



Your Ref: D61112
Our Ref: #4699186- v1A
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10 June 2011

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Dear Paul

PROPOSED AMMENDMENTS TO OPERATING LICENCE No 32.

FARMLANDS SCHEME PERFORMANCE MEASURE; & CORRECTION OF SEWERAGE SERVICES OPERATING AREA – PLAN OWR-OA-302.

1. FARMLANDS SCHEME PERFORMANCE MEASURES

Background

The 2008/09 Operational Audit of the Water Corporation's Operating Licence identified an opportunity for a business improvement in the measurement of the minimum flow in the Farmlands and Rural Water Supply Schemes. The auditors recommended that the Water Corporation (Corporation) "*Engage with the Authority to reach a more practical measurement for service performance on farmlands*". The auditors advised the ERA "*That consideration be given to an alternative measurement for pressure and flow standards on farmlands*".

Current Situation

The current Operating Licence requirements and method for determining farmlands and rural water allowances and minimum flow requirements are:

- **Farmlands** - Over a 24 hour period 11.2 L/ha/day and 3kL/day per occupied house;
- **Rural Water** - Over a 24 hour period 5.6 L/ha/day and 1.8kL/day per occupied house.

The Corporation finds these *Land Area* rules to be complicated, not easily applied and in some instances inequitable. It also finds the prescribed method for measuring the *Service Standard* to be impractical.



The majority of farmland holdings are a composite of discrete lots. The Corporation groups these lots together to form one account. Each of these lots however, is a parcel of land that may be acquired or sold at the owner's discretion. Under the current method, the sale or acquisition of these lots alters the farm's total land area and therefore, the owner's water entitlements.

Unfortunately, area information for farmland property accounts is difficult to maintain. As an example; if one of these grouped lots did not abut a water main it would be unable to be serviced in its own right. Upon its sale, the Corporation would view the lot as non-rateable and would not create an account or maintain a record of that lot. As a result the Corporation is generally not advised of changes of ownership on non-rateable, un-serviced lots.

In practical terms, these rules are inequitable for small land holdings. An example of this is where a 50 hectare lot is only entitled to 560 litres per day, which equates to a trickle of 0.39 litres per minute. The Corporation would of course, ensure they receive the same level of service as other customers in that scheme however, in strict compliance terms they are currently only entitled to that flow rate prescribed in the Operating Licence.

In addition to the above, the current method of measurement also requires that '*the flow be measured free to air with downstream pipe work disconnected at the meter, over a 24 hour period*'. This method is impractical as it could result in 24 hours of water being wasted. It could leave the property being tested without water for that period and also has the potential to negatively impact the properties downstream of the testing.

Proposal

It is important to note this proposed business improvement does not impact the existing level of service as stipulated in the Operating Licence. The recommendations will simply enable the practicable measuring of the requirements.

The proposal is in two parts:

Part A, addresses the practical difficulties associated with the current requirement of using land area as a determinant of the service standard for the minimum flow (i.e. litre per hectare per day); and

Part B, addresses the method for physically measuring the pressure and flow of farmland services.

Part A) - Determining the service standard for the minimum flow for farmlands.

The Corporation proposes that in *Schedule 4, Clause 6.2*. Operating Licence No 32 be amended by removing all reference to a supply of water per hectare, and replace the description '*occupied house*' with '*service*' and that the word '*static*' be removed from the '*Pressure*' requirements.

To comply with the Operating Licence requirements for flow rates, it is proposed that the minimum *Farmlands* service level become a simplified flat 3kL per day and a simplified flat 1.8kL per day for *Rural Water Supply Schemes*.

Changes Required to the Operating Licence No 32

To accommodate this proposal, the following changes to Operating Licence No 32 are recommended:

Schedule 4

6.2 Subject to customers complying with *licensee* requirements the *licensee* must ensure that customers connected to its *Farmlands Water Systems* shall have, at the outlet of the water meter to their property, a water pressure and flow as detailed in the following tables.

Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow
Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid West Region	Not Applicable	200	Over a 24 hour period 11.2 L/ha/day and 3kL/day per occupied house. 3kL/day per service
Rural Water Supply Schemes	Not Applicable	200	Over a 24 hour period 5.6 L/ha/day and 1.8kL/day per occupied house. 1.8kL/day per service

Service Standard	How Is It Measured	Performance Indicator / Targets
Farmlands area water systems – pressure and flows are kept within the acceptable range	<p>Number of connected properties with confirmed water pressure/flow faults divided by total number of potable water connected properties expressed as a % and then subtracted from 100.</p> <p>Flow is measured free to air with downstream pipe work disconnected at the meter. Pressure is measured as static pressure (no flow) at the same point</p> <p>From complaints received, the number of services with confirmed water pressure/flow faults divided by total number of water service connections expressed as a % and then subtracted from 100. The flow rate and dynamic pressure is measured at the meter over a period, so as to confirm the available flow meets the minimum standard.</p> <p>Does not include poor pressure due to bursts or planned activities.</p>	In the preceding 12 month period 99.8% of farmlands water systems customers have, at the outlet of the water meter to their property, a water pressure and flow as listed above.

Part B) - Measuring Pressure and Flow

'the flow be measured free to air with downstream pipe work disconnected at the meter, over a 24 hour period'.

For the reasons previously stated, the current method of measuring pressure and flow is impractical. As a more pragmatic way of measuring compliance with the requirements of the Operating Licence the Corporation proposes the use of data recorders.

When required, a data recorder would be placed at the meter to record *dynamic* pressure and flow. There is an effectual correlation between pressure and flow, and readings from the data recorder will indicate whether a service is capable of delivering the minimum flows stipulated in the Operating Licence.

If required, the information could be collected over a length of time, while not diminishing the customer's supply. A data recorder can be simply placed at a property's meter to provide an accurate measure of performance. This removes the problem of wasting water and potentially leaving a property without a service for 24 hours.

When a complaint is raised by a customer, the Corporation would check to ensure there are no other issues impacting the pressure and flow such as: bursts or planned activities; blockages; issues with the customer's meter/flow control device; or their property connection. If none of these items is the cause of the problem, a data recorder would be placed at the meter for an appropriate period.

The length of time for the test needs to be sufficient to gather data to determine whether the Operating Licence requirements have been met. The Corporation is therefore, not recommending a minimum set time for each test.

If this proposal is accepted the Corporation could have the new performance measure fully operational within six months.

Benefits

The advantages of having a single minimum flow for farmlands services are listed below.

- It streamlines the Corporation's administrative processes by removing the requirement to monitor land holdings within property accounts.
- It simplifies planning for farmlands services.
- As the Corporation is not always advised of a change in service use either from general farm use to dwellings or visa versa, there will be less risk of the Corporation being unwittingly in breach of licence conditions. (Customers would need to apply for a larger service in cases of multiple dwellings).
- There are no changes to the level of service provided to dwellings however, the proposed changes to the Operating Licence will actually increase the minimum level of service for water services that don't supply dwellings.

The advantages of the proposed performance measure are listed below.

- It does not waste water nor inconvenience the customer.
- There is a tangible record of the compliance check.
- It is relatively inexpensive to perform and is not a significant change to existing operating procedures.
- The only practical change would be the equipment used to determine compliance with Operating Licence requirements concerning pressure and flow in farmlands.

2. CORRECTION OF THE SEWERAGE SERVICES OPERATING AREA

On another matter, it has come to the Corporation's attention that at the time of applying to have its Operating Areas match the State's Controlled Areas an error occurred as a result of transposing incorrect data when drafting the plan.

As such, the plan *Operating Areas Sewerage Services OWR-OA-302* incorrectly shows the Corporation as having Sewerage Operating Areas for Marble Bar and Nullagine. These areas are not Controlled Areas for sewer and should not have been included in the application.

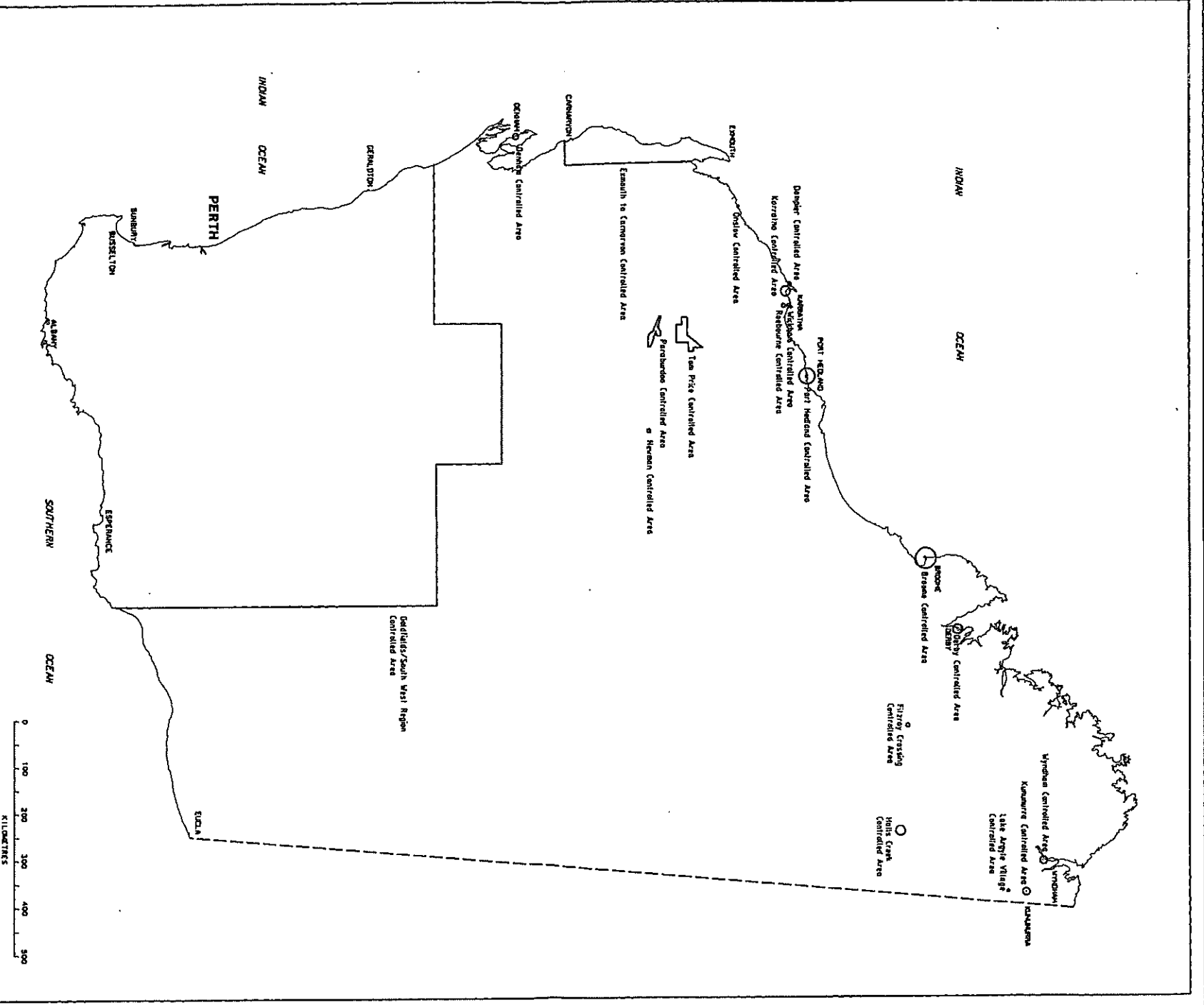
As the mistake was a result of an administrative error the Corporation requests the Authority approve the drawing *Operating Area Sewerage Services OWR-OA-302A*. The amended drawing attached, shows the offending Areas excised.

If there are any further questions please call Kevin Trevor on (08) 9420 2217.

Yours sincerely

A black rectangular redaction box covering the signature of Ross Hughes.

Ross Hughes
Chief Financial Officer



<p>WATER SERVICES LICENSING ACT 1995 OPERATING AREAS SEWERAGE SERVICES LICENSEE: WATER CORPORATION</p>		<p>DATE: 14 SEPTEMBER 2008</p>	
<p>NAME: A. MASOUD</p>	<p>DESIGN: A. MASOUD</p>	<p>SCALE: 1:100,000</p>	<p>PROJECT NO: OWR-04-302</p>
<p>NO. 1</p>	<p>NO. 2</p>	<p>NO. 3</p>	<p>NO. 4</p>
<p>NO. 5</p>	<p>NO. 6</p>	<p>NO. 7</p>	<p>NO. 8</p>
<p>NO. 9</p>	<p>NO. 10</p>	<p>NO. 11</p>	<p>NO. 12</p>
<p>NO. 13</p>	<p>NO. 14</p>	<p>NO. 15</p>	<p>NO. 16</p>
<p>NO. 17</p>	<p>NO. 18</p>	<p>NO. 19</p>	<p>NO. 20</p>
<p>NO. 21</p>	<p>NO. 22</p>	<p>NO. 23</p>	<p>NO. 24</p>
<p>NO. 25</p>	<p>NO. 26</p>	<p>NO. 27</p>	<p>NO. 28</p>
<p>NO. 29</p>	<p>NO. 30</p>	<p>NO. 31</p>	<p>NO. 32</p>
<p>NO. 33</p>	<p>NO. 34</p>	<p>NO. 35</p>	<p>NO. 36</p>
<p>NO. 37</p>	<p>NO. 38</p>	<p>NO. 39</p>	<p>NO. 40</p>
<p>NO. 41</p>	<p>NO. 42</p>	<p>NO. 43</p>	<p>NO. 44</p>
<p>NO. 45</p>	<p>NO. 46</p>	<p>NO. 47</p>	<p>NO. 48</p>
<p>NO. 49</p>	<p>NO. 50</p>	<p>NO. 51</p>	<p>NO. 52</p>
<p>NO. 53</p>	<p>NO. 54</p>	<p>NO. 55</p>	<p>NO. 56</p>
<p>NO. 57</p>	<p>NO. 58</p>	<p>NO. 59</p>	<p>NO. 60</p>
<p>NO. 61</p>	<p>NO. 62</p>	<p>NO. 63</p>	<p>NO. 64</p>
<p>NO. 65</p>	<p>NO. 66</p>	<p>NO. 67</p>	<p>NO. 68</p>
<p>NO. 69</p>	<p>NO. 70</p>	<p>NO. 71</p>	<p>NO. 72</p>
<p>NO. 73</p>	<p>NO. 74</p>	<p>NO. 75</p>	<p>NO. 76</p>
<p>NO. 77</p>	<p>NO. 78</p>	<p>NO. 79</p>	<p>NO. 80</p>
<p>NO. 81</p>	<p>NO. 82</p>	<p>NO. 83</p>	<p>NO. 84</p>
<p>NO. 85</p>	<p>NO. 86</p>	<p>NO. 87</p>	<p>NO. 88</p>
<p>NO. 89</p>	<p>NO. 90</p>	<p>NO. 91</p>	<p>NO. 92</p>
<p>NO. 93</p>	<p>NO. 94</p>	<p>NO. 95</p>	<p>NO. 96</p>
<p>NO. 97</p>	<p>NO. 98</p>	<p>NO. 99</p>	<p>NO. 100</p>