

MCCC AGENDA

Meeting no. 190

10.00am, Tuesday 22 February 2022
SRW, Maffra

We acknowledge the Gunaikurnai people, Traditional Owners of this land on which we meet and we pay our respects to their Elders past and present.



**Southern
Rural Water**

Managing Water. Serving Communities.



Our Vision

Great value for customers and community through excellence in rural water management

Trademark Behaviours

- Always Safe
- United
- Ambitious
- Results Driven
- Customer First
- Innovative
- Respectful

1		PROGRAM	PRESENTER
		OPENING	CHAIR
2		Welcome and apologies	CHAIR
3		Declaration of conflicts of interest	CHAIR
4		Confirmation of minutes	CHAIR
5		Business arising from previous meetings	CHAIR
		<u>FOR DISCUSSION</u>	
6		PRINCIPAL MATTERS	
	6.1	Chairperson's report	CHAIR
	6.2	Significant issues or actions	CHAIR
	6.3	Matters referred by the Board	BOARD MEMBER
	6.4	Allocation Model Review & Water Trading and utilisation project	PROJECT OFFICER – REGULATED WATER UTILISATION
	6.5	Salinity Project update	PAPER FOR NOTING
	6.6	Manager Water Supply update	MANAGER WATER SUPPLY
	6.7	Pricing Submission	MANAGER STRATEGY AND BUSINESS PLANNING
7		<u>FOR NOTING</u>	<u>CHAIR</u>
	7.1	Correspondence	
	7.2	Communications update	
	7.3	Feedback register	
8		GENERAL BUSINESS	ALL
9		Next meeting	
10		Close	

2. **WELCOME AND APOLOGIES; AGENDA LISTING**

3. **DECLARATION OF CONFLICTS OF INTEREST**

4. **CONFIRMATION OF MINUTES**

RECOMMENDATION

That the committee **approves** the minutes of the meeting held on **Tuesday 14 December 2021**.

REPORT

Draft minutes of the MCCC meeting held on Tuesday 14 December 2021, are included at 4.1.

4.1 CONFIRMATION OF MINUTES, MEETING 189

MACALISTER CUSTOMER CONSULTATIVE COMMITTEE

MINUTES OF MEETING 188 Held 10.00am Tuesday 26 October 2021 via Zoom video conference

PRESENT

Mrs Raelene Hanratty, Chair
Mr Benn Thexton, Deputy Chair
Mr Graeme Anderson, OAM
Mr Norm Drew
Mrs Jeannette Howie
Ms Kate Lamb
Mr Stephen Dwyer
Mr Alan Clyne
Mr Malcom Sellen
Mr Brad White

SRW Representatives

Ms Joanne Butterworth-Gray, SRW Board Chair
Mr Cameron FitzGerald, Managing Director
Mr Hugh Christie, General Manager Service Delivery
Mr Simon Wilkinson, Manager Water Supply
Mrs Pamela Crawford, Customer Relations Officer
Mr Craig Smith, Manager Strategy and Business Planning (item 6.7)
Mr Amos Micallef, Manager Capital Planning (item 6.8)

APOLOGES

Mr Robert Webber

5. WELCOME AND APOLOGIES; AGENDA LISTING

The Chair opened the meeting by acknowledging the traditional owners of the land and waters of the MID. The chair was advised of Mr Robert Webber's apology.

Ms Joanne Butterworth-Gray, SRW Board Chair, was introduced to the Committee.

6. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

7. CONFIRMATION OF MINUTES

The Committee **confirmed** the minutes of the meeting held on **Tuesday 26 October 2021**.

Moved: Mr N Drew **Seconded:** Mr S Dwyer

5. BUSINESS ARISING FROM PREVIOUS MEETINGS

Meeting	Agenda Item #	Action	Action Officer	Status
Sept	7.5	SRW to work with Mr Clyne in the development of a workshop.	Wilkinson/Crawford/Clyne	Ongoing.
Oct	6.3	The MCCC chair to develop a letter to be sent to the Minister, with Committee input, regarding Board appointments.	Hanratty	Mrs Hanratty to seek Committee input into writing the letter. It was suggested that correspondence could include clarity of process and a recommendation for knowledge and experience of farming to be considered.
Oct	8.0	<i>Investigation into Glenmaggie Wall park maintenance required.</i>	<i>Wilkinson</i>	<i>A new maintenance contract is in place. The reserve has now been mowed. Complete.</i>

6. PRINCIPAL MATTERS

6.1 CHAIRPERSON'S REPORT

- The Chair provided a report which included:
 - An overview of the input and assistance being given to the SRW website upgrade project.
 - Sustainable Water Strategy (SWS) update which highlighted:
 - Regular zoom meetings have been scheduled
 - Encouragement for the Committee to review the SWS and provide input through the appropriate channels.
 - Mr FitzGerald's involvement on the SWS consultative committee and his commitment to continue providing the MCCC with updates at this forum.
 - A MID Modernisation Project Control Group (PCG) update which highlighted:
 - Mrs Hanratty and Mr Clyne's attendance at the recent scheduled MID 2030 Project Control Group meeting
 - Water savings are expected to be validated by September 2022 including some of the Phase 1A & 1B savings that are yet to be finalised.
 - Progress on the Newry community issues.
 - A discussion on the changing flood plains in the district, noting the Tinamba area.

- Mr FitzGerald noted that there was a post incident review after the June floods. A further review will also focus on releases and include flood plans to determine if they need improvement.

6.2 SIGNIFICANT ISSUES OR ACTIONS

- There were no significant current issues or actions.

6.3 MATTERS REFERRED BY THE BOARD

- The Committee was updated on the recent Board Strategy Session held in November 2021. The session focussed on the future of the business including the importance of having constructive relationships with Government to maintain a financially strong business through the next pricing period and beyond. Sustaining and growing SRW's capacity for asset renewal were noted as key pillars to driving this outcome.
- The Committee commented that there were no issues brought to the Committee from the Board and that the committee would welcome the referral of any issues from the board at future meetings. Mr FitzGerald discussed the current issues of the pricing submission feedback and SWS feedback as current areas of focus.

6.4 MANAGER WATER SUPPLY

- Mr Simon Wilkinson, Manager Water Supply led discussions, including:
 - General water supply update
 - Spill allocation was available until 15 December 2021.
 - The likely allocation on Low Reliability Water Shares being impacted by the wet start to the season and the low demand for High Reliability Water Shares to date.
 - The current inflows from the recent rain event allowing SRW to manage Glenmaggie to be at operational full supply.
 - Recent rainfall being significantly higher than the 10 year average.
 - Deliveries are down significantly which is also causing efficiency to be low at 56.9%.

6.5 MCCC WORKPLAN

- A paper was included with the agenda for noting and discussion.
- The Committee suggested the following alterations:
 - A financial update to be included as part of the September meeting.
 - An allocation update to occur as part of each Water Supply update
 - Salinity program update to be also reported "as required".
 - Modernisation update at each meeting.
 - Critical Asset Inspection report to be scheduled with the internal reporting.

6.6 MCCC FACE TO FACE WORKSHOP DRAFT AGENDA

- A paper was included with the agenda for noting and discussion.
- The Committee discussed:
 - Proposed date being 23 February 2022
 - The agenda to consider:

- The history of the district
- Bulk entitlement
- Unbundling of bulk entitlement.
- Impacts on pricing.
- Impact of climate change (time permitting).
- The intent of the workshop is to share information and enhance knowledge on the history of water allocation arrangements across all participants in the committee.
- Mr Wilkinson and Mr Clyne agreed to meet after Christmas to discuss further.

6.7 PRICING SUBMISSION

- Mr Craig Smith, Manager Strategy and Business Planning joined the meeting to discuss the Pricing Submission Customer Survey interim feedback. He spoke to the interim results which were distributed to the Committee.
- The Committee discussion focussed on:
 - The questions in the survey forming part of SRW operations moving forward regardless of the response. Mr Smith explained the basis that the questions and the need for SRW to consult to gauge customers views.
 - The Committee being used to test the questions being developed to ensure the intent of the response where clear. Mr Smith said that the Customer Reference Group could help develop future questions.
 - Concerns that the results of the survey weren't representative given the lack of customer respondents. Views were expressed that it would be better to go on farm and survey customers directly which would yield a higher uptake in responses and questions would be interpreted correctly.
 - Responses to date indicating a lack of concern from customers and leaving it to SRW to do their job and the customer pays accordingly.
- Mr FitzGerald reaffirmed that SRW needs to demonstrate a good depth of customer engagement as part of its pricing submission. The survey is one of a number of methods of engagement to gather insightful feedback. The feedback gathered from these conversations is invaluable.
- The Committee was informed of the next steps and advised that in depth discussions would be held over the next couple of Committee meetings. These conversions will be the priority of the Committee.

6.8 MODERNISATION UPDATE

- Mr Amos Micallef, Manager Capital Planning, joined the meeting and provided a modernisation update. The Committee received the presentation as part of the agenda.
- The Committee discussed:
 - Increase in the cost of pipe in the last six months.
 - The Committee questioned if SRW should be seeking more funding. Mr FitzGerald responded by saying SRW will continue its tender evaluation and form a view once completed. This view would be informed by options that achieved the best outcome for customers.
 - Mr FitzGerald provided an update on recent positive discussions with Newry customer representatives regarding a range of matters associated with

modernisation works. A further meeting is scheduled to be held on 15 December 2022.

7.0 FOR NOTING

7.1 CORRESPONDENCE

- The Committee noted the correspondence.

7.2 FEEDBACK REGISTER (RELEVANT TO MID)

- No feedback was recorded since the last meeting.

7.3 COMMUNICATIONS UPDATE

- The Committee noted the Communications update.

8.0 GENERAL BUSINESS

- Discussion regarding Glenmaggie Weir and the possibility of desilting. A recent assessment demonstrated that it is a high cost activity for a small benefit.
- Concern was raised regarding a drain at Denison. It is unclear if this is a SRW asset, Mr Wilkinson committed to investigating the issue.

9.0 NEXT MEETING

The next meeting No. 190 of the Macalister Customer Consultative Committee is scheduled for 10.00 am on Tuesday 22 February 2022.

Meeting	Date
MCCC 190	Tuesday, 22 nd February 2022
MCCC 191	Tuesday, 26 th April 2022
MCCC 192	Tuesday, 24 th May 2022
MCCC 193	Tuesday, 26 th July 2022
MCCC 194	Tuesday, 27 th September 2022
MCCC 195	Tuesday, 25 th October 2022
MCCC 196	Tuesday, 13 th December 2022

10.0 MEETING CLOSE

With there being no further business the meeting closed at 12.41pm.

	July 2021	Sept 2021	Oct 2021	Dec 2021	Feb 2022	April 2022	May 2022	July 2022	Sept 2022	Oct 2022	Dec 2022
Raelene Hanratty	✓	✓	✓	✓							
Graeme Anderson	✓	✓	✓	✓							
Stephen Dwyer	✓	✓	✓	✓							
Jeanette Howie	✓	✓	✓	✓							
Norm Drew	✓	✓	✓	✓							
Malcolm Sellen	Apol	✓	✓	✓							
Alan Clyne	✓	✓	✓	✓							
Robert Webber	✓	✓	✓	Apol							
Kate Lamb	✓	✓	✓	✓							
Brad White	Apol	✓	✓	✓							
Benn Thexton	✓	✓	✓	✓							

- ✓ - Attended Meeting
- Apol - Notification of apology
- Blank - Did not attend

5. BUSINESS ARISING FROM PREVIOUS MEETINGS

Meeting	Agenda Item #	Action	Action Officer	Status
Sept	7.5	SRW to work with Mr Clyne in the development of a workshop.	Wilkinson/Crawford/Clyne	Ongoing. Complete
Oct	6.3	The MCCC chair to develop a letter to be sent to the Minister, with Committee input, regarding Board appointments.	Hanratty	

6. PRINCIPAL MATTERS

6.1 CHAIRPERSON'S REPORT

- The Chair will provide a report.

6.2 SIGNIFICANT ISSUES OR ACTIONS

- There are no significant current issues or actions.

6.3 MATTERS REFERRED BY THE BOARD

- The Board member present will update the Committee.

6.4 ALLOCATION MODEL REVIEW & WATER TRADING AND UTILISATION PROJECT

- Ms Marissa Gwydir, Project Officer – Regulated Water Utilisation will join the meeting to discuss.

6.5 SALINITY UPDATE

- A paper is included with the agenda for noting and discussion.

6.6 MANAGER WATER SUPPLY

- Mr Simon Wilkinson, Manager Water Supply will lead discussions, including:
 - Allocation update
 - System efficiency

6.7 PRICING SUBMISSION

- Mr Craig Smith, Manager Strategy and Business Planning will join the meeting to discuss the Pricing Submission.

7.0 FOR NOTING

7.1 CORRESPONDENCE

- Nil since last meeting.

7.2 FEEDBACK REGISTER (RELEVANT TO MID)

- Customer concerned with receiving large account despite water being turned off due to roadworks from May 2021 until January 2022. Customer contacted SRW in October and January regarding the issue. Customer would like account waived or assessed for financial hardship. Customer has been placed on a payment plan.

7.3 COMMUNICATIONS UPDATE

- MID Project update (newsletter) was issued digitally on 2 February 2022.

8.0 GENERAL BUSINESS

- Upgraded outlets through modernisation and pricing impact.
- Corporate customer engagement.
- MCCC new member induction.
- SRW operations and structure discussion.

9.0 NEXT MEETING

The next meeting No. 191 of the Macalister Customer Consultative Committee is scheduled for 10.00 am on Tuesday 26 April 2022.

Topics to be discussed include:

- Chairpersons report
- Customer Satisfaction Survey (subject to consultant completion)
- Manager Water Supply Update
- Modernisation project update
- Pricing submission
- Allocation model review
- Water trading and utilisation project
- Winter works program

Meeting	Date
MCCC 191	Tuesday, 26 th April 2022
MCCC 192	Tuesday, 24 th May 2022
MCCC 193	Tuesday, 26 th July 2022
MCCC 194	Tuesday, 27 th September 2022
MCCC 195	Tuesday, 25 th October 2022
MCCC 196	Tuesday, 13 th December 2022

10.0 MEETING CLOSE



Regulated Water Utilisation

Water Market Transparency Project

22 February 2022



What is the Project About?



The Water Market Transparency Project aims to assess and understand the current, barriers to water trading within the Thomson / Macalister Irrigation Districts. A component of the project will look at the introduction of a water trading platform to promote water trade in the districts of focus.

In particular, the primary area of focus will be to identify what support is required to encourage increased trading and assess the benefits surrounding the introduction of a water trading platform.

- *Understand why district irrigators choose to trade or not trade*
- *Assess the barriers that would be addressed by the introduction of an 'in-house' SRW Water Trading Platform*
- *Identify the education / information district irrigator's, via consultation with the MCCC and customers, need to participate in the water market.*
 - *Is there any information that is not currently available that would assist in the decision making process?*



Corporate strategy delivery



The project outcomes will directly support the Corporate Strategy Aspirations by effectively utilising water resources in the district whilst continuing to promote Customer and Community Value.

SRW is always looking for additional opportunities to improve on existing resources and increase productivity for our district irrigator's so that we can continue to excel in our role as a Resource Steward.



Objectives

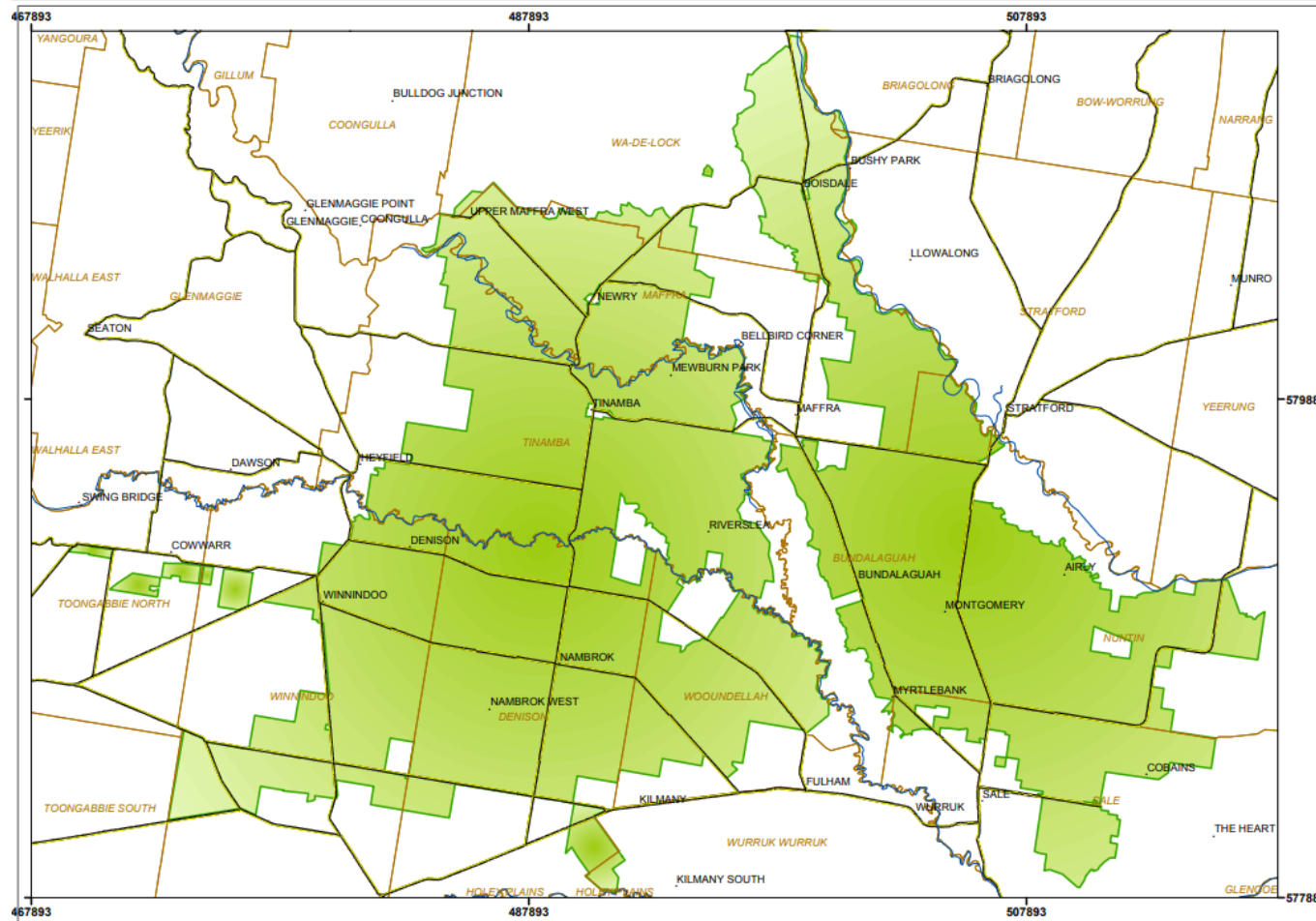
Improve on water utilisation throughout the MIA



- *Understand why customers don't participate in trade, via direct consultation with the Macalister Customer Consultative Committee (MCCC) and district irrigators, and document the current barriers.*
- *Provide a suite of options to address the identified barriers.*
- *Identify the information irrigators need to participate in water markets, as well as if there is any additional information the MCCC and customers would require to make informed decisions about trading.*
- *Assess the barriers that would be addressed by the introduction of a water trading exchange.*
- *Identify appropriate standardised water trading platform/s suitable for use.*
- *Customers and all stakeholders will be confident that SRW are managing water sources appropriately and that the business is delivering on our Corporate Strategy Foundation of Resource Stewardship.*
- *The project will provide to the MCCC and community the necessary evidence to inform and influence short and long-term business strategy and activities.*



Districts of Focus – Thomson & Macalister Regulated Water System



Governance & Budget



Project Officer

- *Marissa Gwydir*

Governance

- *Manager, Water Supply*
- *Irrigation Service Delivery Supervisor*
- *Project Control Group*
- *DELWP*

Consultation

- *Macalister Customer Consultative Committee (MCCC)*
- *Customers within MIA*



Next Steps



- *Review submissions from potential specialised Consultants*
- *Procure Consultant*
- *Initiate project*
 - *Network with other Water Organisations to discuss their trading practices and how they have overcome barriers in their regions.*
 - *Research existing Water Trading Platforms available to the market*
 - *Identify existing water trading regulations and what the current privacy controls look like.*
 - *Ensure any Water Trading Platform considered is secure and provides all necessary protection for customer information.*
- *Consultation process to be established with MCCC and other stakeholders once consultant has been confirmed.*



Questions ? Feedback ?



Item No: **6.5**
Subject: **Salinity program update**
Action: **For noting**
Author: **Matt Cook Irrigation Service Delivery Supervisor**
Responsible executive: **Hugh Christie, GM Service Delivery**
Date: **14/02/2022**

PURPOSE

1. The purpose of this report is to provide the Committee with an update on the Eastern salinity program as of February 2022 and provide a report on the forward planning for the program.

RECOMMENDATION: That the committee notes the progress and status of the 2021/22 salinity program and emerging considerations for the program.

PREVIOUS COMMITTEE CONSIDERATIONS

2. A salinity management update was provided to the Committee by Ryan Wilson in July 2021.

BACKGROUND

3. Regular updates to the MCCC on program delivery are a key element of the program.
4. The program is supported within SRW by the Service Delivery, Capital Planning, Hydrogeology and Environment teams. The program is supported externally by the West Gippsland CMA and DELWP.

REPORT

5. The following report provides an update on the program as of February 2022

Operation of Groundwater Pumps

6. The ten groundwater pumps (GWP) are currently operational throughout the Macalister/ Thomson irrigation area.

Customer and stakeholder enquiries.

7. Following continued engagement with the customer at Yuill road (GWP 23) over the past 12 months (with the assistance from WGCMA and AgVic), SRW now believes the complaint is resolved. Historically the pump at this location has been affected by iron bacteria and poor yield due to the physical characteristics of the bore. With a wetter than normal year, the pump has been able to continuously pump for the past 10 months with only a couple of short interruptions due to power failure.

8. This pump site will require an upgrade if it is to be continually used at the site into the future. Further asset assessment and capital planning will be required.
9. No further issues have been raised to date.

Hydrographs & seasonal conditions.

10. Annual rainfall at Sale East for 2021 was 847mm, compared to an average of 594mm.
11. The hydrograph data has not been received from WGCMA at this stage. SRW will provide the hydrograph information separately once received as well as at the next salinity program update to MCCC.

MCCC updates

12. In addition to the February 2022 report, SRW will provide a report on the salinity program at the July 2022 Committee meeting. The report will include an operational update as well as additional detail about the ongoing direction of the program.

Processes, procedures and governance of the program.

13. SRW has comprehensively reviewed the water balance model for guiding salinity decisions regarding pumps in light of an external review and input from SRW's hydrogeology team. This has included consolidating the data required for the model and reviewing assumptions. The model has been finalised and will continue to inform the operation of GWPs. However, SRW will consider how the recommendations from the external review can support decision-making on both pump operation and the future of the GWP assets. This is an ongoing body of work that will result in a clearer decision-making and governance framework for the program.
14. SRW will develop a consolidated plan for the management of the program, clarifying responsibilities, governance, and decision-making now and into the future. This plan will be developed in close consultation with customers and other key stakeholders (e.g. DELWP and WGCMA).

Collaboration between with the Lake Wellington Land & Water Management Plan

15. SRW will be working closely with the WGCMA on the current and future management of the program to ensure its goals align with the Land and Water Management Plan.
16. As part of the Sustainable Irrigation Group, a sub group will be formed to create a Salinity & Drainage Scoping paper to better align the Salinity Program with the Lake Wellington Land & Water Management Plan.
17. As apart of this round of bore monitoring, an assessment of the bores is also being completed. The audit is aimed at giving a complete picture of the network to help inform future maintenance needs, funding requirements, etc.
18. SRW has a new Manager Environment and Climate Adaptation, Kate Berg. Kate and her team will continue to work with Matt Cook and the Service Delivery team to strengthen links within the Lake Wellington Land & Water Management Plan.

Capital Planning

19. SRWs Capital Planning and Service Delivery team are currently assisting with the capture of GWP and free-flowing bore asset information in SRWs Asset Information Management System to assist in both understanding asset condition, but also determining future CAPEX needs.
20. This information will inform the development of an Asset Class Plan for the GWPs to help map out the longer-term capital and operational requirements.

NEXT STEPS

21. Kate Berg and/or Matt Cook will present at the July MCCC meeting on the status of the program and an update on the strategic direction of the program, including the 2022/23 work plan.