

Meeting Minutes

Date: Thursday 18 May 2017

Time: 10am

Location: SunWater Office, Theodore

Attendees: John Kelly, SunWater Service Manager, Chinchilla
Daryl Conway, SunWater Service Manager, Biloela
Peter Tweed, SunWater Service Supervisor, Theodore
Peter French, IAC Chair
Harrod Andersen, IAC Member
Greg Hutchinson, IAC Member
Robert Hoadley, IAC Member

Apologies: Trevor Brownlie, IAC Member
Peter Mahony, IAC Member
Steve Keyworth, SunWater

Chair: Peter French

Minutes: John Kelly

AGENDA			
Item No.	Item	HB Doc No.	Presenter
1.	Welcome and Introductions		Chair
2.	Apologies		Chair
3.	Review of Previous Minutes		Chair
4.	Business Arising from Previous Minutes		Chair
5.	Agenda Items		Chair
6.	Storage Level Update		Daryl C
7.	LMA Update		Peter F
8.	R&E Update – Distribution		John K
9.	R&E Update - Bulk		Daryl C
10.	2017 Network Service Plan - Distribution		John K
11.	2017 Network Service Plan - Bulk		Daryl C
12.	Orange Creek Weir Update		John K/Daryl C
13.	General Business		All

Agenda Item 1 – Welcome and Introductions

The Chair opened the meeting at 10:15am and welcomed the IAC members and thanked them for their time to attend the meeting.

Agenda Item 2 – Apologies

Trevor Brownlie, Peter Mahony, Steve Keyworth

Moved Greg Hutchinson, Seconded Harrod Andersen

Agenda Item 3 – Review of Previous Minutes

The minutes from the previous IAC meeting held on 18 May 2016 were reviewed and accepted.

Agenda Item 4 – Business Arising from Previous Minutes

1. Update on CSG Water

SunWater provided an update on the production and subsequent discharge of CSG water from the Woleebee Pipeline into Glebe weir. SunWater advised the committee that the current QGC production forecast is 15ML/d. There is an irrigation customer on the pipeline who has the capacity to take up to 10 ML/d and as such discharge to the weir maybe as little as 5ML/d. QGC have provided SunWater with their forecast for the next 2 years which anticipates production will increase to 30-40ML/d in late 2017 and early 2018 but then reduces back down to approximately 20ML/d from June 2018 until the end of the current forecast period which is May 2019.

SunWater advised the IAC that there was another irrigation offtake on the pipeline but to date it was inactive.

Any CSG water that does flow into Glebe weir is considered as an inflow when determining the announced allocation, however flows have been so small to date their impact is likely to be minimal.

2. Water Ordering on the River

The IAC requested SunWater send a reminder letter to customer on the river regarding the need to order water and that a follow-up letter should then be sent after the next meter readings to those identified as not complying. SunWater to action.

The IAC also advised that a water ordering app maybe useful for customers and encourage water ordering if the app can simplify the process. SunWater to raise with SunWater ICT.

Agenda Item 5 – Storage Level Update

SunWater provided a water level update as at 18 May as follows:

Glebe - 17,700ML or 100%

Gyranda - 13,300ML or 81%

Theodore – 4,760ML or 100%

MOSS – 2,370ML or 84%

Moura – 5,950ML or 77%

Neville Hewitt – 10,390ML or 97.6%

Agenda Item 7 – LMA Update

Peter French provided an update on the Local Management process as follows:

- The Theodore Water board was formed in December 2016.
- The State government has made offers to the various LMA boards based on the business cases submitted to government by the boards.
- The Theodore business case focussed on the refurbishment and upgrade of assets to realise efficiency gains.
- The State government has announced the separation payment to Theodore Water, should the local management arrangements proceed, will be \$15.1m.
- Theodore Water are currently undertaking their due diligence to ensure the scheme can be managed under the proposed arrangements over the long term.
- Theodore Water has advised government that they are happy to proceed with investigating the option of local management based on the separation payment that government has offered.
- Theodore Water has until September 2017 to decide if they will progress with the local management proposal.
- To date there has been no negative feedback from customers.
- Theodore Water will be producing a prospectus type document to present to customers.
- Assuming customer support, the anticipated date from which the scheme will operate under the new local management arrangements (Theodore Water) will be 1 July 2018.
- The Theodore Water Board consists of Malcolm Finlayson (Chair), Peter French (Theodore Irrigator), Ed Donaghue (ex DNRM Engineer), Kirk Andersen (Theodore Irrigator), Greg Austin (Theodore Irrigator) and Sarah Cox (Media and Communications).

Agenda Item 8 – R&E Update – Distribution

SunWater provided an update on the current R&E program in relation to projects in the Channel distribution area as follows:

- Pump Unit #3 at Theodore Pump Station was removed for refurbishment by Re-Pump and is due for return on 23 June.
- Rubicon have been awarded the contract to undertake the replacement of the gate control equipment. This work is planned for early June.
- Safety screens at 6 check structures and access crossings are currently being installed and will be completed in the coming week.

Agenda Item 9 – R&E Update – Bulk

SunWater provided an update on the current R&E program in relation to Bulk Water projects

- MOSS Control valves have been replaced.
- Theodore Weir – Outlet gates are being replaced. Gates currently being manufactured and plan to be installed prior to end of June.
- 2 yr electrical condition assessments to be completed by end of June.

Agenda Item 10 – 2017 Network Service Plan – Distribution

The 2017-18 Network Service Plan for the distribution system was tabled and discussed. SunWater stepped through the document with explanations provided around the schemes revenue and expenditure items. The IAC queried the revenue increase in Table 1. SunWater advised that this was due to the \$993k of Irrigation CSO revenue budgeted for in 2018 and detailed in Table 3. SunWater advised that the CSO was the 'Community Service Obligation' that the government pays SunWater as part of the Irrigation Price Path arrangements to ensure irrigations schemes break even. SunWater advised that the CSO payment in 2018 is provision for the costs associated with increases in Insurance and Electricity costs. At the time of the price setting these cost increases were not factored into the QCA calculations for setting the prices. As the price path has been extended a further 2 years the revenue is still based on the original allowances set by the QCA. The CSO is being negotiated with the Department to top up the revenue which we could have expected had the new price review been undertaken and the costs of insurance and electricity been adjusted to reflect the real costs now applicable.

Agenda Item 11 – 2017 Network Service Plan – Bulk

The 2017-18 Network Service Plan for the bulk water system was tabled and discussed. SunWater stepped through the document with explanations provided around the schemes revenue and expenditure items.

The IAC commented that the revenue detailed in Table 1 is significant. SunWater advised the IAC that the scheme operates on a commercial basis and that the bulk of the revenue comes from Industrial customers paying upper bound prices as detailed in Table 3

SunWater advised the IAC that the government had extended the current price path for irrigation for a further 2 years.

Agenda Item 12 – Orange Creek Weir Update

SunWater tabled the Executive Summary from the 'R&E Detailed Option Analysis' for Orange Creek Weir. SunWater advised that the preferred refurbishment option was Option 1 – Minor work to the Weir structure and the high level outlet as well as permanent closure of the low level outlet. The estimated cost of Option 1 is \$164k.

The IAC advised that they were glad to hear the integrity of the weir is not such that the recommendation was to decommission the weir. SunWater advised that this option (decommissioning) was considered however the structural integrity of the weir has not been compromised and Option 1 refurbishment is all that is required.

The IAC commented that as the weir is structurally sound, the 2,000ML of useable water in Orange Creek Weir should be included in the announced allocation calculations.

SunWater advised that while the weir may be structurally sound, SunWater has utilised the storage volume in the past during critical supply periods, as per ROP. Furthermore there are HP users in the weir pool which restricts the volume of water that can be released from the storage.

Another consideration is that that the water sharing rule in Upper Dawson uses an "aggressive announced allocation". This essentially over announces water early in the water year to facilitate the demands for cotton irrigation. As the Dawson has no significant headwater storages (just a string of relatively small weirs) it is prone to the risk of running out of water. Hence the water below the valve in OCW is potentially available (through emergency pumping etc) if town water supplies and other HP allocations were under threat.

The IAC requested SunWater look further at allowing the storage volume in the weir to be used in the announced allocation calculations and to look at upgrading the outlet works to be more operational.

Agenda Item 13 – General Business

The IAC raised concerns over 900ML of water allocation that is currently unused by industrial customers in the Neville Hewitt Weir section of the scheme and given the sale of some of the mines in the area, should this unused water be activated what impact it may have on existing users.

The IAC requested the gauge boards at Neville Hewitt Weir be re-instated to allow customers to undertake an assessment of the volume of water in the weir to assist in the management of their operations. SunWater agreed and will action this request.

Meeting Closed 1:30pm