

# NOGOA MACKENZIE IRRIGATORS ADVISORY COMMITTEE

**Meeting Date: 24 November 2015**

**Held: Emerald SunWater, Esmond Street, Emerald**

**Meeting Opened: 9: 38am**

**Present:** Robert Ingram (RI), Neville Brownlie (NBr), Nigel Burnett (NBu) (joined meeting following NSP at 11:21am), Matthew Barnes (MB), Les Fluerty (LF), Neek Morawitz (NM), Colin Bendall (CB), Neil Farrell (NF), Andrew Maughan (AM), Donna Lewis (DL) - scribe,

**Guests:** Geoff Kavanagh (GK), Chair Eton LMA, Netty Smith (NS), Chair Emerald LMA - attended for Asset Refurbishment 30 year program & Annual Performance Report Emerald Distribution then left the meeting at 11:05am

1. **Apologies:** Paul Wortley (PW)
2. **Previous Minutes:** 27<sup>th</sup> August 2015
3. **Business Arising from Previous Meeting:**

### **3.1 Poly lining De-silt Trial – on Website**

- CB has approved the publishing of a story and photographs on SunWater website however they have not been uploaded yet. DL to follow up with Marcus Rabenhorst and send members the link once story and photographs are published on the SunWater website.

### **3.2 TCC System – On-going Expenditure**

CB and NF gave an update on on-going maintenance expenditure:-

- Operational and routine maintenance costs were tabled along with an estimate of time/costs for a water officer to work the system manually.
- Concern was expressed regarding Annuity Costs.
- GK noted that TCC for Nogoia Mackenzie scheme was to be a trial and the costs were to be spread across the state. GK will send information to RI.

### **3.3 St Helen's Siphon Update**

- Water levels – have not been done yet but will be done shortly when channel is at full capacity.

### **3.4 Drainage**

- Email with link to website information regarding drainage sent by CB to RI. The link is <http://www.sunwater.com.au/schemes/nsp/annual-nsp-and-performance-reports>

### **3.5 Winton Creek**

- Track to enable spraying Hymenachne has been dozed and spraying will be on-going.

### **3.6 Chemical/Mechanical Weed Control**

- Tractor 165hp Massey Ferguson is being leased and will arrive early December. Mower arriving January.
- Spray rig being built. Boom will be 9mtrs long. Boomless nozzle at the end of the boom will give an extra 6mtrs. Hydraulic pump with 5 stations.

### **3.7 Acrolein Cost Savings**

- MB reported there is a 2 year registration process for new supplier to set up patents and approvals and a cost of \$50 to \$70K. Possible new supplier needs further information from SunWater. Current supplier annually trains all staff using Acrolein. SunWater are currently negotiating price with current supplier. Caution about timing – risk of current supplier not to keep up supply. CB reported there is also a trial currently underway to test using Acrolein without running water.

### **3.8 LMA – Government Announcement**

- Queensland Government has announced its decision to transfer ownership of the Emerald, Eton, St George and Theodore distribution schemes to local irrigators. This may occur over the next 12 to 18 months, subject to agreement between irrigators and the government.
- A meeting is planned for 14<sup>th</sup> December to begin the next stage. Ex-chairmen of LMA interim boards are involved in process. There will be a call for expression of interest to take on roles on the boards. Business proposals will need to be reviewed. Department of Energy and Water Supply (DEWS) will be taking over process. Opportunity is there however if growers do not want to proceed. Delaying water pricing review is important.

### **3.9 Replacement Meters – Galea's**

- One meter has arrived and will be fitted as soon as practicable.
- Second meter will be here in next couple of weeks.
- River meters – AM reported that cameras have been installed on some water holes to try to find out why water usage is so high.

### **3.10 Peak Flow on River**

- Response from Milton Pukallus – he contacted NBu and spoke about peak flow and how they are handling this. Milton also spoke to the water officers and they don't envisage any problems as they have managed this in the past.
- Historically 300mg for Weemah (if not on restriction) and the river gets the leftover. AM to take back to scheduling personnel.
- Meeting requested a documented set of rules and conditions that clearly state the Peak Flow Entitlements between River and Weemah system. This needs to clearly state the peak flow entitlements of all offtakes to ensure this ruling is referred to if the Right Bank outlet capacity is exceeded.
- It is thought that two river customers have a zero peak flow entitlement as their allocation has been transferred from the Emerald Irrigation Scheme in recent years.
- AM will refer this request to BW Scheduling group. GK indicated he has documented minutes from previous IAC meetings that reflect what was agreed and that two irrigators have zero peak flow in their supply contracts. GK indicated he would send this information to RI. IAC would like this resolved sooner rather than later before it becomes an issue.
- SunWater should have in place a formal methodology for restrictions and this should be communicated with customers.

## **4. General Business**

### **4.1 30 Year Asset Plan and Revised Strategy**

Meeting started with this agenda item to enable guests to leave the meeting (if desired) once this presentation had been delivered.

- CB presented Asset Refurbishment 30 year program proposed strategy.
- The current asset refurbishment and replacement program is built upon defined asset lives, condition and risk profiles. It is a state strategy.

- An alternate strategy has been developed 'off-line' and is now in consultation and feedback process i.e. the reason for this presentation.
- The strategy has adopted the following four asset plan types:
  - Low Risk and Cost Assets – Asset or component types that have a 'low' risk profile where refurbishment is either not possible or un-economic such as - customer meters, air valves, and scour valves.
  - Higher Risk Age Dependant – Components or systems where design life and support are reasonably well defined and where component 'type' refurbishment is not practical, such as – electrical isolation and control equipment, PLC's, radios, RTU's, SCADA related telemetry systems.
  - Long Lived Major Civil - Assets where substantial design and construction detail is known such as channel/drain concrete structures, pipeline systems, pump station structures, buildings etc. These asset groups are long-lived and able to be condition assessed, upgraded or repaired as needed and service lives changed.
  - Linear Civil Assets - Assets where component or sectional failure of the asset happens over time, but the relative risk and cost to repair is low. This asset group is unlikely to ever be replaced at a single time due to cost and disruption, and can be better managed through periodic repair/refurbishment works. Such assets include boundary and security fencing, concrete or synthetic channel lining, channel and PSTN access roads.
- CB has requested provision of extra funds in routine budget for drain maintenance. When drain maintenance was taken out of R&E budget, no extra funds were allocated in the routine budget. Request is for \$40,000 for next budget.
- CB took meeting through the list of suggested changes for Emerald Irrigation Scheme assets– not Bulk Water.
- GK expressed concern regarding TCC metal work in water and the replacement age. CB noted that TCC system is in the group of assets that he can't change due to engineer assigned defined asset lives, and condition and risk profiles.
- NM raised concerns regarding sub-surface drainage. RI noted that lining channel would alleviate some concerns.
- LF expressed concern that extended life of assets may affect LMA separation payment.
- LF expressed concerns re water pricing.

## **5. New Business**

### **5.1 *Peter Boettcher (SunWater CEO) resignation***

- Peter Boettcher has announced his resignation effective end of March 2016.
- SunWater Board are putting processes in place for transition to new CEO.

### **5.2 *Tidy Site***

- CB congratulated NF & the Emerald staff for their part in Irrigation Services winning the Tidy Site Award for the second year in a row.

### **5.3 *NSP 2015 Annual Performance Report – Emerald Distribution***

- The aim of the report is to show how Emerald Distribution has performed against the QCA targets for the year just completed.
- NF and CB presented report for Emerald irrigation.
- Query re 'other' costs in Table 3 Revenue – the revenue is has decreased considerably. CB to investigate & provide feedback.
- CB suggested members spend time, after the meeting, perusing the document and contact NF with any further questions.

#### 5.4 ***NSP 2015 Annual Performance Report – Nogoa Bulk***

- The aim of the report is to show how Nogoa Bulk Water has performed against the QCA targets for the year just completed.
- AM presented report.
- Queries:-
  - ❖ *Table 1 – Operating Revenue Less Spend*
    1. Why is there a large drop in operating revenue from 2015 to 2016, \$5,671k to \$4,980k?
    2. Why is there an increased routine expenditure from 2015 to 2016, \$1,966k to \$2,784k?
  - ❖ *Table 2 – 2015 Water Usage*
    1. Can the percentage of available water and water deliveries entitlement be shown for the industrial water usage? Percentage is shown for irrigation.
  - ❖ *Table 3 - Revenue*
    1. What is the \$440k listed as 'Other' for 2015 and why is it so much higher than in the other years? Does it include flood margin leases?
    2. Revenue transfer in for BW is different to IS transfer out, e.g. 2015 BW \$921k compared with IS \$740k. Other years also differ in value. Why is this?
    3. What is the Insurance revenue of \$292k for 2015?
  - ❖ *Table 4 – Routine Operating Expenditure*
    1. Forecast operating expenditure for 2016 is considerably higher than the actual for 2015 expenditure and \$336k higher than QCA. Is the actual for 2016 likely to be under the ICA target as in previous years?
  - ❖ *Table 5 – Non-Routine Expenditure*
    1. Has SunWater has approached government to fund Fairbairn Dam spillway repairs, rather than using the scheme's annuity fund?
    2. Did SunWater go to the market, to ensure value for money, for investigation regarding spillway?
    3. The Spillway Seepage Investigation, \$695K, seems excessive. Provide a breakdown of costs for Spillway investigation. How much is contractors and how much is internal labour?
  - ❖ *Table 6 – Annuity Balance*
    1. Interest costs on the annuity fund are increasing at a rate which concerns the IAC, what can be done to reduce the interest?
  - ❖ *Table 7 – Detailed Financial Summary*
    1. Routine spend for operations using contractors has tripled from 2015 to the 2016 forecast. Why are the costs increasing at such a rate over a short period compared to previous years?
    2. The total operating costs are also increasing with a predicted over spend compared to the QCA target. See question for Table 4.
    3. Why are the Non-Routine contractor costs also increasing? 2016 prediction overspend is \$882k compared to the QCA target.
    4. Are the contractor costs relating to external contractors or internal between the different business groups?

#### 5.5 ***Access Licence Agreements***

- Access licence agreements are to be sorted out.
- NF has a meeting with SunWater Property & Legal personnel in Brisbane 9th December.

#### 5.6 ***New On-line Tool to Forecast Dam Water Storage Outlook***

- The Flood & Streamflow team have recently developed a new online tool that will allow the public to examine the 12 month outlook for future dam water volumes across regional Queensland.

- The information is designed to provide customers with an understanding of how two different inflow scenarios might affect future dam water storage volumes. The first shows the dam volumes that could be expected under the average monthly inflows that relate to each dam and the second is a much drier scenario which shows the dam volumes that might be possible under the minimum monthly inflows that have been experienced for each dam.
- The link for the Forecast Storage Models is [http://www.sunwater.com.au/data/storageforecast/Forecast\\_Portal.htm](http://www.sunwater.com.au/data/storageforecast/Forecast_Portal.htm)

### 5.7 **Bedford Weir**

- LF raised concerns about the loss of water from the scheme due to the removal of the fabridam. Was the loss of water from the scheme calculated using the average use of water in the scheme or 100% of the allocation? AM to seek answers from Gordon Delaney.
- The fabridam is a 1.2mtr rubber tube which sat on top of the concrete weir at Bedford to increase the capacity. CB advised the fabridam is not likely to be replaced in its current format.
- A coronial inquest is being held 7<sup>th</sup> December into the death of a young girl who died after part of a dam's inflatable rubber barrier collapsed in November 2008. CB will be attending.

### 5.8 **Salinity**

- NF reported that he is investigating salinity problems on Farm 137.
- Suggestion put forward that we line the channel instead of putting in sub-surface drainage. Pros & cons discussed:-
  - \$400K for lining vs \$15K for sub-surface drainage
  - Value adding if you line the channel
  - Water saved can be sold
  - Lining will have an impact on annuity
- NF to check to see if we have any test results from ponded testing before making further decisions.

6. **Meeting Closed: 1:04pm**

7. **Next Meeting:**

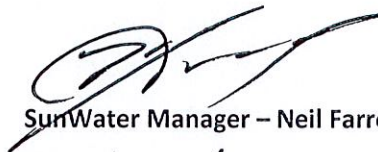
- Late March 2016 - date TBA

**Minutes Confirmed:**



Chairperson - Robert Ingram

Date: 6.01.16



SunWater Manager – Neil Farrell

Date: 6.01.16