



MILDURA

**CUSTOMER SERVICES
ADVISORY COMMITTEE**

MINUTES

Venue: LMW 14th Street Training Room
Date: 6th October 2010
Time: 4PM - 5.00PM

1.0 APOLOGIES

Rod Trigg
 Joe Ietto

ATTENDANCE LMW

- | | |
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| <ul style="list-style-type: none"> • Owen Russell • Ron Leamon • Kevin Murphy • John Bergin • Leesa Merrett | General Manager – Customer Services
Managing Director
General Manager – Technical Services
Manager Financial Services
Customer Relations Officer |
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ATTENDANCE CSAC

- Warren Lloyd - Chair
- Ashley Johnstone - Deputy
- Robert Bate
- Domenico Caio

2.0 WELCOME

OWEN RUSSELL

GM Customer Services Owen Russell welcomed Members to the meeting.

3.0 ELECTION OF CHAIR AND DEPUTY

OWEN RUSSELL

The Committee elected Warren Lloyd to the position of Chair again and Ashley Johnstone to Deputy Chair again.
 Managing Director Ron Leamon outlined that the annual Chair and Deputy meetings with the Board will be held on the morning of Tuesday 23rd November with a new format for all Chairs and Deputies to attend in a group meeting and a key speaker to attend the session to discuss the Murray Darling Basin Plan.

4.0 ALLOCATIONS FOR 2009/10 & 2011 SEASON**OWEN RUSSELL**

Members were advised that the allocation had increased to 94% for Murray irrigators on 15th September 2010. This was higher than expected and greater than at the same time last year with an increase of 51% increase to high security water share. Catchments and storages are at good levels with Hume at 82% capacity and Dartmouth at 46%.

It is expected that the next allocation announcement will bring allocations up to 100% with the excess to be allocated to next year's high security and this year's low security water entitlements. The Murray is expected to start putting aside losses for the next season within coming weeks.

The Ovens River has surged a large amount of water into the Murray system below the storages, this caused a higher river height down stream including at Mildura.

Owen Russell outlined to the committee that majority of lake systems particularly through the Swan Hill area including Kangaroo lake are full and some are in flood.

It is expected that all storages within the Lower Murray system will be at peak or over 100%. The increased flows within the Murray system has seen an increase in turbidity for urban supplies. LMW expects to be adjusting the treatment processes for urban customers to counteract any algal blooms or taste and odour issues.

As the river has risen very rapidly it is expected to drop also very rapidly, private diverters are reminded to watch the dropping river levels to manage their infrastructure and pumps etc.

Owen Russell outlined that the he has requested that GMW make available via the website what component of the storage is NSW and Vic and how this affects the spillable water account. A link will be established from the LMW website to the GMW website to ensure that the data available is always current.

Useful links: www.mdba.gov.au/water/live-river-data

MDBA printout shows daily inflows are well above the long term average, with high security allocations in the Murray system significantly higher than previous years.

It is expected that temporary water will be very cheap and being sold at very low levels compared to previous years. Currently temporary water is being sold at \$35 per ML.

5.0 WATER TRANSFERRED OUT OF THE DISTRICT /SBIEG**OWEN RUSSELL**

GM Customer Services Owen Russell outlined the current information available relating to trade out of the district from the Water Register. 814ML is still to be transferred out of the district before the 4% cap is reached. The growers who sold entitlements as part of the Murray Buy Back package to the government are excluded from the 4% cap imposed for the region. LMW is currently still well below the 4% cap however, GMW have reached the cap.

6.0	TABLING OF ANNUAL REPORT	OWEN RUSSELL
<p>The meeting was advised that LMW's Annual Report for 2009/10 was tabled in parliament on 16th September 2010. LMW was advised earlier this year by the Ministers office that all annual reports are to be in black and white, contain no photos and only report on the statutory required information. A key component of the report was the financial loss associated with the drought and subsequent reduced consumption.</p> <p>Other issues in the report included environmental, staff and statutory reporting requirements.</p> <p>Termination fees produced a larger than expected revenue \$2.4M for 2009/10, this fee is only applicable to irrigation districts. For accounting purposes this figure is reported for this financial year however the grant covers a 10 year period.</p> <p>80 customers paid termination fees over the 4 pumped districts within LMW region. The exit fee is ten times the access fee to cover the infrastructure costs for that period.</p> <p>John Bergin explained that 1/10th of the \$2.4M is recognized each year to ensure it does not impact the rating base and therefore not increase costs.</p> <p>John Bergin also explained that loans of \$40M relating to urban capital works and Robinvale high pressure system had an affect on the bottom line.</p>		
7.0	MILDURA IRRIGATION DISTRICT FINANCIALS FOR 2009/10	JOHN BERGIN
<p>Manager Financial Services, John Bergin presented a financial report for Mildura. The data presented showed actual revenue and expenditure against the budget and against the figures presented in the LMW Water Plan submitted to the ESC. Actual figures for 2010 and 2009 enabled a further comparison.</p> <p>Income was \$7.8M primarily from rates and charges, interest and other revenue, expenditure was just over \$7.6M leaving a pre-tax profit of \$213,000.</p> <p>The Committee noted that doubtful debtors have increased to \$60,000 LMW believes that all of this money should be recouped.</p> <p>The problem with recouping the debt by forced sale is the majority are more than the value of the property.</p>		
8.0	OTHER BUSINESS	
8.1	SUNRAYSLIA MODERNISATION PROJECT (SMP)	RON LEAMON/KEVIN MURPHY
<p>Managing Director Ron Leamon gave an overview regarding the current status of the Sunraysia Modernisation Project. LMW Chairman Mr Tilley has requested information from the Premier regarding the current status of the funding and application process.</p> <p>Ron Leamon outlined what process LMW will follow if the funding doesn't become available for the SMP and infrastructure maintenance and upgrades need to continue as part of normal upkeep or upgrades.</p>		

8.2 MAINTENANCE ISSUES**KEVIN MURPHY**

GM Technical Services Kevin Murphy gave an overview regarding the ongoing monitoring and maintenance of the central pumps and Benetook station regardless of if the SMP funding becomes available or not. Ron Leamon also outlined the possibility of retiring assets, the board have discussed some options regarding possible retiring of assets throughout the district.

Meeting closed at 5.00pm