Newsletter to Barossa Infrastructure Ltd Customers

18 March 2020

COVID-19

It is business as usual at BIL.

We are contactable by phone and email, and BIL's office remains open Wednesday through Friday while our staff are well and public health guidance allows. Health authorities are changing their advice frequently and we will adapt as needed.

If you have any COVID-19 symptoms (fever, coughing, sore throat and shortness of breath) please contact us by phone or email only.

BIL is fortunate to have invested in equipment that allows remote monitoring and operation of pump stations and the like, so even if our people are not able to attend work, they are often able to keep the system running from their phone or computer. We are reviewing and further developing our contingency plans to keep the water flowing.

Likewise, you are able to access your BIL water meter information via computer through Outpost Central. If you are not already set up, give Neville a call.

Water Supply into BIL

BIL relies on water from the River Murray and so is impacted by drought across the Murray Darling Basin (MDB). Recent rainfall across the MDB has resulted in minor storage increases, however a lot more rain is required to break the drought.

State water agencies have begun to provide very early outlooks for water allocations next financial year. The nature of the MDB, where most rainfall occurs in winter and spring, means there is significant variability and uncertainty in these outlooks. SA's Department for Environment and Water advises "Given the current low volume of water in storage combined with the prospect of continuing low inflows, it is prudent to plan for low water availability..."

BIL has already begun doing this. We have pre-purchased a limited quantity of water for next financial year to ensure you have water at the end of this water year. We are also looking at different options to secure more water in the likely event that allocations are less than 100% for next year.

2019/20 Half Year Financial Results

BIL's <u>audited 2019/20 half year financial report</u> is now on the Annual Reports page of our website.

You will notice the net loss for the half year ending 31 December 2019 after providing for income tax is \$1,072,781. The ongoing dry and high temperatures in the Murray Darling Basin has caused a significant spike in the cost of leasing River Murry water allocations, explaining the loss.

On a positive note, cash collection has been ahead of budget which is greatly appreciated – thank you for paying your invoices on time. BIL relies on this to meet its payment commitments to our suppliers and Bank.

Water Usage

Please monitor your water usage closely. We have noticed a number of customers are getting very close to, or exceeding, their available water allocation. If this is you, consider seeking a customer to customer transfer or taking up BIL's offer to allow some Off Peak water to be taken as Spot water (see our January newsletter for more details on this).

Neville continues to keep a list of customers who are seeking additional water (via the <u>Additional Water</u> form). If you have surplus water in Water Year 19/20, please submit a <u>Surplus Water</u> form to Neville so he can redistribute it.

Scheme Expansion – Bolivar Treated Water

We continue to receive non-binding <u>Expression of Interest forms</u> from customers and potential customers interested in taking up more water - thank you. This allows us to accurately assess the viability of another expansion and negotiate appropriate supplies of water.

Primary Industries and Regions SA (PIRSA) recently announced funding to progress an opportunity to reuse water from the Bolivar wastewater treatment plant for irrigated agriculture. BIL has been assessing and planning for this opportunity for some time and is in talks with many parties on how this could potentially eventuate into a supply into the Barossa.

Importantly for BIL customers, BIL's Board has been clear that BIL would only accept treated Bolivar wastewater if the quality and price are right.

<u>If</u> this expansion were to proceed, BIL customers are unlikely to be able to access this additional water in under three years. This is only an estimate and there are many decision points and approvals to receive before we can provide more accuracy.

Contact for BIL Operations

Barossa Infrastructure Ltd

Simon Schutz 0403 743 199 Neville Skipworth 0407 972 311

403 743 199 <u>Simon@BIL.net.au</u> 407 972 311 <u>Neville@BIL.net.au</u> Infrastructure Maintenance Services

Steve Dewar 0418 845 738 Caleb Staehr 0432 074 572

Simon Schutz | General Manager