

Meeting Minutes

Date: Tuesday 14 November 2017

Time: 1pm

Location: Mundubbera Community Centre

Attendees: John Kelly, SunWater Service Manager, Chinchilla
Ashley McDonald, SunWater, Storage Supervisor, Boondooma Dam
Troy Emmerton, IAC Member
Stewart McKenzie, IAC Member
Ken Darrow, IAC Chair
Andrew Vicary, IAC Member

Apologies: Link Davies, IAC Member
Boyd Paton, IAC Member
Ben Harzer, IAC Member
Tim Allen, IAC Member

Chair: Ken Darrow

Minutes: John Kelly

Item No.	Item	HB Doc No.	Presenter
1.	Welcome and Introductions		John K
2.	Apologies		Chair
3.	Review of Previous Minutes		Chair
4.	Business Arising from Previous Minutes		Chair
5.	Agenda Items		Chair
6.	Water Storage Update		John K
7.	Quarterly Customer Newsletter Feedback		John K
8.	SunWater Customer Service Commitment		John K
9.	Water Ordering Feedback		John K
10.	SunWater Correspondence re Pre-feasibility options for possible long term water infrastructure		John K
11.	2017 Network Service Plan Annual Performance Report		John K
12.	General Business		All

Agenda Item 1 – Welcome and Introductions

The Chair opened the meeting at 1pm and welcomed the IAC members and thanked them for their time to attend the meeting.

Agenda Item 2 – Apologies

Link Davies, Boyd Paton, Ben Harzer, Tim Allen

Agenda Item 3 – Review of Previous Minutes

The minutes from the previous meeting were reviewed and were deemed to be a true and accurate record of the meeting. Moved Ken Darrow, Seconded Stewart McKenzie.

Agenda Item 4 – Business Arising from Previous Minutes

The IAC queried the recent rise in the AA (i.e. 100% for 4 months to 100% for 8 months). SunWater advised that it had identified an error in the headwater gauge at the dam which was reading a lower storage volume than what was actually in the dam. SunWater advised that the most probable cause for the shaft encoder reading incorrectly on the headwater gauge on the inlet tower was slippage of the pulley mechanism which was suspected to have occurred as a result of the rapid rise in the storage level experienced during the increased rainfall as a result of ex-tropical cyclone Debbie in late March 2017.

SunWater advised that it had modified procedures to ensure that faults of this nature would not go un-noticed in the future and that it was also looking into changing out the headwater gauge to an alternate gauge using a different measuring mechanism.

Agenda Item 6 – Water Storage Update

SunWater advised the IAC that the current volume stored in Boondooma dam is 96,601ML or 47.3%. SunWater further advised that, assuming minimal inflows, the date at which it is predicted the storage will reach the 70,000ML cutoff is 1 April 2018.

Post meeting note: At the time of preparing these minutes (4 January 2018) the storage forecast model for the dam was predicting the 70,000ML cutoff level will be reached in mid June 2018, assuming minimal inflows.

Agenda Item 7 – Quarterly Customer Newsletter Feedback

SunWater advised the IAC that the first of the schemes quarterly newsletters was sent out in October, and requested feedback from the IAC on the content of the newsletter. The IAC confirmed it was happy with the content and felt it was a good conduit for getting information to customers.

Agenda Item 8 – SunWater Customer Service Commitment

SunWater provided the IAC with a copy of its draft Customer Service Commitment for review, comment and feedback. The Customer Service Commitment is a result of SunWater recognising that as a business, it needs to be more customer focused. The IAC were supportive of the document.

Agenda Item 9 – Water Ordering Feedback

SunWater requested feedback from the IAC on the water ordering system in place. The IAC advised that while it was only early days they thought the system was good so far but noted that it is a habit that customers need to get into and is something that is easily forgotten. To this end SunWater agreed to send a reminder text to customers in conjunction with the monthly storage status texts that are being sent out.

Agenda Item 10 – SunWater Correspondence re Pre-feasibility options for possible long term water infrastructure

The IAC discussed SunWater's correspondence of 5 July 2017 (being a response to a letter from the Boyne River Irrigators on 20 June 2017) in relation to pre-feasibility options for long term water infrastructure in the Boyne catchment.

The IAC noted that ultimately, removal of the 70,000ML cut-off rule would provide irrigation customers with the reliability that they seek but acknowledged that this would affect the reliability of HP customers and is not a realistic option and that efforts should be focused on options that have the best chance of success.

In regards to the option of raising Boondooma Dam the IAC noted that the preferred height of raising would be that which gives them a reliability of at least 90-95%.

Possible off-stream storage and water harvesting options were discussed however it is unclear if there would be any sites suitable for the size of storage and location in the catchment to benefit all irrigators.

The IAC advised that the Wide Bay Burnett Region of Councils (WBBROC) had expressed an interest in the discussion of long term infrastructure options and it was suggested by the IAC that they should be involved in early and ongoing discussions given their interest.

The IAC discussed SunWater's offer to undertake some preliminary hydrological modelling for the option of raising Boondooma Dam. SunWater advised the results would be indicative only and more detailed modelling would need to be undertaken if the option were to be progressed further. The estimated cost of the modelling is \$22,708 and would be charged to the scheme.

The IAC and SunWater resolved to arrange a kick off meeting between SunWater, WBBROC and IAC representatives to progress with the modelling.

Post meeting note: The IAC chair advised SunWater via email on 7 December 2017, to proceed with the modelling as proposed above. A meeting has been scheduled between SunWater, WBBROC and IAC representatives on 18 January 2018 to kick off the proposed modelling.

Agenda Item 11 – 2017 Network Service Plan Annual Performance Report

The 2017 Network Service Plan Annual Performance Report for the bulk system was tabled and discussed. SunWater stepped through the document with explanations provided around the schemes revenue and expenditure items.

The IAC sort confirmation on the headworks utilisation factor (HUF) which for the Boyne River Scheme has high priority users paying 90% of the headworks costs and irrigation customers paying 10% and how this related to the historical position of the high priority users paying 75% of the costs associated with the dam. SunWater advised it would seek clarification from its business accountants and revert to the IAC with a response.

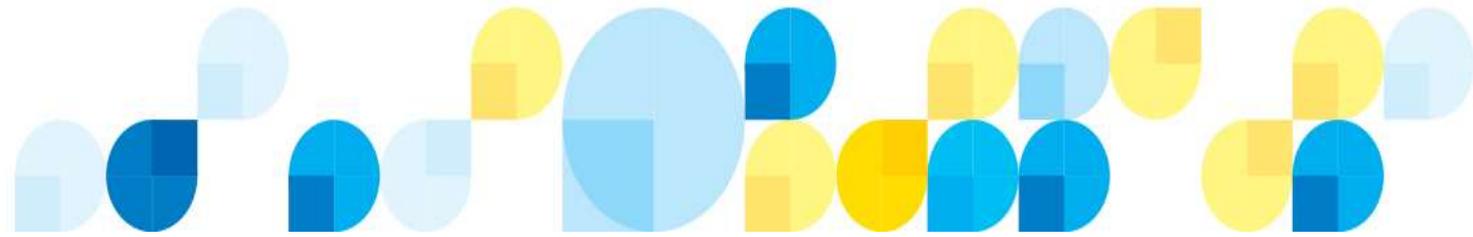
Post meeting note: The HUF is split 90%-10% in the Boyne River scheme for the purposes of determining irrigation water prices. Long term contracts in place with high priority customers dictate the costs sharing arrangements for headworks costs and any difference between what is paid contractually by high priority customers and the HUF is borne by SunWater.

Agenda Item 12 – General Business

No general business items were raised for discussion.

ADDENDUM – QCA Irrigation Price Review

As an addendum to the meeting minutes SunWater has attached a presentation on the QCA Irrigation Price Review. This presentation was to be presented by SunWater's Pricing Manager, Lisa Welsh, however Lisa had not commenced with SunWater at the time of the IAC meeting. The presentation provides some preliminary detail on the process that will be undertaken in establishing the new irrigation water price path and was emailed to the IAC on 7 December 2017.

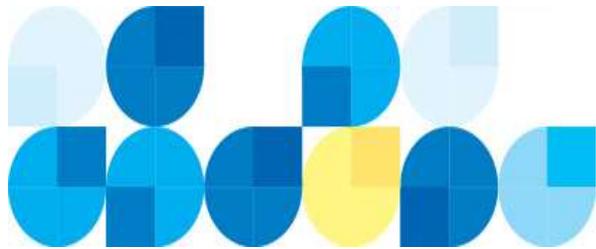


QCA Irrigation Price Review

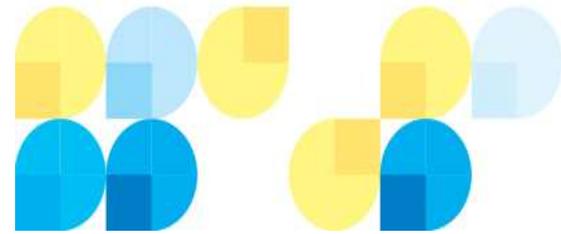
IAC Presentation

November – December 2017

Lisa Welsh, Water Pricing Manager

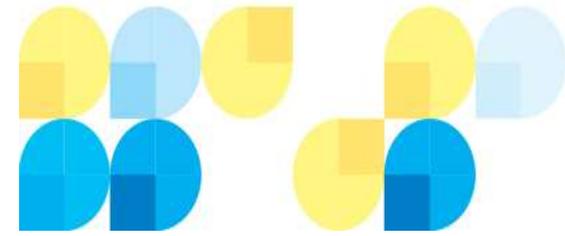


Overview



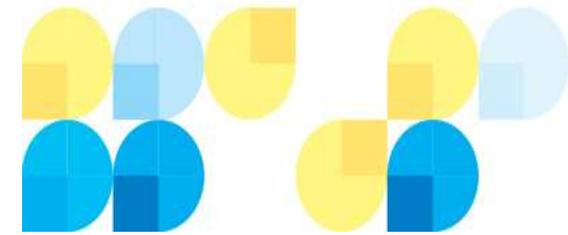
- Key messages from the Customer Survey
- Corporate Goals and Objectives for the Price Review
- QCA Process
- Customer Consultation Process
- Questions

Key messages from the Survey: What do customers want?



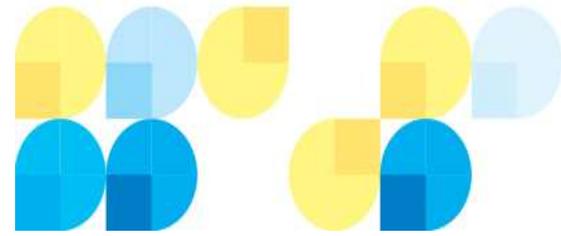
Efficient Costs	Improved Network Service Plans
<ul style="list-style-type: none">• Better value for money• More cost effective services• Customers want don't want to pay more for better services	<ul style="list-style-type: none">• Need to help customers understand costs better• Information on renewals is helpful but could be improved• NSPs have increased cost transparency but more can be done

Corporate Goals and SunWater's Objectives for the Price Review



Corporate Goal	Objective
Supportive stakeholders	<ul style="list-style-type: none">• Enhance customer relationships by working with the IACs and the CRG to provide transparency of costs• Customer involvement supported by clearly articulated, robust SunWater submissions including revised NSPs
Commercially focused operations	<ul style="list-style-type: none">• Identification of cost efficiency targets• Recovery of efficient costs
A sustainable business	<ul style="list-style-type: none">• Lower-bound cost recovery for all schemes with no shortfall (including CSO payments)• A light-handed regulatory approach

QCA Process



The Treasurer issues the QCA with a referral notice to conduct a price investigation

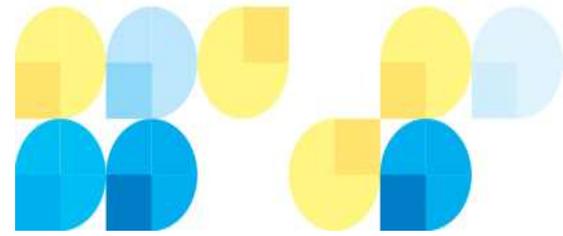
QCA issues a public notice of investigation seeking stakeholder submissions.

QCA reviews SunWater's costs, considers issues raised by stakeholders and conducts public hearings

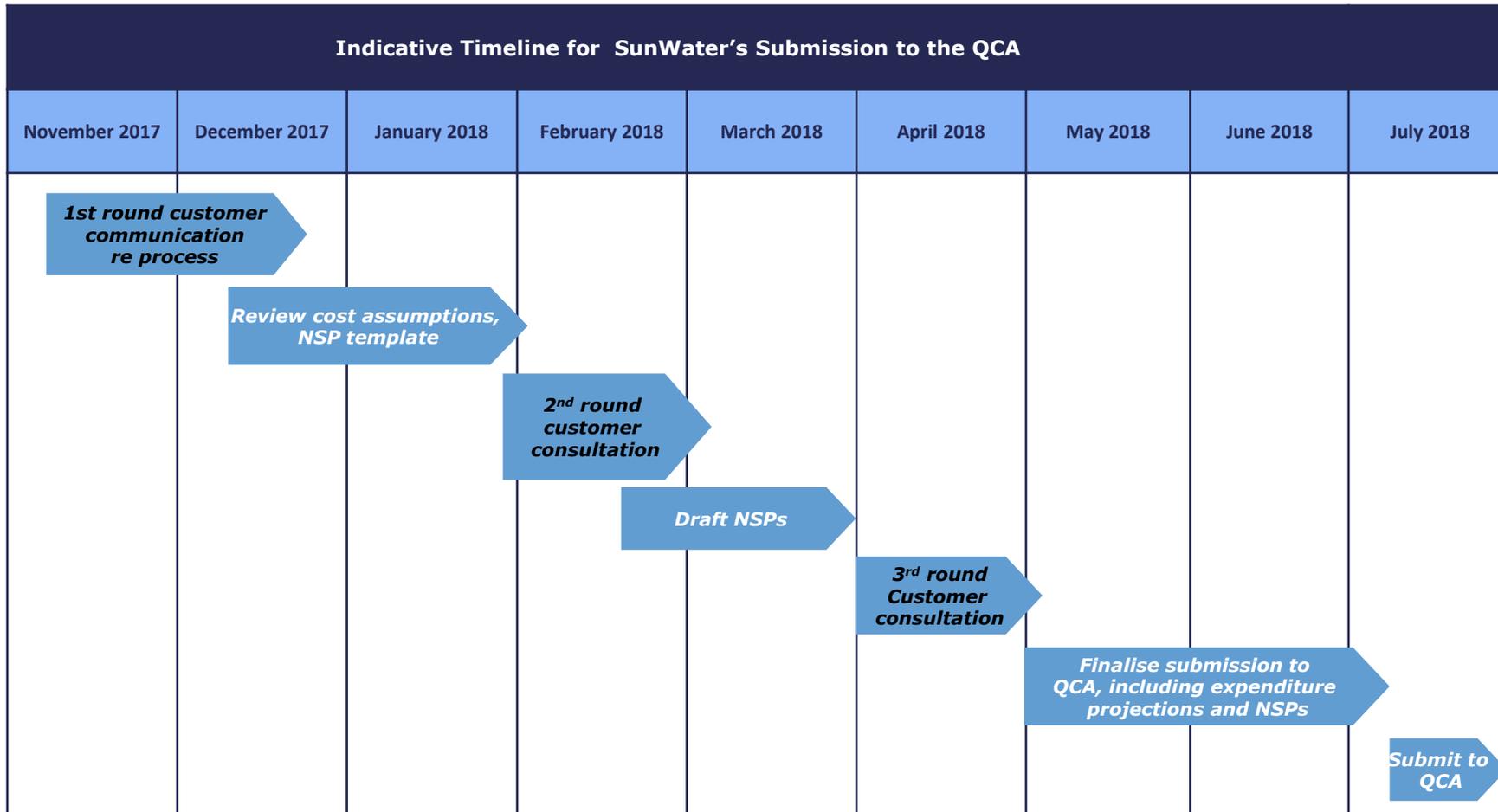
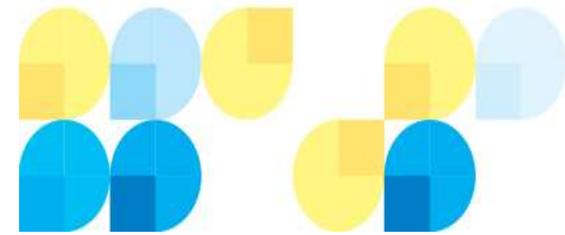
QCA releases a draft report for stakeholder comment, followed by a final report recommending prices to Government

The Government issues a Rural Water Price Direction

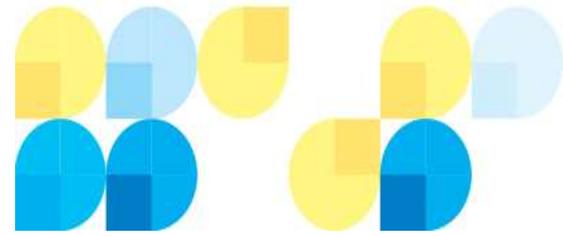
Customer Consultation Process



- A two step process with 3 phases: CRG to provide high level strategic input relevant to all customers and IACs to provide scheme-specific input
- Phase 1 (in progress): communication regarding process, timeframes, preliminary feedback on customer information needs
- Phase 2: Network Service Plan Template, draft infographics, cost drivers
- Phase 3: Overview of expenditure (CRG), draft Network Service Plans (IACs)

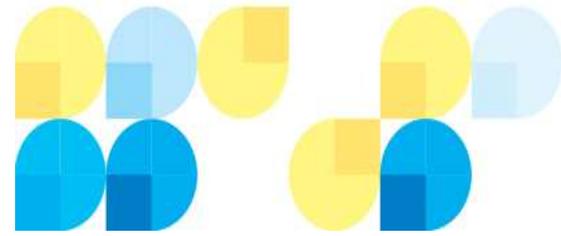


Network Service Plans



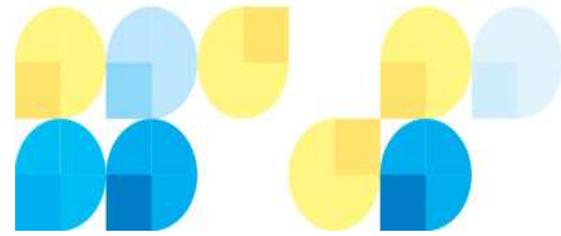
- Network Service Plans (NSPs) are the primary tool that SunWater uses to explain costs to customers.
- There is an opportunity to build on these Plans to provide better and more transparent information to customer eg:
 - Include 5 yearly expenditure projections to align with the QCA price reset period
 - more clearly articulate the purpose of the NSPs
 - Provide detail on corporate overheads
 - Articulate the link between costs and the asset management framework?

Network Service Plans



- What information do customers want to see in the Network Service Plans?
- How do customers want to engage on the longer term planning horizon for the schemes ie beyond 5 years?

Infographics



- SunWater will be developing infographics to support its submission and customer engagement.
- What are the key concepts the customers would like to understand more clearly? eg how prices are set, revenue building blocks, how costs are allocated?

Sample Infographics

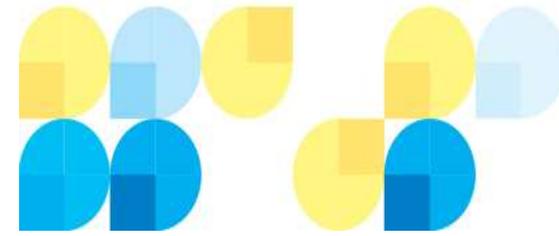
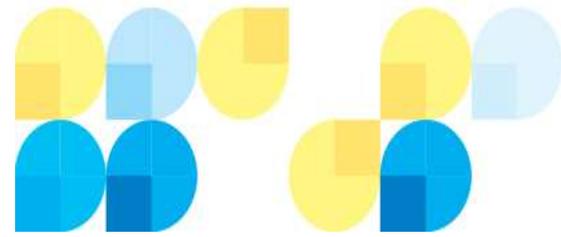


Figure 5.1: Notional revenue requirement per customer in water security mode— proposed for 2017-22 regulatory period compared with approved for 2012-17 regulatory period (\$2016-17)



Source: SDP



Questions or feedback?

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