



MILLEWA

**CUSTOMER SERVICES
ADVISORY COMMITTEE**

MINUTES

Venue: LMW 14th Street Training Room
Date: 28th September 2010
Time: 4PM-5.45PM

1.0 APOLOGIES

Loris Davis – General Manager Business Services

ATTENDANCE LMW

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

Kevin Coogan - Chair
 Ron Hards – Deputy Chair
 Stuart Thomson
 Ian Arney
 Neil Boord
 Allen Harmer

2.0 WELCOME

OWEN RUSSELL

GM Customer Services welcomed Members to the meeting.

3.0 ELECTION OF CHAIR AND DEPUTY

OWEN RUSSELL

The Committee elected Ron Hards to the position of Chair and Ian Arney to Deputy Chair.

Managing Director, Ron Leamon outlined that the annual Chair and Deputy meetings with the Board will be held on 23rd November with a new format for all Chairs to attend in a group meeting in the morning and a key speaker to attend the session.

Action item – CRO to order new name badges for Chair and Deputy Chairs. Correspondence to be sent out to the new Chair and Deputy acknowledging the appointments.

4.0 ALLOCATIONS FOR 2010/11**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 37% increase to high security water share. Catchments and storages are at good levels with Hume at 79% capacity and Dartmouth at 45%.

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 Menindee Lake is currently sitting at 102% and is aiming to get to 110% capacity. This will see good security for water supply for the season and the next season. It must be noted that from next year once 30% is reached for each ML in storage a ML will be set aside for the next year's allocation.

General Managing Customer Service, 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.

The pipeline installation has almost completed with the decommissioning of the Worgan Channel system. This will assist in reclaiming the losses within the system to enable them to be sold off. The bulk entitlement was approx 150ML and once the installation of the new pipeline was completed the usage dropped to approx 6ML.

Permanent water is currently selling at \$1600 ML and temporary water is currently selling at \$30 per ML. If the Millewa district was to go over its bulk entitlement LMW would seek to buy in temporary water to cover this.

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 below the 4% cap however, GMW have reached the cap.

6.0 TABLING OF ANNUAL REPORT

OWEN RUSSELL

The meeting was advised that LMW's Annual Report for 2009/10 was tabled in parliament on 16th September 2010. LMW has been directed by the Ministers Office that the annual report guidelines now require no colour, no photos and only statutory required information to be contained within the report. A key component of the report was the financial loss associated with the drought and subsequent reduced consumption.

Other issues in the report included environmental, staff and statutory reporting requirements.

LMW showed an operating result for 2009/10 of \$55.3M total revenue and expenses of \$53M with a \$1.8M in net result.

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 is indexed over a 10 year period.

80 customers paid termination fees over the 4 pumped districts within LMW region.

The 80 properties equates to approx 600 hectares within the region (33% of the region not in production).

The termination fee is calculated by the delivery share on the property. The property once accepted under the termination fee is not able to be irrigated for the next 5 years and all irrigation infrastructure must be removed from the property.

7.0 MILLEWA DISTRICT FINANCIALS FOR 2009/10

JOHN BERGIN

Manager Financial Services presented a financial report for the Millewa District. 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.

Income in rural rates and charges was \$442,396 and \$40,116 in urban rates and charges. Interest and other revenue, expenditure was just over \$754,603.

Expenditure for the district including administration costs, pumping operations, electricity, depreciation etc was \$1.2M.

Balance sheet shows that the debtors has increased for 2010 to \$231,864 from \$167,253 in 2009, of this amount LMW believes that \$1,596 is doubtful debts.

Ron Hards encouraged LMW to have a stronger stance in regard to recouping the debtors in light of the season this year and commodity prices. LMW faces the difficulty

of recouping the debt when the majority of the debts are more than the value of the property.

From 2011 LMW is required to do a revaluation on the current assets so we expect to see an increase in the Total Fixed Assets.

Investing Activities shows net cash from investments of \$226,776 for 2010. This figure includes capital expenditure on the treatment plant and proceeds from sales.

Ian Arney requested John Bergin explain the deferred Tax liability for the Millewa district. John explained that this figure is a book entry to cover any tax that may have to be paid in the future for the district.

8.0 OTHER BUSINESS

8.1 MILLEWA WATER QUALITY PROJECT RON LEAMON

Managing Director, Ron Leamon tabled a response to the letter sent from Kevin Coogan on behalf of the Committee.

The Committee outlined concerns regarding the costs and that the program would be approximately \$60,000 per year (after subtracting significant costs for air scouring and chlorine costs of approx \$20,000 per annum).

The Committee queried what chemicals LMW would be using to treat the water during the purification process? Ron Leamon outlined that the proposed coagulant is certified for use in drinking water and does not leave residuals of concern.

In the proposal tabled by Ron Leamon it was outlined that the clean water is beneficial to stock watering, household use for washing and bathing and to encourage town growth including for tourism within the caravan park.

Ian Arney requested that an enquiry on the use of Megapack with round up.

Ron Leamon mentioned that the committee could be taken on a tour of the Gol Gol treatment process once the costings are finalized and harvest has concluded.

Ron Hards suggested that a public forum be held at the Millewa with plans and pro's and cons for the project so that the community can make an informed decision.

Ron Leamon outlined that the Powercor protocols for entry onto land, LMW will be finalizing the protocols and supplying them to all staff and contractors. A draft copy will be supplied to the committee for review.

Action – Ron Leamon to investigate the use of megapack with round up and supply the information to the committee.

Meeting closed at 5.45pm