Oberon Dam. Additional deferrals may be required to accommodate for the manganese treatment solution implementation at the dam.
- Customers questioned what the treatment is going to be for the manganese. WaterNSW advised that potassium permanganate will be used to remove manganese before it gets to stage 1.

3. Water System Operations:

3.1 Water Operations Update (B Shallis)

- As at 14 October 2021, the total available water held in Greater Sydney storages was 93.9%. Total inflows for this calendar year reached 3,899GL at the start of October (57% more than the annual long-term average).
- There were no transfers from the Shoalhaven System and Water Wise Guidelines are in place across Greater Sydney. As total system storage declines with normal supply, it is expected the trigger to recommence Shoalhaven Transfers (75%) will be reached in June 2022 at the earliest.
- The storage level in Oberon Dam has been steadily rising since August last year, increasing the amount of water available for the Fish River Water Scheme. As the adjusted storage is now well above 50%, with customers receiving full allocation for water accounting calculations.
- Elevated levels of metals, colour and total organic carbon continue to be observed in several raw water storages in Greater Sydney. These parameters should decline naturally in the absence of large inflow events.
- Algal ASU remains elevated in some storages including Illawarra, Prospect, Kangaroo Valley and Wingecarribee Reservoir. Geosmin was detected at elevated levels in Lake Burragorang and Prospect Reservoir. This substance is not a health risk to drinking water but can be detected by sensitive people at very low concentrations. Nutrient levels are elevated following inflow events of the past 18 months increasing the risk of problematic algae over summer.
- Lake Oberon remains thermally destratified and water quality should remain stable. Nutrient levels are relatively high but there is little risk of cyanobacteria. Manganese levels are likely to increase over summer and strategies are being developed to avoid impacts on treated water (*refer also agenda item 2.2 and action GS2107.01 on action sheet below*).
- Since 1 July 2021, flows at Penrith Weir increased on three occasions to 3500-6000ML/day while operational releases were made from Warragamba Dam. Current flows are approximately 400ML/day.

4. Regulatory Economics:

4.1 Pricing Determination Update (J Dickson)

- IPART has released its [final determinations](#) for WaterNSW Rural Bulk Water and WAMC prices to apply from 1 October 2021 and included new charges to recover the costs of non-urban metering reform.
- IPART's decision on rural bulk water charges resulted in increases of about 30% on average across all valleys, with tariff structures largely maintained. For WAMC charges, the result was increases in total water management charges over the 2021 period by, on average, 16% for regulated customers, 8% for unregulated customers, and 3% for groundwater customers. Due to affordability concerns, IPART has capped WAMC increases at 2.5% per annum with any shortfall recovered from Government.

- IPART reviewed WaterNSW's proposed costs and found that WaterNSW needs higher levels of operating expenditure to maintain its assets to an acceptable quality and that increased infrastructure investment is prudent and efficient.
- MDBA and BRC pass-through charges have been set at full cost recovery for both determinations.
- IPART has also introduced several new charges to recover the prudent and efficient costs of implementing the non-urban metering reforms, including a scheme management charge, a telemetry charge, a non-telemetry charge and two additional charges to apply to customers with Government-owned meters. IPART's modelling suggests some charges will decrease over time as voluntary telemetry uptake increases.
- In the Fish River valley, Opex has increased by 67.3% (3.7% less than proposed by WaterNSW) and Capex has increased by 3.5% (4% less than proposed by WaterNSW). Offsetting these factors are a lower cost of capital (WACC), which has decreased from 3.1% to 1.8%.
- Breakdown of the decision on customer share of revenue requirement for the Fish River valley over the 2021 Determination and drivers for change since the 2017 determination period presented.

5. Presentations/Consultation:

5.1 Water Reform Implementation Plan (WRIP) Update (D Swift-Hoadley/J Douglas)

Non-Urban Metering Reform Update

- WaterNSW provided an update on the non-urban metering reforms, including a recap on the roll out dates, metering requirements for surface water, groundwater and at-risk groundwater sources and **what water users need to do now** (check details, see if the rules apply to you, and engage a DQP).
- Customers can choose to **make an authorised work inactive** to be exempt from the metering rules. This does not mean surrendering it. To make a work inactive, customers must complete the [application form](#) and pay an administration fee. Once inactive, customers will not be able to use their work to take any water, including basic landholder rights. Unregulated and groundwater customers will be billed on a one-part tariff (full entitlement charge).
- **All works captured by the metering rules** will need to be fitted with a pattern-approved meter by the regional rollout date. It may be possible to keep an existing meter if it was installed before 1 April 2019. For more information, please refer to the DPIE leaflet [Non-Urban Water Metering in NSW: what water users need to know](#).
- The rules require **all meters** to have a local intelligence device (LID) even if not connecting to telemetry and the LID must be registered in the DAS. It is the water user's responsibility to ensure they purchase a fit-for-purpose device that meets their needs. A list of compatible data logging and telemetry devices can be [found here](#).
- **Faulty metering equipment** must be reported within 24 hours by completing the [online s91i form](#) on WaterNSW's website and must be repaired within 21 days or submit a [request for an extension](#).
- DPIE and NRAR have a number of resources available to help water users understand the new metering rules, including a [Metering Guidance Tool](#), [Non-Urban Water Metering In NSW: what water users need to know leaflet](#) and [compliance fact sheets](#).
- DPIE has conducted a number of communication and engagement activities to ensure affected water users are aware of their obligations under the new rules, including >10,000 letters, 4,000 emails, 2,500 text messages and 4,000 direct phone calls, and will be conducting virtual field days on 28 and 29 October 2021.
- There are a number of programs available to support uptake of telemetry and metering including a telemetry rebate of \$975 per device for eligible water users, applied as a credit on a water bill against invoiced telemetry costs. DPIE expects this to be formally commenced by end of year and

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will be applied retrospectively when connected to the DAS. Water users do not need to do anything for the rebate to be applied.

What's New:

- There is a **new exemption for small domestic and stock users** that applies to pumps <100mm or bores <200mm that are **used solely** to take water under a domestic and stock water access licence; do not take water from an 'at risk' groundwater source; and are not on properties with other works captured by the metering rules. DPIE expects to have the amendments in place before 1 December 2021. Water users who have been affected by this exemption will be contacted by DPIE.
- **Policy Clarification:** Through the rollout it became apparent there is a technical legal situation where if a water user has installed a work that is smaller than stated in the work approval then technically, they are in breach. The NSW Government is in the process of making policy changes to clarify that a water user **can install a work that is smaller than authorised on a work approval**. Once passed into law, water users will be required to inform their licensing authority if this is the case. This will negate the need to amend a work approval and will not incur a fee. Further information will be provided as soon as available.
- It is recognised there are **mobile blackspots** in parts of the state where telemetry does not work appropriately. WaterNSW is in the process of engaging a satellite provider to provide a telemetry service in these areas and DPIE is developing a toolkit to help DQPs determine whether a site is a blackspot. Water users can apply for a **temporary exemption** under clause s233 of the Water Management (General) Regulation 2019 if this applies to them.

5.2 NRAR Compliance Update (G Abood - NRAR)

- NRAR provided an update on tranche 1 compliance rates for affected works under the non-urban water metering framework, including work previously done, state-wide statistics and NSW regional breakdowns.
- State-wide compliance increased from 23% in July to 54% in September (rates only apply to active works in tranche 1, >500mm surface pumps).
- To show reasonable effort towards compliance, NRAR expects all water users who need to comply by 1 December 2021 to have a formal engagement with a DQP before 1 December 2021 or have commenced one of the alternative pathways to compliance.
- The tranche 2 compliance approach will be on a risk-based approach to monitoring compliance, focussed on high volume water users. Compliance will be monitored in a variety of ways including from the DQP portal and the DAS. Reporting will be on compliance rates as major milestones.
- Over the coming weeks and months, NRAR will celebrate the compliant, enforce the laws and ensure fairness for the compliant, monitor changes in compliance rates, check up on DQPs and get tranche 2 and 3 water users to act.

5.3 Engagement Landscape – Customer Conversations (J Dickson)

- As advised at the last meeting, feedback on the Kitchen Table Kit has been extended to 30 October 2021. We are seeking grassroots feedback from irrigators and are keen to hear from you on what things you think we should spend time on.
- For more information or to download a copy of the Kitchen Table Discussion Kit, please visit <https://www.newdemocracy.com.au/water/>

5.4 CAG Charter Update (J Dickson)

- As part of IPART's audit process, WaterNSW was asked to amend wording in the CAG Charter to elaborate on the types of issues discussed at the CAG. Proposed changes included with business papers.
- The Greater Sydney CAG supports the proposed amendments to the Customer Advisory Groups Charter as tabled.

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5.5 CAG Term of Office – 2022-25 (J Dickson)

- The current term of office for the CAG ends on 30 June 2022. WaterNSW will call for nominations for the 2022-25 term during February and March 2022.
- Letters will be sent to all existing members and water user groups in February 2022, as well as advertising in The Land, The Farmer Magazine and local media.

5.6 Future Focus (J Dickson)

Water Insights Portal Update

- Recent enhancements to the Water Insights Portal include hourly reporting on all active gauges, all water quality (and special water quality view), limited download function, schematics for all regulated valleys and for the Barwon-Darling, volumetric view of resumption of flow.

WAVE – Coming Soon

- In coming months, WaterNSW will be progressively releasing functionality on an online Customer Portal to support customers with lodging applications, viewing account balances, paying and accessing bills, updating contact details and communication preferences and will also include links to the water register, WPS and interactive maps.
- At the recent CAG Representatives meeting, questions were tabled suggesting the MDBA had rejected some NSW WSPs. WaterNSW reached confirmed with DPIE that the MDBA has not rejected any WSPs but indicated some issues with some WRPs which were sent back to DPIE for review and comment. DPIE is now considering its response to concerns raised as the MDBA believed they didn't meet the basin plan requirements.

5.7 Water Resource Plans Update (J Dickson)

- At the recent CAG Representatives meeting, questions were tabled suggesting the MDBA had rejected some WSPs. WaterNSW reached out to DPIE for a response and were advised that the MDBA hasn't rejected any WSPs but indicated some issues with some WRPs which were sent back to DPIE for review. DPIE is now considering its response to concerns raised as the MDBA believed they didn't meet the basin plan requirements.

6. Business Papers:

- Noted and taken as read.

7. General Business:

- Nil general business raised.

Meeting Review and Close

Next Meeting: 24 March 2022

Meeting closed: 11.30am

Greater Sydney Customer Advisory Group – Actions – 28 October 2021

Carried forward actions

Action No.	Action	Responsibility	Response
GS2107.01	WaterNSW to provide information from the Water Quality Team in relation to the manganese in the Fish River Scheme.	D Tomlinson	<p>Complete.</p> <p>Levels of manganese in the Fish River Scheme have been seen previously but only under extreme drought scenarios. With water levels above 25% in Oberon Dam, it was not expected that manganese would impact the Fish River Scheme.</p> <p>The cause of this appears to have been related to multiple factors that in isolation would not have impacted the scheme but in combination provided a source of manganese and reduced WaterNSW's ability to avoid it.</p> <p>These factors include recurring minor rainfall recharging groundwater systems and with, inflows and low storage levels in Oberon Dam increasing transport of manganese from ground water into surface water.</p> <p>An unusually warm late winter and early spring led to manganese transport up through the water column from the sediment which WNSW can avoid by drawing water from high in the water column near the surface. As spring developed, cooler conditions combined with recurring storm fronts vertically mixed the entirety of the water column leading to manganese impacting the entire water column. The cooler conditions and storm fronts continued through into summer.</p> <p>The combination of increased manganese transport into surface waters and unusual climate was an issue that led to multiple water utilities across the state being impacted by similar challenges with manganese management.</p>

New actions

Action No.	Action	Responsibility	Response
GS2110.01	WaterNSW to include a system map for the Sydney catchment area (Warragamba and metropolitan area) in presentations going forward.	B Mayhew	

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