

**Southern Rural Water
Werribee Reconfiguration Project
Customer Reference Group Meeting #1
13 March 2024, 3:00pm to 5:00pm**

Meeting Notes

Introduction

The Terms of Reference for the Werribee Reconfiguration Project Customer Reference Group (CRG) provide that the meeting facilitators would provide a summary report of each meeting to participants. At the first meeting of the CRG, the members requested, and the facilitators agreed, that the facilitators would provide notes of the meeting rather than a summary report.

CRG members are welcome to provide feedback on these meeting notes if they contain any inaccuracies or omissions.

Meeting #1

The first Customer Reference Group meeting covered the following topics:

- Project overview
- Terms of reference
- Customer engagement overview
- Current water issues
- What is reconfiguration?

Project Overview

Southern Rural Water's (SRW) Managing Director, Cameron FitzGerald, welcomed the attendees to the meeting and provided an overview of the project. He highlighted that the investigation into reconfiguration in the Werribee Irrigation District (WID) is part of SRW's drive for continual improvement across its service areas.

Water quality and reliability are key issues in the WID, and SRW is investigating ways to address these issues so that it can support successful businesses in the region. The current recycled water plant is not meeting customers' needs and SRW believes it can do better.

Cameron stressed that if the reconfiguration project proceeds, no one will be required to hand over their water entitlements. Customers will always retain control over what they do with their water entitlements, and the project would only progress if customers **agree**.

One of the Customer Reference Group (CRG) members asked why SRW can be confident that it can achieve its objectives this time, given that this has not been achievable in the past. Cameron responded that in the past, SRW and other organisations have focussed on improving the recycled water supply in isolation, which has not proved viable. This time, there is a broader, catchment wide set of issues at play that may enable project support and investment.

Terms of Reference

Proud Mary discussed key matters relating to governance of the CRG and the engagement process. Proud Mary emphasised that it has no stake in the project and is only interested in the process. The goal is to engage with the CRG, identify opinions and record them. The process will

not seek consensus from the CRG members. Proud Mary also highlighted that no decisions have been made yet and the desire to engage is genuine. Proud Mary re-emphasised that customers' water entitlements are theirs unless they agree to sell them.

After each meeting, Proud Mary proposed to distribute a summary of the meeting. Members of the CRG will not be named in the summary and it will be made public given the importance of transparency throughout the engagement process. CRG said they would prefer meeting notes rather than a summary report so that the CRG could use them to refer to what has been covered at previous meetings. Proud Mary agreed to provide meeting notes instead of a summary. CRG members will have the opportunity to propose corrections and additions to the meeting notes; this will be an agenda item at each subsequent meeting.

It is not expected that any confidential matters arise, but if they do it is important that all CRG members respect that confidentiality. Furthermore, conflicts of interest will be important to manage throughout the process; members have been asked to submit conflict of interest declarations, and conflicts will be an item on each meeting agenda.

Customer Engagement Overview

Proud Mary summarised the approach to the reconfiguration customer engagement. Five more meetings are planned with the next one scheduled for 26 March to discuss water quality and reliability. This meeting will seek to determine:

- What will be needed from customers' perspective.
- What treatment will be required and how this will impact cost.
- What is the volume of water required, including in the driest week.

A CRG member asked how much the government spends to buy river water. There is general government interest in securing more water for environmental flows in Australia. In Victoria, the government is contributing to a range of projects to enable more environmental water. The National Water Grid Authority has money available to fund these activities as current federal priorities for water are for environmental and Traditional Owner benefits.

A CRG member asked about where to find information on the Murray Darling Basin such as how farmers are being dealt with and what customers' rights are. Proud Mary will provide information on this to participants after the meeting.

Another question from the CRG sought to clarify how irrigators can be confident that government will maintain WID over time. Cameron explained that SRW is investing in infrastructure to support irrigation in the WID in the long term.

Current Water Issues

The current water issues session sought to draw out the key issues at the front of customers' minds. The CRG had met separately prior to Meeting 1 to initiate this discussion. The group's view is that customers in the WID have trust issues in relation to SRW and the water system as they feel they have been let down in the past due to lower than expected recycled water quality, amongst other issues. This matter is very important to customers. The CRG proposed that the way to build trust was through demonstrated actions.

The CRG provided a 10-point plan for Werribee reconfiguration:

1. Clean water equal to 600 parts per mil EC without any contaminants.
2. A complete legal contract is needed to potentially replace water rights of high-reliability water of an agreed specification.
3. User pay system with an agreed minimum use amount.
4. Suppose we are required to sell our existing water rights (asset). We reserve all rights to negotiate its value.
5. The reconfigured water plan must be made available in surrounding areas for possible expansion within horticulture.
6. Water needs to be fit for purpose and used for irrigation only.
7. Water pricing must be competitive and affordable.
8. As SRW customers/irrigators, we want to establish a water cooperative.
9. If SRW cannot deliver water, we require a detailed mitigation plan that could include a 5-day water storage facility.
10. Meeting frequency should be determined on a "next steps basis." There is also a preference for meeting earlier, at around 2pm.

Cameron responded to say that all these items were up for discussion.

One of the CRG members asked a question about why seawater desalination was not a viable option. It was clarified that seawater contains considerably more salt than recycled water and so more energy is needed to remove that excess salt which makes it more expensive. The CRG member expressed concern about the ability to remove other chemicals and toxins. This matter will be discussed in more detail in later meetings.

Another question was asked by the CRG regarding timelines. SRW clarified that the preliminary business case is the first step in the process, followed by the detailed business case and a pre-construction phase (if the project is deemed viable and if it is funded). The reconfiguration is a priority action in the Central and Gippsland Region Sustainable Water Strategy.

One question was asked by the CRG regarding why customers don't own the pipe network in the Irrigation District. Cameron explained that customers have guaranteed access rights via their Delivery Shares.

One member of the CRG asked why water in Werribee is more expensive than other SRW regions. The Managing Director explained that when Rural Water Commission was split in to smaller water corporations, all existing debt was written off. At that point a lot of work had been done to improve the water system in Maffra so the debt incurred from these projects was written off. This was not the case for Werribee, where the work (including dam safety upgrades) was done after debt was written off, so customers now pay higher prices to service the debt. SRW is willing to share more information on this in future sessions.

What is Reconfiguration?

Brad McLean from Colac Consulting who are supporting the delivery of the Preliminary Business Case, presented an overview of the Reconfiguration concept. The Preliminary Business Case project is exploring the option to secure a reliable supply from a new, high quality, reliable, recycled water treatment plant at the Melbourne Water Western Treatment Plant site. Reconfiguration would include the freeing-up of river water currently used for irrigation to provide

more water for urban supply, for the environment and for Traditional Owners. To make this work, customers would need to commit to returning their water entitlements as part of a comprehensive agreement. If a small proportion of customers decide not to do so, SRW and the participating customers would continue to be supplied with river water.

A few members of the CRG had questions about what Traditional Owners will do with the water. This is for the local Traditional Owners to determine. The Victorian government's "Water is Life" policy sets out the state's intention to give water management control back to Traditional Owners for them to use as they see fit.

One of the CRG members asked a question about recycled water quality. This will be discussed further in meeting 3.