



# Eton Irrigation Co-operative Ltd

## Rule Changes - Final Paper

October 2022



### Contents

- 1 Introduction**
- 2 Allow New Small S&D outlets**
  - 2.1 Background
  - 2.2 Proposed Rule Change
  - 2.3 Changes from the Discussion Paper
  - 2.4 Reasons Against Changing the Rule
  - 2.5 Reasons For Changing the Rule
  - 2.6 Other Issues
- 3 Alter Notice Periods for Shutdowns**
  - 3.1 Background
  - 3.2 Proposed Rule Changes
  - 3.3 Changes from the Discussion Paper
  - 3.4 Reasons For Adding Extra Clauses
  - 3.5 Reasons Against Adding Extra Clause
- 4 Voting on the Proposed Changes**

# 1 Introduction

The Scheme Distribution Rules and Service Targets are the rules that govern how we operate the system and define service targets. A copy of the rules can be found on the website on the Customer Information tab as the Scheme Distribution Rules.

Some changes have been suggested to these rules by EICL members. Changing these rules can have significant consequences, so the Board has adopted a deliberately cautious approach to conduct a review of the whole document rather than assess individual items on a one-off basis.

The following sections detail and discuss the two changes that have been proposed:

- Allow New Small S&D Outlets
- Alter Notice Periods for Shutdowns

These were explained in detail in a Discussion Paper published on the 12<sup>th</sup> September, 2022 on the EICL website at [www.etonirrigation.com.au](http://www.etonirrigation.com.au) and emailed out to members.

Feedback on the Discussion Paper was limited to one written response supporting the changes and some verbal responses to the Directors and GM. The sentiment of those verbal responses has been captured in the rule change sections below.

**Voting on the proposals will be done at the EICL AGM at the Eton Fire Shed**

**7:30pm, 23<sup>rd</sup> November, 2022**

**If you are unable to attend, you can appoint a proxy using the forms included with the meeting notice.**

Any questions, please contact the General Manager on 0427 277 906 or at [austin.evans@etonirrigation.com.au](mailto:austin.evans@etonirrigation.com.au)

## 2 Allow New Small S&D outlets

### 2.1 Background

There have been a number of inquiries from potential new S&D customers to join onto the Eton Irrigation system. The current rule in the Scheme Distribution Rules and Service Targets is as follows:

#### ***New Applications for Rural Residential (S&D) Offtakes***

***Eton Irrigation will not take applications for the installation of new Rural Residential (S&D) oftakes or small bore meters. Customers can continue to use and sell allocation to existing installations, but no new meter outlets of this type will be installed within the Eton Irrigation Area. Consideration may be given to modification of existing and/or historical arrangements.***

As it is written, this rule prohibits any new customers joining onto the Eton Irrigation system if a new outlet is required. To allow them to join, this rule would need to be altered.

### 2.2 Proposed Rule Change

It is recommended that the Scheme Distribution Rules and Service Targets be changed to replace the relevant clause with:

#### ***New Applications for Rural Residential (S&D) Offtakes***

***Eton Irrigation will take applications for the installation of new Rural Residential (S&D) small diameter metered oftakes. Subject to EICL approval at the Board's discretion, prospective new outlets can be given preliminary conditional approval when they are first applied for, if there is enough spare capacity in the system to meet their***

*needs. Final approval will be given once Water Allocation is secured, adequate storage is in place (~~1/12th of the secured Water Allocation~~), payment has been made to cover the cost of capital works and an acknowledgement is signed that it is irrigation water and the quality is not guaranteed – all to the satisfaction of EICL.*

### 2.3 Changes from the Discussion Paper

Following verbal feedback to the Board, it was decided to remove the definition of the volume of the adequate storage and add in a missing “in”. Both changes are highlighted in red above.

### 2.4 Reasons Against Changing the Rule

- History: the rule was inherited from Sunwater
- Rural Residential (S&D) metered offtakes not paying enough to cover costs: This was an issue with Sunwater. They had looked at one stage at introducing a \$900/year account fee but baulked at the idea. Eton Irrigation has since introduced a \$600/year account fee to cover the cost of meter reading, generating and sending invoices, responding to inquiries, etc. The strong belief is that this covers the cost of servicing those customers and this should no longer be a concern.
- Some consider Rural Residential (S&D) metered offtakes negatively affect the running of the system: This is largely a myth. The system is not kept open at any time to meet the needs of those customers when works could be done, and no irrigation customers want water. Like all customers they are required to have “on-farm water storage for a minimum of one month”. This is generally easier for these small users as a reasonably sized tank should do the job. That may have not been strongly enforced by Sunwater in the past, but EICL’s actions (including newsletters and multi-week shutdowns over the last few years) have highlighted their need for storage. The volumes that they take are so small (compared to irrigation volumes) that supplying them is not difficult and can often be met by water already in the system.

### 2.5 Reasons For Changing the Rule

- New Rural Residential (S&D) metered offtakes are some of the few areas where new demand is currently coming from.
- New customers in this category have no issue with paying the account fee and the other charges. They mostly consider these costs to be small for the water they are getting. The S&D complaints are all from existing customers that have paid very little (effectively being strongly subsidised) for a long time.
- Some of the farms in our scheme have been subdivided into rural residential blocks. We may not want that or be happy with that, but it is a reality. These new customers may be a way to partly compensate for the loss of farm use.
- There are a number of Water Allocation holdings where current customers are unhappy to pay their annual charges and are trying to get rid of their Water Allocation. The potential new customers are willing to “purchase” these parcels and are very happy to pay the annual charges.

### 2.6 Other Issues

An important consideration is that these new customers need to understand the intermittent nature of our system and the requirement for storage. One way to ensure this is to require storage to be in place before EICL gives final approval.

Also, these new customers need to understand that it is irrigation water, the quality is not guaranteed, and it is not intended to be used for human consumption or household use.

A staged approach is probably best. Preliminary approval can be given with conditions that need to be filled before final approval is given and the connection put in. Conditions such as:

- Acknowledgement that it is irrigation water, and the quality is not guaranteed
- Water Allocation needs to be secured
- Adequate storage needs to be in place
- Payment for the cost of capital works required

## 3 Alter Notice Periods for Shutdowns

### 3.1 Background

Shutdowns are needed to efficiently and economically do repairs to the system.

EICL customers do not want the system shut.

Since becoming EICL, the whole system has shut down for 3-4 weeks in May/June (winter shutdown). This allows bigger jobs to be completed and dramatically improves the efficiency of smaller jobs (particularly those that would need draining/pumping out during an in-season shutdown).

It has been raised at various times (including the AGM) that more (and bigger/longer) works could be completed during wet times in the season when no one would be taking water. To achieve this, it would be necessary to reduce the notice periods that currently exist in the rules. The current notice periods are:

#### **Planned Shutdowns – Notice**

***For shutdowns planned to exceed 2 weeks, at least 8 weeks written notice will be provided to each customer affected by the shutdown.***

***For shutdowns planned to exceed 5 days, at least 3 weeks written notice or verbal advice will be provided to customers affected by the shutdown.***

***For shutdowns planned to be less than 5 days, at least 2 days' notice will be provided at least verbally to each customer affected who have placed a water order.***

For the wet period works that are proposed, it would be most typical/beneficial to shut down for less than a week. Longer than that and customers are likely to want water again.

### 3.2 Proposed Rule Changes

It is proposed to include 2 extra shutdown notice clauses in the rules:

***When there has been 50mm of rain or more in the last 5 days in a part of the EICL system, a planned shutdown of 1 week or less may be undertaken in that part of the EICL system with 24 hours' notice provided at least verbally to each customer affected who have placed a water order.***

***When there are no orders, a planned shutdown from 7am to 4pm may be undertaken with notice provided at least verbally to each customer potentially affected by 3:30pm the previous day.***

### 3.3 Changes from the Discussion Paper

Following verbal feedback to the Board and the GM on the first additional clause, it was decided to define the rain area as "in part of the EICL system" to ensure that when there is variable rainfall across the system, that dry areas are not shut down due to rainfall elsewhere.

Also following feedback, it was decided to add a second additional clause to allow a short 9-hour shutdown when no one is taking water.

Both changes are highlighted in red above.

### 3.4 Reasons For Adding Extra Clauses

- This would allow works to be done during the irrigation season when it is very likely that no one would want water, thus reducing the amount of works needed to be completed during the winter shutdown and therefore possibly reducing the length of that winter shutdown.
- Works could be done sooner rather than waiting until the winter shut down.
- The second clause would allow minor works to be done during periods when no one is taking water and it is unlikely that anyone would be dramatically affected by a 9-hour shutdown. Those customers will still be able to take water up to 7am and after 4pm.

### 3.5 Reasons Against Adding Extra Clause

- The times that this could work (significant rainfall just prior) would mean that any potential work sites could be very wet and less than ideal. Too much rain and any possible work sites would be unsafe.
- It can be difficult to secure contractors at very short notice. This may limit the ability to take advantage of these situations to conduct works.
- The second clause is very short notice.

## 4 Voting on the Proposed Changes

**Voting on the proposals will be done at the EICL AGM at the Eton Fire Shed**

**7:30pm, 23<sup>rd</sup> November, 2022**

**If you are unable to attend, you can appoint a proxy using the forms that will be included with the meeting notice.**

It is intended to vote on each of the three clauses (one substitution and two additions) separately unless the meeting decides otherwise. Therefore, if you are appointing a proxy and would like to direct them how to vote, please ensure that you direct them how to vote on each clause.

Any questions, please contact the General Manager on 0427 277 906 or at [austin.evans@etonirrigation.com.au](mailto:austin.evans@etonirrigation.com.au)



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