

Newsletter to Barossa Infrastructure Ltd Customers

October 2019

All Customers - Reduced Water Entitlements

From 1 October 2019, your BIL Water Entitlement is reduced in proportion to the South Australian River Murray Class 3 allocation percentage.

This is currently **87%**.

This value was *incorrectly* reported at the bottom of your latest Water Summary.

For details on how BIL will approach the situation, refer to the 'Information to BIL Customers on Drought Conditions' which was attached to your July newsletter and is also on the home page of BIL's website.

There are two changes to that document following feedback from customers:

1. Customers can request that their own River Murray water allocations be transported by BIL to their BIL water connection. BIL will charge a water transport cost per ML equivalent to the Premium water rate, and the customer will be responsible for all other costs.
 - Customer's cannot exceed 100% of their normal BIL water entitlement. Being aware of this is particularly important this year since Department for Environment and Water projections indicate we will reach 100% allocations, but potentially as late as April 2020.
 - This is only available in years when there are reduced allocation percentages on the South Australian River Murray Class 3 entitlements.
2. Customers with Off Peak water can continue to use up to 25% of their Off Peak water entitlement during October and November. During April to September, the full year Off Peak water entitlement will be capped at the allocation percentage at that time.

Two quick examples:

1. A customer has 10ML of Premium water. They can currently use up to $10\text{ML} \times 87\% = 8.7\text{ML}$. If/as the allocation percentage increases, the customer can access more of their BIL water entitlement up to the maximum $10\text{ML} \times 100\% = 10\text{ML}$.
2. A customer has 10ML of Off Peak water. They can use up to $10\text{ML} \times 25\% = 2.5\text{ML}$ of water in October and November (like normal). For this example, let's say they used 2.3ML. Between April and September, if the allocation is still 87%, their reduced Off Peak water entitlement is $10\text{ML} \times 87\% = 8.7\text{ML}$, of which 2.3ML is already used. This reduced water entitlement will also increase if/as the allocation percentages increase.

BIL is closely monitoring the water availability situation on the River Murray. Updates are being posted on BIL's website (on the homepage towards the bottom), including a link to the Departments Allocation Statement that contains useful information.

If you have any questions on how this impacts your BIL water, please call me.

Temporary Transfers

Normally BIL allows temporary transfers of water in whole megalitres only. This Water Year, because of reduced allocation conditions, BIL will allow temporary transfers in 0.5ML increments.

Customer's to rely on Customer Transfers for Extra Water in BIL Water Year 2019/20

This note from July is important for customers who request additional water, and is worth repeating. Last Water Year, customers benefited from being able to purchase extra temporary water above their normal BIL Water Entitlement (this is different to one customer purchasing another customer's surplus water). The infrastructure had expanded to be able to supply 11GL per year while Customer contracts add up to 10.3GL per year, and so BIL was able to sell some of the difference to Customers.

From 1st October 2019, our supply remains at 11GL per year while our Customer contracts now also total 11GL per year, so BIL does not have the ability to sell extra temporary water.

Customers who want more water will need to rely on transfers of surplus water from other BIL customers.

Further Expansion – Being Considered

We continue to receive non-binding [Expression of Interest forms](#) from customers and potential customers interested in taking up more water. Thank you.

Investigations into a further expansion continue, including considering the use of recycled water (treated to an appropriately high quality). No decision has been made on whether to proceed.

If you would like to express your view on expansion and/or use of recycled water, let me know.

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