

MINUTES OF MEETING – 24 MAY 2017

Meeting opened at 9:15am, 24 May 2017
Held: Anglican Church Hall, Ruby Street, Emerald.

Present:

Attendees	Representation
Robert Ingram (RI) – Chairperson	Section 1
Neek Morawitz (NM)	Section 2
Les Fluerty (LF)	Section 4
Paul Wortley (PW)	Section 4
Robert Lewis (RL)	SunWater
Jason Smith (JS)	SunWater
Jon Davidson (JD)	SunWater
Daryl Conway (DC)	SunWater

1. Apologies

Neville Brownlie, Matthew Barnes, Nigel Burnett

2. Previous Minutes

Minutes of meeting 15 March 2017 have been confirmed and uploaded to internet.

3. Correspondence

Nil

4. Scheme Operations

4.1. Shutdowns

JS and DC both spoke to the published shutdown dates:

(Weemah 19 June to 9 July, Selma 10 July to 6 August)

Discussion was had around the scope of works to be carried out within the shutdown windows.

JS advised on the channel tasks being lots of small minor repairs with no major projects confirmed.

DC gave a detailed breakdown of the works inside the Right Bank Outlet tunnel. Works required include asset inspection, drainage repair works and removal of debris. NM and RI expressed concern around the amount of works to be completed within the shutdown window and provided advice completing priority tasks first.

DC and RL advised that SunWater will be looking to ensure the shutdown will not overrun the nominated time and bring water back on as soon as possible. A final review of the shutdown program of works will be made to see if any further time savings can be achieved.

4.2. River Meters

DC advised that there are still 6 meters to replace on the River and that works are continually underway to complete. LF asked about the costs of meter replacement and DC advised that depending on the type and size of the meter, as well as the installation requirements, a meter may cost around \$30k to replace.

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5. Update on Projects

5.1. National Water Infrastructure Development Fund (NWIDF)

Jason Smith gave an update on the application for funding for Emerald Distribution efficiency project, proposing to line 34.4km of Selma Main channel, S3 and S4 to further reduce seepage losses from the system.

- IAC endorsement of the project has been received by SunWater
- The submission has been lodged as supported. If accepted, SunWater will be advised by 1 July.
- If not accepted, there is a second round of funding, with successful applicants notified by 1 November 2017.

5.2. Update Fairbairn Dam Lookout Project

DC reported that minor works were underway and expected to last into the next financial year. JD advised that budget has been allowed in the next FY for the carryover. DC also advised that the works were not on a larger scale as previously planned due to the Maraboon Holiday Village professing that road closures would affect their business for the Winter season. SunWater has agreed to minimise any affect to Selma Road hence why the works were progressing slower than planned.

5.3. Update on Bedford Weir Bag Removal

DC reported that tenders were still being considered yet works were planned to be completed by June 30 2017.

6. AA, Carryover and NSP Presentations – BW & IS

6.1. Announced Water Allocations

RL presented the predicted Announced Allocation (AA) to the IAC. The predicted allocation has been modelled off the minimal drawdown scenario from the SunWater prediction tool, available online at SunWater.com.au.

Based upon current remaining balance and average 4th quarter usage, the estimated volume of carryover on 1 July is expected to be 83,503 ML.

A conservative AA based on this prediction would be in the range of 90-100% for medium priority water allocations.

6.2. NSP – Bulk & Distribution

RL opened the discussions and presentations of the NSP's for Bulk Water (BW) and Irrigation Services (IS) with an explanation of the QCA targets, price path and look forward.

- Over the last five years SunWater has attempted to keep costs in line with the QCA targets.
- In 2016, the State Government decided to extend the 2012-2017 irrigation pricing policies by two years, until 30 June 2019.
- There are no confirmed targets other than the QCA forecasts for 2018 and 2019, which were prepared in 2012.
- Until the next pricing period, SunWater is proposing a Non-Routine maintenance program based on SunWater's view of the works necessary to deliver on our commitment to customers.

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- SunWater will generally continue to operate within the QCA framework and proposes to bill the actual costs to the scheme.
- Before the next pricing period SunWater will likely propose a different mechanism for pricing and will consult with the IAC prior to this.

If at any stage during the year, there is a significant variation to the program (due to unforeseen events), SunWater will inform and consult with the IAC regarding the matter.

Endorsement on the approach was sought by RL which was provided by the IAC.

JS and DC presented the NSP information explaining SunWater’s direction for the next 12 months in regards to actioning enhanced drain and asset surveillance and management plans, including burning as a tool for controlling weeds. RI mentioned that irrigators would be happy to assist with chemical control if SunWater provided the chemical. JS responded that this would be welcome assistance and would consult and communicate with irrigators before any chemical control was carried out beside crops.

JD presented the non-routine projects for FY18 and FY19 for IS and BW. JD explained through the basic scope of each of the projects, how they came to be included from local consultation and from maintenance plan conditional triggering.

6.3. Questions Arising from NSP Presentations

Q: RI asked why crane inspections which he considers routine work are listed in the Non Routine program. These items should be provided for under the Routine program.

A: RL replied that there is a project underway within SunWater to address these types of issues and get consistency across the business in terms of how routine-repetitive works are defined and under which program they are managed. These types of work will likely appear in the routine program in the future.

Q: LF asked if flood relief subsidies available for SunWater to offset electricity costs in drought declared areas?

A: SunWater have previously applied to Ergon for drought subsidies in March 2016. Ergon rejected the application. Eligibility requirements include:

- *be a farmer of a property that has been individually drought declared or is within a drought declared area*
- *be experiencing disruptions to pumping water for farming or irrigation (i.e. have no water or water availability is severely restricted within the billing period).*

Q: NM asked if Bedford Weir bag had been the subject of an insurance claim.

A: SunWater advised that discussions with insurers deem a claim is not economically viable to pursue and the file is now closed.

Q: LF asked how does SunWater arrive at the insurance cost as shown in the NSP? What is the process used? How does this relate to other parts of the business? Does the cost reflect that we have not had major claims on the assets in Emerald? Does SunWater get a cheaper premium if you do major works that offset risk such as the Fairbairn Dam spillway upgrade?

A: Each asset is risk assessed based on:

- Geographical location including historical events (TC)*
- Type of asset to be insured (BW, IS, IP)*

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c. Replacement value of the asset to be insured

The premium is then calculated using these assessments. Each scheme is assigned the true cost of the insurance premium applicable to just that scheme, hence why all schemes will have different Forecast values. The QCA nominated amount was created in 2012 and is fixed, hence why the SunWater forecast value reflects the actual insurance premiums experienced. The CSO contribution is recognition of this by the government and provided to assist SunWater with the increased insurance (and electricity) costs. The variance is not passed onto customers. The water price remains fixed around QCA value.

Q: RI asked what are the water entitlements as shown in Table 2 of the BW NSP for SunWater – why are the entitlements shown and what are they for? (SunWater Water Entitlements 32,090 ML, HP Water 9,441ML MP Water 22,649ML)

A: SunWater Water Entitlements – 22,649 ML Medium is for channel losses in the distribution system, remaining HP 9,441 ML is water held by SunWater, principally for additional allocations onto the pipelines.

Q: RI asked questions in regards to the R&E project for the Comprehensive Risk Assessment – Costs shown are forecast \$164k. Why is the cost so high? What is involved? Are there comparable costs on other dams?

A: A Comprehensive Risk Assessment (CRA) is a thorough process involving inspections, analysis, assessment and reporting that typically takes between 6 and 12 months to complete. The purpose of a CRA is to assess the risk of dam failure for downstream communities.

The CRA process involves:

- Extensive dam data collection on the dam
- Site inspections to validate the data
- Careful analysis of the data. Looking at, for example: flood hydrology, dam break assessment, geotechnical assessment, structural assessment etc.
- Identification and assessment of risks. For example: hazard identification, failure mode analysis, consequence assessment and risk evaluation.
- Analysing the options. For example: risk reduction measures, structural upgrade of the dam, individual and societal risk considerations, As Low as Reasonably Practicable (ALARP) consideration, sensitivity analysis, peer review recommendations.
- Final mitigation and solutions to reduce the risk rating of the dam.
- Reporting of findings and recommendations.

The CRA for Fairbairn Dam has been scheduled for the 2018 financial year for the following reasons:

- The Dam Safety Review of Fairbairn Dam is expected to be completed in August 2018. The findings from this review are expected to require revaluation of the risk of Fairbairn Dam.
- The upcoming CRA will capture the most recent improvement works at Fairbairn Dam Spillway.
- The upcoming CRA will capture a recent review of flood hydrology within Fairbairn Dam catchment.
- Dam safety guidelines have been updated since the last CRA was completed in 2012.

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CRA costs:

CRA's are relatively expensive due to the amount of work and time involved, however a CRA can save unnecessary spending on a dam. Where possible SunWater will optimise CRA costs by undertaking the assessment following a dam safety review where similar engineering assessments would be undertaken.

Q: RI asked, what is the CSO and why is it provided?

A: CSO means Community Service Obligation and is paid by the Qld Govt (via DNRM) to support costs that have increased and not been recognised/allowed for in current price path set by QCA. Mainly to cover insurance and electricity cost increases.

7. General Business

7.1. Capacity Sharing on the River

MP reported that after investigating this, it isn't 'Peak Flow on River' but is capacity sharing. There is nothing documented that the channel has preference over the river. The current practices are not in scheme rules. We need to sort out rules / guidelines before it is a problem.

SunWater need to develop a proposal based on previous experience and historical measures taken to ensure equitable sharing of the release capacity. This will need to include rostering of river capacity between customers.

Action

Capacity Sharing needs to be 'workshopped' at the next IAC Meeting in July with more River customers in attendance. DC to prepare white paper to discuss.

7.2. Dethridge Wheel Safety

RI raised the item of Dethridge Wheel Access in the field – Wheels are open access typically in the field with no signage or machine guards. SunWater has recognised the risk already and is looking at potential solutions. RI indicated he had identified the risk and would be seeking to have it addressed.

Action

JS is to investigate appropriate guarding – signage to control this risk with a view to understand the cost to implement. 462 meters are registered on Selma and Weemah channels, with the largest proportion of these being Dethridge wheels.

8. New Business

No new business was raised at the meeting.

9. Next Meeting Date and Agenda Items

10th July 2017 – Dedicated to discussing Water Sharing on the River with IAC for formulation of information for Irrigators.

October (date TBC at July meeting) – 2017 NSP Review and close out.

Meeting Closed: 12:30pm