



ROBINVALE

**CUSTOMER SERVICES
ADVISORY COMMITTEE**

MINUTES

Venue: LMW 14th Street Training Room
Date: 28th September 2010
Time: 5.30PM – 7PM

1.0 APOLOGIES

Loris Davis – General Manager Business Services
 Ken Stringer

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

Frank Constantino - Chair
 Don Albanese - Deputy
 Lindsay Camera
 Ian Boyd

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 Don Albanese to the position of Chair and Frank Constantino to Deputy Chair.

Managing Director, Ron Leamon outlined that the annual Chair and Deputy meetings with the Board will be held on the morning of 23rd November with a new format for all Chairs to attend in a group meeting 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 81% 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.

It is expected that further rainfall will occur in the upper catchment area which will see and increase in flows into the Murray system. 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 1 ML will be set aside for the next year's allocation. Owen Russell outlined the provision for an internal spill within Dartmouth and the break up of Victoria and NSW's storage within the dam. Modeling will be made available via the website to explain the complicated situation of an internal spill.

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.

Increased flows during this time will have a beneficial affect on algae blooms, pulsed releases of flows will assist in the system operation to reduce possible algae blooms.

5.0 ROBINVALE HIGH PRESSURE UPDATE**DARREN RAECK**

Darren Raeck, Manager Engineering Services gave an overview of the progress of the implementation of the Robinvale system. Currently very low numbers of stock and domestic customers are online with the new system.

Irrigation connections are expected to be finalized within 6 weeks and LMW is hoping to have the project fully operational and completed by Christmas.

Transformers will be tested at full capacity once majority of customers are connected and have been fully checked.

Don Albanese queried why the volumetric restriction (VR) couldn't be kept in place regardless of the system capacity. Don was concerned that abuse of the system may still occur. Darren Raeck outlined that it can be kept in place however it is not expected to be required with 30% of the district able to be irrigated at a time.

Darren Raeck suggested that education will be a key component to the commissioning for growers to ensure that only what is required is being ordered.

Ian Boyd enquired what the cost blow out was for the project and how this would be shared between the Government and the growers?

Darren Raeck outlined that there was an additional cost associated with 17km's of stock and domestic infrastructure that was required for the project that was not allowed for in the original business case and the Board endorsed that this cost was to be deferred back to the district.

Action – John Bergin to provide to the committee the structure for the per ML price increase for the new system and how that relates to the ESC Final determination and CPI and a comparison to other districts like for like with regard to per ML costs.

6.0 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.

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.

The SBIEG requires the property to be dry for 5 years as part of the requirements of the grant. However, if the property is purchased by a neighbor etc and wants to resume irrigating on the property the grant can be repaid to Centrelink and LMW would then supply water to the property. The grant is repaid in proportion to what year it is repaid (Year one – full \$150,000. Year 4 \$30,000).

7.0 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 received a direction from the Ministers officer outlining that all annual reports must now be in black and white, contain no photos or educational material only the statutory required information is required. 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 equated to approx 600 hectares within the region (33% of the region not in production), of the 80 properties 4 were from Robinvale.

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.

8.0 ROBINVALE DISTRICT FINANCIALS FOR 2009/10

JOHN BERGIN

Manager Financial Services John Bergin presented a financial report for the Robinvale 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 \$ and \$ in urban rates and charges. Interest and other revenue, expenditure was just over \$.

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

Balance sheet shows that the debtors has decreased for 2010 to \$336,000 down from \$367,000 in 2009, of this amount LMW believes that \$ is doubtful debts.

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 \$ for 2010. This figure includes capital expenditure on the treatment plant and proceeds from sales.

Budget for 2010/11 shows a loss of \$1.5M which is mostly due to the operation of two systems side by side while the new high pressure system comes online.

Don Albanese queried what the maintenance costs were for the old system in comparison to the new system.

Darren Raeck asked the committee what their thoughts were in regard to shutting down the old system during the week to enable connections to the new system to establish within a fast timeframe.

The Committee was positive in regard to shutting down the old system mid week to encourage growers to connect to the new system to show growers LMW is serious about getting the new system operational.

9.0 OTHER BUSINESS

9.1 WATER BILLS – ITEMISED

Owen Russell outlined that the tariffs would now be better explained on the quarterly accounts for growers.

Meeting closed at 7.10pm