

# Murray-Lower Darling Customer Advisory Group

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## TO BE RATIFIED MARCH 2019 MEETING

### Minutes of Meeting

Thursday 20 September 2018

Big4 Holiday Park, DENILIQUN

**Present:** Sally Dye (Chair), Hilton Taylor, Paul Childs, Perin Davey, Luke Barlow, Geoff Mann, Michael Chalmers, Rachel Strachan, Rodney Stone, Gordon Fox, John Lolicato, Louise Burge, Alan Mathers (observer), Gabrielle Coupland (observer), David Stockler, Jonathan Dickson, Adrian Langdon, Susan Ali, Vince Kelly, Enrico Proietti, Sonia Townsend and Toni Hayes (minutes).

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

**Meeting Opened:** 9.00am.

#### Welcome and introductions.

1. **Apologies:** Judith Damiani, Katharine McBride, Rachel Kelly.

#### Confirmation of Chairperson

The Murray-Lower Darling CAG agreed to continue Chairmanship of Sally Dye to the end of the current term of office, 30 June 2019.

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, 22 March 2018:**

- Resolved the minutes of meeting held on 22 March 2018 be confirmed as a correct record. Taken as read.

5. **Actions arising from minutes:**

- See action sheet attached.

6. **Water Delivery**

- 6.1 **Water System Operations Report (V Kelly)**

- WaterNSW provided presentations on the operations plans for the Murray and Lower Darling including operational rules, drought management measures, resource analysis, operations strategy, water availability, inflows, operational loss, storage forecasts and outage planning. The plan is publicly available on WaterNSW's website at <http://www.waturnsw.com.au/customer-service/news/operations>.

- Lower Darling block banks discussed. Installation and removal is funded by the NSW government, with no charge to customers. WaterNSW installed at the request of the government. Customers noted they are an issue for the Murray and seems inequitable to have them.

- Storage levels discussed. Dartmouth Dam is holding 3.4GL, with 1.2GL being NSW share. Is dropping and will continue unless there are inflows. Dartmouth to Hume transfers commenced mid-August and will continue throughout spring and summer to ensure Hume Dam can be maintained. Will prioritise Hume drawdowns as natural inflows are very low.
- WaterNSW aims to have Lake Victoria full as late as possible in the season. Currently pushing water through the forest to get water to Lake Victoria for operational purposes in advance of expected system demands over summer and into autumn.
- MIL Escapes will be used where possible to bypass water around the Barmah Choke area, however have reached channel capacity at Stevens Weir. Perricoota escapes being used now. The terms of the MIL Agreement are the same as in the past (refer also General Business).
- Customers noted that the Wakool Regulator is almost overtopping and questioned why WaterNSW is not working with OEH to run Niemur at a higher level. WaterNSW advised there was no agreement on the accounting process. While the environment is prepared to wear losses, as the operator WaterNSW needs to ensure the accounting processes are in place.
- Customers questioned how long it will take to negotiate an agreement. The framework has already been put in place with landholders and Wakool is sitting there, provided it is acceptable. WaterNSW advised there has been some discussion however the environmental discussion has been taking some time.
- Finley Escape is being used to meet demands in the billabong. Water that is used in the billabong factors into the IVT and is counted daily in the IVT account. Commonwealth water is not put through Finley Escape.
- Carryover for South Australia (SA) discussed. Customers questioned why it was permitted given they are guaranteed 1850GL. WaterNSW advised that when certain resource positions are reached, SA is not guaranteed to get its full entitlement flow. The forecast in 2016 indicated there wasn't enough water in the system for SA to have entitlement.
- Customers noted that critical human needs are covered by the Basin Plan and this goes against the Plan principles. WaterNSW advised that it is the first water set aside each year. If we go into worst case scenarios, the water needs to come out of the bucket. If essential, will come out of irrigator accounts. They are not getting any additional water, they are managing risk and there is no impact to NSW customers. It isn't water at the end of the year that would have come to NSW (there are protections for NSW).
- Operational loss discussed. There has been no operational surplus in the NSW Murray so far this year. Customers noted they have heard loss figures of up to 35% in the Murray and want more information on breakdown of losses. WaterNSW advised that future reports will include a breakdown of transmission losses (water lost in transmission) vs loss at end of system.

**Action MLD1809.01:** WaterNSW to provide a breakdown of operational losses in Operations Plans going forward.

*Responsibility: M Barratt*

- Customers sought information on end of system flow targets out of the Murrumbidgee (actual flows vs target). Discussed.

**Action MLD1809.02:** WaterNSW to provide detail on end of system flow targets out of the end of the Murrumbidgee (actual flows vs target) at next meeting.

*Responsibility: V Kelly*

- Outage plans discussed. The winter outage work at Stevens Weir is expected to take longer than planned and may extend into late-winter or spring. WaterNSW is working to ensure minimal risk to operations.

## 6.2 Computer Aided River Management (CARM) Update (A Langdon)

- 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 tributary 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 Lower Darling currently in production stage and the Barwon-Darling in development.
- In the Murrumbidgee, CARM is set up in sections and will be able to show orders vs take against system flows.
- Customers questioned how CARM ties into the Murray and if it can be used as a tool to check assumptions made by the MDBA in the modelling for Murray operations. WaterNSW advised that modelling in the Murray is more complicated, however WaterNSW works closely with the MDBA on the models. CARM is a tool for operators to operate our system and we haven't focussed on CARM in the Murray at this point in time.

## 7. System Operation and Asset Services

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

- Asset performance and maintenance in the Murray and Lower Darling presented and discussed, including breakdowns and defects, maintenance and upcoming works.

## 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 noted groundwater is included when the majority of customers have full access.
- Customers discussed Lower Darling groundwater having different rules to other valleys (can only be accessed if no allocation available by end of year). Customers sought advice on whether they will be in breach of conditions if they have accessed groundwater but an allocation is received later in the season.

**Action MLD1809.03:** WaterNSW to seek direction from Regulator/NRAR if customers will be in breach of conditions if they accessed groundwater but an allocation is received later in the season.

Responsibility: D Stockler

## 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.
- Floodplain harvesting discussed. Customers were advised to raise with DOIW at this afternoon's meeting.

### 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 has been directed by the government that all meters will be privately owned and is looking at ways to transfer ownership.
- WaterNSW acknowledges there are transitional issues to be worked through and is actively involved in preparing a framework.
- Customers raised significant concerns about transfer of ownership in relation to accuracy, maintenance, replacement and liability that may be transferred to customers. Concerns around non-compliance if a meter breaks down and cannot be fixed. WaterNSW advised that a 91i would be required and CFOs would work with customers to establish a proxy. It is the responsibility of the holder of the works approval to maintain compliance with AS4747.
- Concerns raised about depreciation and charges that have been paid since installation – will these be returned to customers? WaterNSW advised that the charges apply not just for meter ownership but for the systems that sit behind it.
- Discussed potential in framework under which a transfer may occur to the works approval holder or other approved third-party entity.
- Meter type and pattern approval discussed. There are many details that are yet to be clarified, such as who certifies installation. WaterNSW urged customers to raise concerns with DOIW at the next session.
- Telemetry discussed. WaterNSW has a vested interest in the data as billing and system operations will operate from the telemetry, however we are currently not set up to receive the data. NRAR will be responsible for compliance, WaterNSW is responsible for operations.
- Underground meters discussed. It is a requirement under AS4747 for meters to be validated, which would mean meters need to be accessed. It would be up to the owner of the meter to decide if digging up is worth it or replace the meter.

### 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](https://www.industry.nsw.gov.au/data/assets/pdf_file/0019/162505/Water-reformconsultation-submission-178.pdf)
- Draft metering regulations have now been released by the Taskforce.

### 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 NRAR funding model is not yet fully determined. Customers stated they do not want cross-subsidisation from north to south.
- 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.
- Customers noted they have not had transparency of Barwon-Darling costs. WaterNSW advised these costs come under the WAMC determination and there will be three separate submissions on this (NRAR, DOIW and WNSW). WaterNSW will bring transparency to its costs and include in our submission what it costs us to provide services to our customers.
- Customers queried if WaterNSW is incurring any costs in relation to the Menindee SDL Project. Water NSW advised that the project sits with DOIW and funding will come from the federal government to do the next stage of work. WaterNSW has not been engaged in that process to date and there is no money coming from WaterNSW to look at SDL offsets/projects.

### 8.4 Voice of Customer Update (E Proietti)

- 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. This was welcomed by the CAG.
- Customers noted location of meetings has been an issue. Finding a suitable location has been difficult.

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

- A workshop was held with Murray-Lower Darling customers on 13 August 2018 in Moama with additional workshops to be held with CAG members and stakeholders in February/March 2019. WaterNSW 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.
- Customers felt the first workshop lacked detail and not enough information was given and requested an additional workshop be held prior to February/March 2019 covering context of the project, detailed knowledge of proposed projects and funding positions. Discussed.
- WaterNSW advised that the project is in the very early stages and WaterNSW will soon be sending workshop notes to customers. The first session clarified what issues the broad group were concerned about and looked at the options WaterNSW has identified in its 20 Year Infrastructure Options Study (20YIOS). Before the next meeting the plan is to do more work on the preliminary

options and come back with a more thorough understanding of issues and options. No work will commence until at least the IPART process is over (2020).

- WaterNSW is about to engage a consultant to answer some of the questions customers raised at the workshop on the identified options. It is acknowledged that the context of the work is very complex with the addition of the MDB and SDL rule.
- WaterNSW advised that another Murray-Lower Darling LOS meeting prior to February is possible however more detail may not be available. WaterNSW will plan the process and come back to customers with an additional workshop date.

**Action MLD1809.04:** WaterNSW to plan an additional LOS workshop for the Murray-Lower Darling prior to February 2019.

*Responsibility: A Fraser*

### 8.6 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>.
- Customers questioned if there is any investigations being done at Dartmouth or Hume on cold water pollution (CWP). WaterNSW advised that the potential applications of this type of curtain is limited in further applications. More broadly, the Asset Solutions and Delivery team is looking at a CWP strategy.

### 8.7 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.

### 8.8 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.

**Action MLD1809.05:** WaterNSW to advise if the Wakool Regulator is included in the fish passage strategy.

*Responsibility: M Clayton*

- Customers questioned where the other sites are if not owned by WaterNSW. WaterNSW advised that the majority would be council-owned on mainstream rivers. There may also be some privately-owned structures. The intent is to address all structures on mainstream rivers west of the Great Dividing Range.

- Other than toolkit measures, where is the rest of the funding coming from for works in the south? WaterNSW advised there are a number a funding sources available however it is important to note it is currently not funded, is a business case pursuing funding. Large potential could be sale of Snowy (but not necessarily spent just on south). If funding comes through Treasury it would be RAB funding.

#### **8.9 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.

#### **8.10 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.

#### **8.11 CAG Term of Office**

- 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 Escapes Agreement**

- Customers asked about the details of the recently signed agreement for WaterNSW to use Murray Irrigation main infrastructure to pass water efficiently around the Barmah Choke.
- WaterNSW advised that it has signed a 12-month agreement (to June 2019) with MIL for usage of their escapes for water delivery this season. WaterNSW is working closely with MIL to negotiate a long-term agreement.
- Conditions of the agreement remain similar to previous arrangements, providing access to the same escapes previously used.
- Pricing, recrediting, return flows, piggybacking discussed.

## 10.2 Environmental Water Delivery

- Customers questioned if WaterNSW is able to deliver to all 18 indicator sites under the basin plan within the current infrastructure under the The Living Murray (TLM).
- WaterNSW advised that although not personally familiar with all 18 indicator sites, there shouldn't be any issues, however will be some challenges in relation to water that can be delivered, share of channel capacity etc. Some sites haven't been tested so cannot make an informed statement as to how practical some of the sites are.
- Without having knowledge of all the sites, taken as a question on notice. L Burge to further discuss with V Kelly out of session.

**Action MLD1809.06:** WaterNSW to contact L Burge out of session to discuss environmental water delivery to the 18 indicator sites under the Basin Plan (as per agenda item 10.2).

*Responsibility: V Kelly*

## 10.3 Channel Capacity Constraints

- Customers questioned if WaterNSW anticipates any constraint issues for users below the Barmah Choke and sought an update on how constraint and channel sharing discussions are going. WaterNSW advised that discussions are currently taking place. It is our position that it should be a 50/50 share.
- Customers noted that basin trading is out of control and questioned if there should be limitations in place. WaterNSW advised that from a rules point of view there has been conversation around should the share be based on the resource.
- Customers noted that this has been a long-standing issue of concern, with J Lolicato referring to a background issues paper previously developed by P Davey for the CSC.
- WaterNSW noted that a problem identified was no water in the Darling and IVT was reversed.
- Members indicated that NSW customers should be fully aware of the issue. WaterNSW will take back to DOI Water (Brian Graham) and request they put out a statement. Had initially agreed on a statement from MDBA.

**Action MLD1809.07:** WaterNSW to advise DOI Water of customer concerns in relation to channel capacity constraints and channel sharing and request they issue a statement in relation to same.

*Responsibility: A Langdon*

## Meeting Review and Close

**Next Meetings:** eCAG: Thursday 29 November 2018 (Skype)

Face to Face: Wednesday 20 March 2019

**Meeting closed:** 1.20pm

Carried Forward Actions			
Action No. yymm.action no	Action	Responsibility	Status
MLD1708.06	WNSW to confirm advice on stakeholder involvement in MDBA review process for airspace and capacity issues.	V Kelly	Ongoing.
New Actions			
Action No. yymm.action no	Action	Responsibility	Status
MLD1809.01	WaterNSW to provide a breakdown of operational losses in Operations Plans going forward.	M Barratt	
MLD1809.02	WaterNSW to provide detail on end of system flow targets out of the end of the Murrumbidgee (actual flows vs target) at next meeting.	V Kelly	
MLD1809.03	WaterNSW to seek direction from Regulator/NRAR if customers will be in breach of conditions if they accessed groundwater but an allocation is received later in the season.	D Stockler	
MLD1809.04	WaterNSW to plan an additional LOS workshop for the Murray-Lower Darling prior to February 2019.	A Fraser	
MLD1809.05	WaterNSW to advise if the Wakool Regulator is included in the fish passage strategy.	M Clayton	<b>COMPLETE.</b> The NSW Fish Passage Strategy has not included Wakool Offtake as one of the 160 identified sites. Wakool Offtake regulator was upgraded in 2012/13 and the original gates were replaced with lay flat gates. However no fishway was constructed as it was agreed that a fish passage was not warranted as the regulator would not impede fish movement for the majority of the time.

<b>MLD1809.06</b>	WaterNSW to contact L Burge out of session to discuss environmental water delivery to the 18 indicator sites under the Basin Plan (as per agenda item 10.2).	V Kelly	
<b>MLD1809.07</b>	WaterNSW to advise DOI Water of customer concerns in relation to channel capacity constraints and channel sharing and request they issue a statement in relation to same.	A Langdon	

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