

SEIS 1&2 - IRC Meeting – 3 July 2018

Tuesday July 2018

10:00 am

Present - Ronald Gunn, Ian Newnham, Matt Pooley, Nicola Morris (TI) Peter Rand (TI), Jody Arnol (TI) and Andrew Kneebone (TI)

Apologies – Justin Nichols (away), Mike O’Shea (sick)

1. Introduction: Nicola Morris introduced Andrew, Kneebone, TI’s new General Manager of Water Delivery and Infrastructure to the SEIS IRC group. She announced that Mike O’Shea had elected to leave TI at the end of September 2018. The focus of this meeting would be to review the 17/18 season including draft financials and then discuss the 18/19 budget.
2. Scheme Updates. Jody Arnol outlined the SEIS1 and SEIS2 current status and work completed on schemes.
 - a. SEIS1 / Craigbourne - 9,340 ML. The season had two significant rainfall events totalling 3170ML and the dam is now marginally fuller than at the start of the 17-18 season. Two flood take periods were declared with approx. 140ML taken and approx. 1300ML of entitlement water delivered (water meter readings currently being finalised). The EC of Craigbourne is 516 uS/cm.
 1. SEIS1 Maintenance. During the past year TI conducted the following key repairs and maintenance (R&M): Replaced Craigbourne electrical switchboard, repaired actuator, replaced some wiring as required, fixed piezometers, conducted an underwater asset survey (by ROV), isolation valve maintenance and a major safety review with outcome that the dam is in good shape. 4 x river pumps received electrical safety checks and upgrades with one requiring repair due to electrical failure. Some water meters replaced and monitoring units installed on major irrigator outlets.
 - a. SEIS2 - Daisy Banks operationally full at 161ML. Salinity at 227 uS/cm. Two flood take periods were declared with 220ML delivered, plus around 1500ML of entitlement water delivered (meter readings currently underway).
 - i. Significant R&M and upgrade activities included: several water meters were replaced, 15 air valves replaced, 2 large isolation valves removed for refurbishment and 2 repaired. At Richmond Pump Station one of the two large submersible pumps was replaced and wiring upgraded on both pumps due to heating issues. A new Ajenti system was installed throughout the valley on large volume irrigators.
3. 17-18 financials: Nicola discussed 17-18 draft financials in detail, noting full and correct end of year figures will be available in near future.
 - a. Nicola outlined that as of July 1, 2017 the residual negative balance of the SEIS1&2 schemes accounts was to be removed and zeroed by TI, with a strong focus on covering all fixed and variable costs each year moving into the future.
 - b. Nicola went through 17-18 financials in detail noting that, subject to final figures being available, the schemes income and expenditure would be balanced with a likely outcome that very small additional positive balance would be achieved, being a good result for the scheme.
 - c. Nicola will clarify the balance of the SEIS1&2 Asset Renewal Levy account at the next meeting as final financial figures become available in next week.

4. 18-19 Budget: Nicola went through the 18-19 budget in detail, noting the following key points:
 - a. There will likely be at most only a small change in variable charges in the following season but the TasWater prices for water are likely to increase over time.
 - b. TI is planning to spend significant money on dam safety as each dam has a specific program according to its risk category. TI will ask the state government for financial assistance in the order of \$95K for SEIS1&2 this FY to cover some one off maintenance costs on what were not originally TI assets and to prevent increases in costs to irrigators.
 - c. TI is focussing on examining, understanding and reducing costs into the future including staffing, telemetry and electricity costs and had been successful in reducing several of these costs, some significantly for 18-19.
 - d. Nicola outlined the TI overhead costs and allocation process specifically noting that of the corporate costs which include CEO, Board and office only 25% of these costs are allocated to water delivery noting that costs were then allocated between schemes based on both volume of entitlements and number of irrigators in the scheme to be fair to all schemes. She noted that TI had reduced overheads by \$76K (27%) from 17-18.

4. Future Development of Existing and New Schemes
 - a. Nicola outlined that TI is looking at integration opportunities within the southeast. The Build arm of TI is looking at this and is currently assessing all possible options for further irrigation development of the greater south east region. The SE Infrastructure Project is a large complex project with numerous possible options and it will take more than six months additional work before any further information is available.

5. Timing of Fixed Charge Invoicing
 - i. Nicola raised that TI is considering a proposal to issue fixed charge invoices on the first day of the season, with payment still being required to be made midway through the season, as is currently the case. This would help irrigators who wish to trade during the season to clearly identify the fixed charges they may wish to recoup as part of the trading process. The proposal includes a reminder notice being sent to irrigators midway through the season. The irrigators had general agreement on this and TI will further consider this proposal.

7. Winter Dam Fill Trial
 - a. Peter Rand (TI) outlined that an SEIS2 winter dam fill trial for up to 3 years is being considered by TI, which they would like to discuss with the IRC. This would allow non-entitlement water to be taken likely in June to enable irrigators to fill dams and potentially reduce peak irrigation demand. It would depend on availability at the time with normal delivery to entitlements taking complete priority. The requirement to cover any excess usage (above and beyond an irrigator current allocation) which may have been incurred over summer with water trading, or pay excess fees, would remain. There was general agreement from the irrigator committee for this proposal as it could help with the known supply vs demand challenges during some peak times in SEIS2. TI agreed to further consider this noting it would need to be advertised in the 18-19 pre-season pricing announcement if it was accepted.

8. By-Laws

- a. Nicola spoke about SEIS1 and SEIS2 By-laws. They are now in place and relate to TI's operations and management of the schemes. Copies of these are on TI's website. Nicola noted that TI's website is in the process of being revamped to make it easier for an irrigator to use and access information.

9. Mini Hydro Possibilities

- a. Nicola outlined that TI had received funds from the State Government to investigate and potentially develop options to utilise mini hydro power stations to generate income to reduce energy charges for all irrigators. The cost benefits of any successful mini hydro development would be equalised across all schemes, rather than remaining within the scheme it was installed within. This project had recently commenced.

8. Next SEIS1&2 IRC Meeting

- a. TI will advise this later.