

## Nogoa Mackenzie Customer Advisory Committee

**Date:** Wednesday 26 February 2025

**Time:** 10:00am - 11:30am

**Location:** St Lukes Anglican Church, 40 Theresa Street, Emerald

### Attendees

**Customer representatives:** Leslie James Fluerty, Neville James Brownlie, Carl Hunk Morawtiz (Neek), Matthew Barnes, Dan Pymble (FIN), Chelsea Mosch (FIN), Robert Ingram, Peter Galea, George Sypher, Cameron Geddes, Nathan Litzow, Kaela Urquhart (Ensham).

**Sunwater representatives:** Bailey McBeth Cooper (Operations Manager Nogoa Mackenzie), Caley Pearce (Stakeholder Relations Advisor), Letisha Lim (Stakeholder Relations Manager Operations), Tim Murphy (Water Sales Transaction Manager - online), Matthew Pearce (Regulatory & Pricing Manager - online).

**Department representatives:** None

**Apologies:** Taylor Cairns (Ensham), Misha Grayson (FIN)

### Minutes:

Agenda items		
Item no.	Item	Presenter
1	Meeting open and previous actions	Bailey McBeth Cooper (BMC)
2	Current Storage Levels and Announced Allocation	BMC
3	Water Trading Update	Tim Murphy
4	Touchpoint Customer Survey 2024	Letisha Lim
5	Irrigation Pricing Update	Matthew Pearce
6	Outage Planning for 2025	BMC
7	General Business	BMC
8	Meeting Close	BMC

## 1. Meeting open

- Acknowledgement of Country delivered.
- Attendees introduced and apologies noted.
- Agenda discussed and confirmed.

Outstanding Actions from previous meeting held on 12 November 2024 - discussion:

- Sunwater presented slide on dam safety projects.
- Member enquired about the frequency of Active Anchor testing and related costs. Sunwater clarified crest anchors testing occurred every five years, aligned to ANCOLD requirements, and the estimated cost is \$650K.
- Member questioned the project costs given Sunwater owns the testing equipment. Sunwater explained the testing takes a month to complete with contractor and testing and offered to provide a cost breakdown which has been provided in the action items below.
- Member questioned whether testing would be completed if the dam was spilling. Sunwater advised consideration is taken for storage levels and forecast in-flows as part of project planning and would schedule the works as needed if there was adverse weather.
- Member enquired about the actual project costs compared to the budget. Sunwater advised project budgets presented in the SP&P are based on original forecast spend in the previous QCA Price Path and don't account for changes in priorities or project scope.

Storage Forecasts - discussion

- Member noted that there appeared to be an issue with the online storage forecast tool. Sunwater said it was working to resolve issue.

## 2. Current Storage Levels and Announced Allocations

- Sunwater presented the current storage levels at Fairbairn Dam and Announced Allocations.
- Member asked about overtopping at Bedford Weir and if operating it at a lower level reduced losses. Sunwater explained releases are managed in line with the Resource Operations Licence and to keep storage levels low, however due to where Bedford Weir is located within the system it is challenging to manage inflows.
- Member questioned how Sunwater factors in carryover when calculating Announced Allocations. Sunwater responded that carryover is assessed on releases with monthly calculations being conservative. Quarterly calculations are more accurate due to the receipt of meter reads.
- Member asked about a no inflow scenario and impact on Announced Allocations with minimal water out of the tower. Sunwater replied it is a forecast and with lowering Announced Allocations there will be less water available for use and the forecast will change. The forecast looks at average usage and losses to determine the drawdown.
- Member asked if they could get access to the data presented in the slides. Sunwater agreed to provide the data in the presentation slides along with the minutes by email to the CAC.
- Member questioned whether Sunwater had looked at predictions. Sunwater replied that beyond the EOWY there is less certainty, and predictions would be completed later in this WY as it is every year.
- Discussion about the scheme falling under the cap (75,000 ML) and planting of winter crops.

## 3. Water Trading Update

- Sunwater presented a water trading update as there is 200 ML of temporary allocations available.

- The 200 ML of available water will be auctioned in five batches with the auction closing on 13 March 2025 for supply this water year.
- Communication regarding the water sale will be issued to customers this week.
- Member asked whether there are any zone caps. Sunwater answered there hasn't been any zone caps this year. The water is in Zone G, and it can be transferred to Zone B to Zone N.
- Sunwater clarified the water sale was for High Priority (HP) water.

#### 4. Touchpoint Customer Survey 2024

- Sunwater presented the findings from the November 2024 Touchpoint Customer Survey.
- Sunwater shared the ongoing upward trend in overall customer satisfaction since the survey commenced in 2019.
- Sunwater announced that the annual customer survey would launch in April 2025.
- Member asked if survey data was used to develop future strategies or priorities. Sunwater replied that it was, and the findings are shared with Sunwater's board and regional Operations teams.
- Member asked whether the closing balance on their Sunwater account should carry over to the following bill as the member had an issue with a previous bill. Sunwater noted the query and committed to reviewing the closing and opening statement balances.

#### 5. Irrigation Pricing Update

- Sunwater presented an update on Irrigation Pricing for the next Price Path (starting July 2025).
- Member question regarding the RAB mechanism, stating that they had followed the RAB discussion for several years and had done a full circle on supporting a RAB methodology (i.e. they now support when previously they did not). The member said previously maintenance was forecast for 30 years, they are happy to pay the service provider to maintain the status quo. Annuity parks money, and it's hard to understand the differential interest.
- Member asked whether there is still an opportunity to adopt RAB, and who would approve changing to RAB for 1 July 2025. Sunwater said that the QCA remain supportive of a RAB but have deferred recommending a change to a RAB until the 2029 Irrigation Price Path. Sunwater acknowledges the work the QCA recommends is important to the operation of a RAB methodology. The Minister for Water will take recommended prices (and methodology) to Cabinet to provide pricing direction. Sunwater is ready to work with either methodology from 1 July 2025.
- Member asked about the long-term impacts of the RAB. It's easy to show benefits in short-term pricing, however the long-term impacts are unclear. Sunwater responded that both methodologies can manage differences between actual spend and QCA allowances. Customers are protected from inefficient spend the same way under either methodology via QCA review of actual spend. The QCA look at what was spent and whether that was appropriate or not, and it would occur under either methodology. Sunwater needs to improve forecasting accuracy and is looking at improving significantly at long term planning, but RAB only requires a four-year forecast for price setting compared to a 33-year forecast for the annuity. The long-term pricing between the two, in theory they are similar, in the near term for almost all schemes and tariff groups there is pricing benefit.
- Member gave an example – if repairs needed to be undertaken at a cost of \$2 million how would this impact the price path using either the RAB or Annuity approach. Sunwater responded that under annuity it would be recovered over a 30-year period starting at the next price path, whereas

under a RAB it would be recovered over the life of the asset, also starting at the next price path. Under either methodology it would not be recovered in a single price path period (four years). Under annuity, it would be paid for over 30 years. Under RAB it would be smoothed over the life of the asset. RAB is meant to better align the benefit that customers receive from the work done.

- Member questioned the current annuity balance for the Nogoa Mackenzie scheme. Sunwater responded that it was in the negative and the figure would be provided in the minutes.  
*NOTE: Subsequent to the meeting, the annuity balance has been confirmed as -\$7.2 million (based on 2024-25 forecast) as at 30 June 2025.*
- Member asked if the methodology changes to a RAB would the negative balance be written off? Sunwater responded that paying off the balance would be added and paid off over 25 years. For schemes with a positive balance, we would return that positive balance to customers.

## 6. Outage Planning for 2025

- Sunwater presented on outage planning for calendar year 2025.
- Sunwater asked members for input on outage planning for Pump 1 repairs to minimise impacts on customers operations. There will be two outages required to repair the cables for Pump 1 that were damaged by lightning in mid-January:
  - Outage one: 10 hours (potholing)
  - Outage two: up to 2.5 days (cable repair)
- Member asked how much notice Sunwater needed to organise the repair. Sunwater responded three weeks lead time is required. The first stage (potholing) can be done by the contractor 12 – 17 March. Potholing is for locating the cable: excavating and determine which cable needs to be repaired (there are three cables in the same trench).
- Member queried the time between potholing and the HV contractor repairs. Sunwater responded at least three weeks, noting that the cable can stay exposed and protected between potholing and repair.
- Member queried the estimated cost of the repair. Sunwater noted the cost estimate to replace one cable is \$350 - \$500K (-/+50%). Member noted Sunwater should spend as little as possible on the repair due to future proposed work.
- Member asked about the risk. Sunwater replied that it is a significant risk as the fault was large. There may be lost continuity elsewhere on the cable with additional damage.
- Member asked how far away from the tunnel the damaged cable was located. Sunwater replied that the damage is around 25 metres from the tunnel.
- Member questioned the number of repairs that can be done without adding resistance and if continuity testing had been done on the other cables. Sunwater replied Cable 2 and Cable 3 were tested and no issues were found. The cables were tested from both ends and nothing was found either way. This gives reasonable certainty there aren't other issues.
- Member questioned whether the repair will be covered under insurance as the damage is a result of a lightning strike. Sunwater confirmed an insurance claim had not been lodged but it will be investigated. Sunwater noted that high excess payments would apply as these are used to keep insurance premiums as low as possible.
- Member stated the window for potholing is small and manageable, and queried if there is a restriction on the day of the week. Sunwater replied that 12 – 17 March can be flagged, with the date confirmed closer to the time. A second outage will then be required to be undertaken to attempt a repair of the cable which will be approximately 3 weeks after the potholing.
- It was noted it is difficult for Fairbairn Irrigation Network to top the channel back up as water usage is out of sync across the network.

- Sunwater explained there is potential to review last year’s usage data and find a time where there is drop of in demand. Currently there is high demand on the system. Member stated they’d like to see the worst-case scenario and how long until action is required. Sunwater noted it could be investigated but timeframes beyond March for the potholing hadn’t been assessed.
- Shutdown works were presented for both Left Bank Release Works (Selma Channel) and Right Bank Release Works (Nogoa River and Weemah Channel). No confirmed dates can be provided at this stage, with total outage length to be confirmed closer to the outage.
- Member questioned the whole plan for shut down. Sunwater replied that the annual shutdown would be approximately a week and a half for Weemah Channel and the river in July 2025 and confirmed there were no major works in the outage plan at this stage, however total outage period would be confirmed with consultation with FIN.
- Sunwater explained that due to the design of the bullring it may be necessary to shut down both Weemah Channel or the river if work is occurring downstream. Member asked if a more accurate schedule would be available for the planned shutdown. Sunwater replied that a more accurate schedule would be supplied at the next meeting in April, but it would be in July.

**7. General Business**

- Next meeting tentatively scheduled for Wednesday 30 April.

**8. Actions**

Action Item	Action Owner	Status of Action
Provide the data / slides from Current Storage Levels and Announced Allocation presentation	BMC	Refer presentation slide 6 to slide 9 <b>Complete</b>
Provide cost breakdown for anchor bolt inspection	BMC	Total Project Costs - \$649,111.44 Contractor Costs – Total \$527,473.62 <ul style="list-style-type: none"> <li>- Preliminaries - \$53,196.85</li> <li>- Mobilisation - \$19,501.11</li> <li>- Crane Hire - \$188,391.15</li> <li>- Site Labour, Materials and Accommodations - \$236,541.75</li> <li>- Provision of Site Facilities - \$10,341.65</li> <li>- Demobilisation - \$19,501.11</li> </ul> Miscellaneous Equipment Hire - \$2,434.83 Sunwater Project Management - \$48,036.51 Sunwater Engineering, Procurement and Stakeholder - \$14,774.75 Sunwater Site Supervision - \$30,202.73

		Miscellaneous – Other Contractor Costs - \$26,189.00 <b>Complete</b>
Provide annuity balance for Nogoa Mackenzie Scheme	Matt Pearce	<b>Complete</b>
Investigate insurance claim for the Pump 1 cable fault	BMC	This is not claimable under Sunwater's Insurances - <b>Complete</b>

## 9. Meeting Close

- The meeting closed at 11.45am

## 10. Approval and review

Chair:	Bailey McBeth Cooper
Minutes:	Caley Pearce
Date:	26 February 2025

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