

Mary Valley Irrigation Forum

Held: 7:15pm on 7 June 2016 at Gympie

Attendees: 14 irrigation customers were in attendance

The meeting commenced at 7:30pm.

Agenda Item 1 – Welcome & Introduction

Seqwater advised that these open customer forums replace the former customer councils. The forum was told that Seqwater proposed to continue with irrigator forums open to all customers of the Scheme unless customers requested an alternative arrangement. Seqwater advised that consultation forums would continue to be held at least annually. Additional forums may be held subject to customer or Seqwater demand. Seqwater further proposed that it would meet with any customer working groups formed to address specific issues. Customers were advised to signal the need for convening a forum by placing requests either by phone (1800 077 005) or email (irrigators@seqwater.com.au).

The forum was advised that Seqwater could only respond to operational matters. Matters concerning government policy were outside of its jurisdiction.

Customers were advised that the 2015-16 Mary Valley Water Supply Scheme Network Service Plan was available on Seqwater's website and the 2016-17 NSP would be available from 30 September 2016 (see <http://www.seqwater.com.au/water-supply/irrigation/mary-valley-water-supply-scheme>). Customers without internet access and wishing to receive a copy of the existing plan, and/or request the new plan when it is available, were asked to register their interest by phone (1800 077 005).

Agenda Item 2 – Renewals program

Seqwater reported on the current year renewals program and outlined the renewals works expected to be undertaken in 2016-17.

Replacement of 16 meters in the Mary scheme plus 3 meters in Pie Creek was completed under budget, largely due to the installations being undertaken by Scheme operators. An irrigator asked if the meters had been replaced because they were broken. Seqwater advised that the meters were chosen for replacement because of poor condition and/or because there were safety issues. In most cases, the pipework needs to be replaced as well as the meter to meet Australian standards.

The Borumba Dam boat ramp is in need of work so that boats can be launched safely. This will require the ramp to be closed for a short time which is scheduled after the June school holidays.

This work will possibly qualify for funding via the Queensland Parks & Wildlife Service which will reduce the amount included in the scheme works.

Agenda Item 3 – Future renewals plan

Seqwater advised that there are no renewals scheduled for 2016-17. In answer to a question, Seqwater explained that renewals planning extends well into the future and is based on the average life expectancy of an asset. Closer to the time, condition assessments are conducted to determine if the asset needs to be replaced having regard to its age, how it is performing and whether any legislative changes require it to be replaced. Where possible, if the asset is in good condition, its life is extended.

A question was raised regarding whether there would be any impacts on irrigators with the Queensland Competition Authority's transition to cost reflective regulated electricity prices. Seqwater advised that it will investigate to see what impact this might have on pumping costs for Pie Creek and undertook to advise irrigators if it looks like these might have a significant impact on the next price path.

Options Analyses

Seqwater explained that the price path includes an annuity component. The annuity is calculated by forecasting the projected scheme expenses for 20 years. Because these costs impact water prices, customers can choose to have Seqwater engage a consulting engineer to look at qualifying projects in order to see if there is any way to reduce costs. The costs of the consulting engineers would be borne by customers.

A high-level options analysis, for projects costing more than 10% of the total forecast renewals costs for the period 2022-37, would potentially cost around \$4,000. A detailed options analysis for projects costing more than 10% of the total forecast renewals costs for the period 2017-22 would potentially cost around \$12,000.

In the Mary Valley scheme, one project qualifies for the high-level options analysis which is the replacement of gauging stations at a cost of \$58,835. There are no qualifying high-level analysis projects for Pie Creek and no qualifying detailed analysis projects for either Mary Valley or Pie Creek schemes.

As commencement of the next price path has been deferred until 2019, Seqwater proposed that discussions regarding costs and possible options analyses also be deferred until closer to that time. The forum agreed this was sensible.

Agenda Item 4 – Operations questions and answers

There were some questions regarding why water was being released from the dam when there were inflows from the recent rain. The Lead Dam Operator explained that due to the length of the scheme and the time that it takes for water to reach the end of the scheme, experience has shown that it is more efficient to always keep a flow in the river rather than cutting the releases back too far and then having to release more to catch up.

In response to a question about the water treatment plant, Seqwater explained that the treated water was used for amenities at the recreation areas. Seqwater has in recent years put water tanks into the recreation areas in order to reduce water treatment costs. Seqwater further explained that a portion of recreation costs are included in irrigation charges.

A question was asked about the downstream risks when the Dam was closed due to blue-green algae blooms. Although the risks were believed to be low, Seqwater undertook to review the matter.

Agenda Item 5 – 2016-17 announced allocation

The process for determining the announced allocation is defined in the Resource Operations Plan (ROP) and this was explained in more detail. Attendees were advised that since Borumba Dam was currently at 88% and was forecast to be 85% by the end of June, the forecast announced allocation for the start of the 2016/17 water year on 1 July is forecast to be 95%. Seqwater advised that if the announced allocation is less than 100%, it will be reviewed each month to determine if it can be increased.

Agenda Item 6 – Irrigation water price path going forward

Seqwater noted that the current price path ends 30 June 2017. As per the recent notice that was sent to all irrigators on behalf of the Department of Energy and Water Supply, the next price path has been deferred for two years.

For the Mary Valley scheme, the current price path will be extended with the 2016-17 prices being increased by CPI of 2.5% for both Part A and Part B. In Pie Creek, Part A will increase each year by \$2 plus CPI. Parts B, C & D will all increase by CPI only.

Seqwater presented charts showing that the current actual expenditure is tracking well against the forecast expenditure used to determine the current price path and that renewals are also tracking well against budget.

Agenda Item 8 – Water trading

It was requested that the water balance be shown on the quarterly invoices. Seqwater advised that this is currently being investigated as part of a water accounting system which will allow production of that information.

Another question was raised regarding the time that it takes to complete a permanent transfer. Seqwater advised that, at present, most permanent transfers were being completed in less than 30 days. Some may take longer due to zone transfers or other issues outside of Seqwater's control. Seqwater undertook to look into the reason for the longer delay experienced by one irrigator.

Agenda Item 9 – Future consultations, other matters

Seqwater will continue to hold forums every 12 months unless they are needed more frequently, particularly coming up to the next price path. Attendees confirmed the time and venue were convenient for the forums.

Customers can find more information about the scheme on the Seqwater website under Everyday Water/Irrigation Schemes/Mary Valley Water Supply Scheme. If there is specific content that customers would like to see on the website, they should contact the irrigation team by email at irrigators@seqwater.com.au or phone (1800 077 005). One customer asked if dam



release information could be put on the website in addition to the information regarding dam levels. Seqwater will investigate if this information can be made available.

Agenda Item 10 – Meeting close

With all agenda items completed, the meeting was closed.