

Anthony Moffatt 19/6/2017

Just to follow up on the publishing of the ESC's Final Decision for Melbourne Water's proposed "special bore tariff" so that the Patterson Lakes community can either move forward with the 'peace of mind' that the bore will continue to be operated to manage safe levels of Blue Green Algae funded by the MMWDC or the requirement for Andrew Meehan and I as the elected residents representatives on the PLIR Steering Committee to make an appointment with Marcus to take up his offer to assist us with understanding the VCAT appeal process.

The Patterson Lakes Community is patiently waiting to understand the outcome of the ESC's full consideration and resolution of the two particular issues identified in the ESC's 2016 Final Decision. (see attached - ESC 2016 Final Decision)

1. distribution of benefits associated with the bore flushing – in line with the ESC's Decision not to approve a tariff on the Marina for the upfront and ongoing maintenance costs of the tidal gates consistent with the Patterson Lakes Independent Review, the Review also concluded (PLIR 5.5 pg.74) in no uncertain terms:

"The practical function that the Quiet Lakes play in the regional drainage network is not insignificant. The Review concludes from the literature and the submissions that Melbourne Water operates the drainage components of the Patterson Lakes to the benefit of the broader catchment, and that this is consistent with the Authority's metropolitan waterways role.

Whilst the pipeline and pumping system operation does directly benefit the water quality in the Patterson Lakes, it also provides benefit to the Patterson River, Kananook Creek, and Port Philip Bay waterway health and the associated recreational uses.

The Review concludes that Melbourne Water should manage, operate, and maintain these functions from the Melbourne Metropolitan Waterways and Drainage Charge funds"

2. the quality of water with and without the bore flushing – if the ESC is in doubt, the ESC should refer to the persistent and recurrent TOXIC Blue Green Algae state of Lake Carramar to comprehend the hazardous state that all three lakes were suffering prior to the positive influence of bore flushing through Lakes Legana and Illawong. Melbourne Water's concept of Blue Green Algae dissipating naturally may stand true in a natural waterway that has natural inflows from a creek, stream or river but in both Kananook Creek and the Quiet Lakes regional public drainage waterways no such natural inflows exist that are sufficient to avoid the creation of stagnant water and the subsequent formation of hazardous Algal blooms. Since 1999 Lake Carramar has suffered persistent and recurrent unsafe levels of Blue Green Algae. In the absence of a responsible Water Authority vested with the responsibility to manage, operate and fund the pumping of water to provide reliable flow to control high nutrient levels and high algal content the health of the Patterson Lakes waterways are destined to be hazardous at the hand of The Authorities ultimately responsible for protecting public health.

Leader Newspaper article (see attached)

Channel 9News link pic.twitter.com/0IAiiKH2a1

Now two weeks overdue and only two weeks from the 30th June, Lake Carramar resident's health continues to be held to ransom by Melbourne Water's refusal to rectify the stagnant water and associated TOXIC Blue Green Algae water quality issues in its regional public drainage waterway.

Can you please advise the timing of the ESC's Final Decision so that we can all move forward to the next step.

Regards,

Anthony Moffatt

PLQLOR Association - President

Independent Review Steering Committee – Residents Representative

MELBOURNE WATER PRICE REVIEW 2016

Final decision

June 2016



8.2.3 FINAL DECISION ON WATERWAYS AND DRAINAGE TARIFFS

The Commission's final decision on Melbourne Water's waterways and drainage tariffs is set out in table 8.1.

The approved prescribed price movements are set out in the Commission's final determination.

TABLE 8.1 FINAL DECISION ON ANNUAL WATERWAYS AND DRAINAGE TARIFFS

2015-16 \$ and \$ net asset value and cents per annum

Fixed tariffs	2015-16	2016-17
Residential customer	95.58	95.58
Rural customer	52.52	52.52
Non-residential customer currently on minimum charge	109.90	115.90
Non-residential customer currently above minimum charge (\$net asset value) cents per annum	1.1692	0.8795
Koo Wee Rup - Longwarry Flood Protection District	Continuation of the pricing reform commenced in 2013 and concluding in 2021 which will see Divisions A and B replaced with a single cost-reflective price. Unique price paths apply for all individual properties to transition to the single cost-reflective price. During this period, the cost of service will be subject to annual CPI adjustments less 1% for service efficiency targets.	

8.3 PATTERSON LAKES AND QUIET LAKES

8.3.1 COMMISSION'S DRAFT DECISION ON PATTERSON LAKES MARINA TARIFFS

In its draft decision, the Commission proposed to approve Melbourne Water's proposed tariffs for Patterson Lakes jetty replacement and maintenance, but it proposed not to approve Melbourne Water's proposed tariffs for the Patterson Lakes Marina because:

- the maintenance costs are the subject of a private contract, so a regulated tariff is unnecessary
- the proposed recovery of capital costs for the tidal gate via a single customer tariff is inconsistent with the findings of the independent review, which Melbourne Water publicly accepted.

Melbourne Water’s 2016 price submission had indicated the potential for a Water Quality tariff from 2016-17, based on ongoing consultations with customers, after a bore flushing trial during 2012–2015. However the submission had not proposed a tariff structure.⁵⁶ As such, our draft decision did not approve a Quiet Lakes Water Quality tariff.

8.3.2 SUBMISSIONS AND COMMISSION’S REVIEW OF PATTERSON LAKES AND QUIET LAKES TARIFFS

In its response to our draft decision, Melbourne Water agreed to the Commission’s decision:

- to approve Melbourne Water’s proposed tariff for Patterson Lakes jetty replacement and maintenance
- not to approve the Patterson Lakes Marina charges and to recover both the capital and maintenance costs for the marina from the waterways and drainage charge.

However, Melbourne Water also proposed to introduce a new water quality tariff applicable to the Quiet Lakes residents, which had not been proposed in its initial proposal.

We sought legal advice on the Commission’s ability to approve new tariffs that are not subject of the initial proposal, but submitted after a draft decision. The advice confirmed the Commission has discretion to consider variations to Melbourne Water’s 2016 price submission, if practical and feasible to do so — taking into account the need to allow for appropriate customer and stakeholder consultation.

⁵⁶ Melbourne Water 2016, *2016 Price Submission*, p. 80.

To facilitate consultation on the late proposal, we published an advertisement in the Mordialloc Chelsea Leader on Wednesday 4 May, notifying readers of the proposed new tariff and inviting submissions. Only three public submissions were received on the Water Quality Tariff, to which Melbourne Water provided a further response. At the submitting parties' request, Commission staff met with some of the parties that provided submissions, to provide a further opportunity for consultation.

The proposed Quiet Lakes Water Quality tariff consists of a fixed annual fee of \$156 for 251 residential properties that border three small lakes within the Patterson Lakes precinct. It is designed to recover the annual costs of groundwater flushing of the lakes, and of weekly blue-green algae monitoring from October to March.

The new tariff was developed following Melbourne Water's three year trial of groundwater flushing in Quiet Lakes, which ended in March 2015. Melbourne Water reported that the trial results suggested groundwater flushing had a positive impact on water quality, by 'maintaining algae blooms well below the guidelines for primary contact — a standard suitable for swimming'.⁵⁷ Melbourne Water is not required to provide water quality suitable for primary contact recreation, and considers the improvements are above the minimum service levels. An independent review commissioned by Melbourne Water and the Patterson Lakes community in 2013 recommended a user pays approach to the Quiet Lakes residents' demand for higher water quality services.⁵⁸

Subsequently, in December 2015, Melbourne Water arranged for an independent ballot of all Quiet Lakes residents to determine willingness to pay for ongoing groundwater flushing and blue-green algae monitoring. The ballot results suggested 75 per cent of residents support the proposed Quiet Lakes Water Quality tariff, indicating there is a broad willingness to pay for the bore flushing service.

The three public submissions on the Quiet Lakes Water Quality Tariff raised a number of concerns with Melbourne Water's proposed new tariff, ultimately arguing that the proposed bore flushing should continue but that it should be funded through the

⁵⁷ Melbourne Water 2015, *Community Bulletin – Latest News for Quiet Lakes residents*, September.

⁵⁸ Patterson Lakes Independent Review 2013, *Management of Patterson Lakes tidal waterways & Quiet Lakes*, March.

general Waterways and Drainage tariffs rather than a separate tariff borne only by Quiet Lakes residents. Specifically, reasons in support included the following:

- Blue-green algae in the Quiet Lakes makes the waterways unsafe, and affects outflows into other waterways. Therefore Melbourne Water should be managing it as part of its normal waterways management function.⁵⁹
- Quiet Lakes residents have not specifically requested Melbourne Water to increase water quality to a primary contact standard.
- In any case, the proposed bore flushing will only bring the water quality to a secondary contact standard.⁶⁰ While Melbourne Water is required to maintain the lakes to a secondary contact standard in accordance with its normal waterways management function, the submissions suggest that Melbourne Water is not meeting the minimum standards.⁶¹

Accordingly, a separate charge would lead to Quiet Lakes residents paying twice for the maintenance of a secondary contact water quality via the general waterways and drainage charge and the proposed new tariff.

- Melbourne Water's independent ballot of Quiet Lakes residents was misleading and the results as reported by Melbourne Water are not reliable.⁶² Therefore, the independent ballot cannot be relied upon to support a user-pays approach in this case.

Melbourne Water's response to these submissions sets out alternative views:

- Bore flushing of the Quiet Lakes at the level proposed (1.5 megalitres per day during October – March) would not have a positive impact on downstream areas, as the level of flushing will only represent 1 per cent of the flow of the downstream waterway (Kananook Creek). Further, the inaccessibility of the Quiet Lakes to the

Seems that Melbourne Water forgot to mention that the water being discharged from the Quiet Lakes travels a further Approx. 2.5Km, including traveling past the Eel Race Creek pump station used to pump water from Eel Race Creek into the Ramsar Registered Seaford Wetlands, before being diluted to 1% further downstream by the Kananook Pump Station, which shares the exact same purpose as the Gladesville Boulevard Pump Station to control high nutrient levels and high algal content in Melbourne Water's regional drainage system.

⁵⁹ Andrew Meehan 2016, Submission – Draft water plan decision as it relates to Patterson Lakes, 17 May.

⁶⁰ Anthony Moffat 2016, Submission – Melbourne Water's 2016 Water Price Review, 13 May.

⁶¹ Anthony Moffat 2016, Submission – Melbourne Water's 2016 Water Price Review, 13 May.

⁶² Anthony Moffat 2016, Submission – Melbourne Water's 2016 Water Price Review, 13 May; Alison Yates 2016, Submission – Melbourne Water's 2016 Water Price Review, May 20, p. 4.

Seems like Melbourne Water had already forgotten that the ESC had not approved the tariff for the upfront capital and ongoing maintenance costs of the tidal gates on the Marina as a single customer due to the broader benefit of the tidal gates received by the broader community.

public means that Quiet Lakes residents would be the primary beneficiary of the bore flushing, meaning a separate tariff is appropriate.⁶³

Seems that Melbourne Water forgot to mention the 12 summers prior to running the bore when persistent and recurrent BGA plagued the Quiet Lakes & continues to do so in Lake Carramar

Melbourne Water has met the required standard of water quality at the Quiet Lakes over the past six summers, and followed relevant guidelines on blue-green algae management, which was confirmed by the Department of Environment, Land Water and Planning (DELWP).⁶⁴

Seems like Melbourne Water overlooked the requirement to identify likely causes and actions to take to minimize future occurrences, as specified in the DELWP Guidelines

The services that Melbourne Water provides in the Quiet Lakes, which is funded by the Waterways and Drainage charge, already exceeds the level of service that is provided to the broader waterways and drainage customers, in recognition of the

Seems that Melbourne Water forgot to mention that it runs the Kananook Creek pump station for the exact same purpose as that required for the Quiet Lakes - to provide reliable flows to control high nutrient levels and high algal content in Kananook Creek

The Commission has considered the issues raised in submissions, and Melbourne Water's response to these submissions.

In these circumstances, the Commission has decided that it would not be appropriate to approve the Quiet Lakes Water Quality tariff. Specifically, in the Commission's view, there are a number of relevant issues which have been raised during this short consultation process, which have not been capable of being fully considered and resolved. In particular:

- the distribution of the benefits associated with the bore flushing
- the quality of water with and without the bore flushing.

Accordingly, the Commission considers it appropriate for Melbourne Water to:

- Continue the bore flushing program it has proposed, which will be funded from the general Waterways and Drainage charge until a final decision on the Water Quality tariff is made in 2017. Our final decision on Waterways and Drainage revenue incorporates an additional \$40 000 for 2016-17 operating costs to account for Melbourne Water's forecast costs in the interim period.

⁶³ Melbourne Water 2016, Submission – Quiet Lakes Water Quality Tariff: Melbourne Water's response to ESC resident submissions, June 1, p.4.

⁶⁴ Melbourne Water 2016, Submission – Quiet Lakes Water Quality Tariff: Melbourne Water's response to ESC resident submissions, June 1, pp. 2-4.

⁶⁵ Melbourne Water 2016, Submission – Quiet Lakes Water Quality Tariff: Melbourne Water's response to ESC resident submissions, June 1, p.3.

- By 1 December 2016, provide a detailed proposal to the Commission in support of the proposed Water Quality tariff.

The Commission will consider Melbourne Water's proposal in December and provide a draft decision by February 2017, for full consultation by customers and other stakeholders. It is proposed that the final decision will take effect from 1 July 2017.

8.4 FINAL DECISION ON PATTERSON LAKES AND QUIET LAKES TARIFFS

The Commission approves Melbourne Water's proposed tariffs for Patterson Lakes jetty replacement and maintenance.

The Commission has not approved Melbourne Water's proposed Quiet Lakes Water Quality tariff.

The Commission considers that it would be appropriate that Melbourne Water:

- Continue the bore flushing program it has proposed, which will be funded from the general Waterways and Drainage charge until a final decision on the Water Quality tariff is made in 2017. Our final decision on Waterways and Drainage revenue incorporates an additional \$40 000 for 2016-17 operating costs to account for Melbourne Water's forecast costs in the interim period.
- By 1 December 2016, provide a proposal to the Commission in support of the proposed Water Quality Tariff. The Commission will consider Melbourne Water's revised proposal and release its draft decision in February 2017 for consultation, with a final decision to take effect from 1 July 2017.

GLADESVILLE BLVD PUMP STATION
TO CONTROL HIGH NUTRIENT
LEVELS AND ALGAL BLOOMS IN
THE QUIET LAKES FROM FREELY
DISCHARGING INTO THE
COUNTOUR DRAIN, EEL RACE
CREEK AND THE RAMSAR
REGISTERED SEAFORD WETLANDS

KANANOOK CREEK PUMP STATION
TO CONTROL HIGH NUTRIENT
LEVELS AND ALGAL BLOOMS IN
KANANOOK CREEK

EEL RACE CREEK PUMP
THAT FEEDS THE
RAMSAR REGISTERED
SEAFORD WETLANDS



Fears over 'toxic' lake

Emma Watson

Neighbours call on authorities to act as safety warnings issued

FRUSTRATED lakeside homeowners have accused Melbourne Water of failing to keep them safe after record levels of toxic algae infested the water.

For six months, blue-green algae has plagued Lake Carramar - one of three man-made lagoons in Patterson Lakes - reaching its highest

ever levels in April. Community campaigners have taken to social media, describing the lake as a "toxic nightmare" in which dead birds and fish are often found.

They say the level of algae reached 518 cubic millimetres per litre on April 21 - well above the safe threshold of 4 per litre - and have shared articles

linking algae exposure with a greater risk of

developing motor neurone disease. But Carrum state Labor MP Sonya Kilkenny hit back, accusing some who "should know better" of running scare campaigns.

"What residents need is reliable and trustworthy health and medical advice and a plan to minimise the incidence of future algae blooms," Ms Kilkenny said.

Water affected by blue-green algae may be unsuitable for drinking, swimming, fishing and agricultural uses and direct contact with the water may cause skin irritation, mild respiratory effects and hayfever-like symptoms.

But Melbourne Water said the best

thing to do was to wait for the bloom to "dissipate naturally".

But that isn't good enough for locals including Fay Pedersen, who says she and her neighbours live at "the forgotten lake at the end", which Melbourne Water "doesn't want to know about".

"It looks like someone has tipped a tin of green paint in it," Ms Pedersen said. "Around the edge there's growing mould ... we're cautious about it being airborne when it dries off - it's really toxic."

Melbourne Water southeast regional services manager John Woodland said the authority was actively monitoring the lake's water quality and had warned people to avoid contact with the water.

Melbourne Water said nutrient levels, low water flows and warm weather can affect water quality, increasing blue-green algae.

There is no through flow from Lake Carramar to the other lakes and no valve that allows water to be drained into other waterways, so the lake becomes stagnant.

Locals have been calling for some sort of drainage or flush system.

The Essential Services Commission is considering a fee that would be charged to residents at the other two Quiet Lakes to run a bore flushing program to keep water from becoming stagnant.

If given the go-ahead, Melbourne Water will see whether residents want to extend that to Lake Carramar.



Fay Pedersen is upset at the lack of action to remove blue-green algae from Lake Carramar.

Picture: JASON SAMMON

10 October 2013

To
Sonia Tallarida
Facilitator and Chair for the
Patterson Lakes Management Plan Steering Committee

Dear Sonia

Patterson Lakes Independent Review

Please find a response to your letter dated 3 September 2013 requesting advice from the Review Panel on the interpretation of Recommendations 2, 3, 4, 16, 19, 20 and 21. I apologise for the delay in responding as I have been away overseas. Please note that I circulated your letter and questions to the other former Review members.

I note that your letter seeks advice to assist the Patterson Lakes Management Plan Steering Committee (PLMPSC) to arrive at a common understanding to implement the above recommendations.

The work of the Review was on the basis of a Planning Panel. As such, the role and involvement of the Review members ceased upon submission of its final report. Similar to a Planning Panel, once a final report is submitted there is no further involvement of the report authors (Review members) on the matter. Consequently, I regret to advise you that myself and the other members, in their roles as members of the Review, are not in a position to provide further clarification of the report.

If there are differences or confusion regarding the interpretation of recommendations, I would suggest that they be accepted as to their meaning on face value and in plain English or to utilise the discussion contained within the body of the report to obtain an idea of what is meant by the recommendations. If the discussion contained in the report is not helpful in reaching a clear interpretation of the meaning of a recommendation, then I would suggest that the key action for PLMPSC is to work through the recommendations and issues in a collaborative manner and to reach a general consensus that allows the Committee to move forward to progress the recommendations and their intent as best as possible for the benefit of the Patterson Lakes Tidal Waterways and Quiet Lakes.

I hope the above is helpful.

Yours Sincerely



Chris Harty