Newsletter to Barossa Infrastructure Customers

Water rationing for 2010/11 will be 100%

The Board of Barossa Infrastructure is pleased to announce that there will be no rationing in the water year commencing 1 October 2010 and customers will be able to use their full contracted water volume. Customers with Carryover will have that water transferred to the 2011/12 year if this is permitted by the Department for Water.

This improvement can be made due to BIL purchasing Carryover water for 2010/11.

Annual General Meeting

The 2010 Annual General Meeting of Barossa Infrastructure Ltd will be held at the Vine Inn at 4pm on Monday 25 October.

Price Increase

BIL has been advised that SA Water transport fees will increase by 14% for the year 2010/11. The major element of this price increase is a 40% increase in power costs. BIL is most unhappy with this increase which represents a rate of increase in excess of power costs elsewhere. Customers will note that SA water prices have increased by 32% to \$2.48 per kilolitre.

In accordance with the BIL Contract the Premium Water price has been increased by the amount of the SA Water transport price. Other prices have been increased proportionally.

The new prices from 1 October 2010 are as below:

Premium Water
Off peak
Not taken
Spot
Excess water

70 cents per kilolitre
90 cents per kilolitre
46 cents per kilolitre
114 cents per kilolitre
350 cents per kilolitre

Additional Water 2010/11

As has previously occurred, BIL will continue to assist customers with the trading of additional or surplus water. This will be at no cost, on a first-come basis. A proforma is included.

Customer Survey

BIL appreciates the large number of responses received to the Customer Survey. This information will assist BIL in improving your service. Feedback from customers was mainly positive and appreciative of the service received from the BIL office, however improvements can always be made and some suggestions are valuable and will be implemented.

Summary of Responses:

| Number of responses | 116 customers | 45% of customers |
|------------------------------|------------------|------------------|
| Other water sources | | |
| Bore Water | 22 customers | 700 ML |
| Dam/ Surface | 10 customers | 160 ML |
| SA Water | 18 customers | 103 ML |
| Other or not stated | 6 customers | 60 ML |
| | | |
| Satisfied with water quality | 80% of customers | |
| May require additional water | 10% of customers | |
| | | |
| Storage | 38 customers | 1400 ML |
| • | | |
| Area of vineyards | 3520 Ha | |
| % grapes sold | 95% of customers | |
| , | | |

The following actions will be implemented as a result of the survey feedback

- Pipe bursts are of most concern, especially during the peak season and the following steps are to be implemented:
 - During holiday periods suitable equipment is to be made available on a standby basis to avoid delays to repairs
 - A phone SMS service has been set up to inform customers of emergencies
 - BIL will establish a web site over the next 12 months to improve information available to customers

A number of responses indicated issues with water quality and pressure and customers who indicated flow or pressure problems on the Customer Survey form will be contacted and their connection serviced and tested.

- 'Low pressure' can be caused by a number of factors:
 - The pilot of the flow controller can freeze when not operated for a period or can otherwise fail -customers should contact the office to have the issue resolved
 - BIL service guarantee is to provide 1/50 of the Contract volume each day and a flow control valve is provided to meet this requirement - if the customer turns on blocks for a flow greater than their contract amount the flow and also the pressure will be restricted

 While the 'dirt' referred to by customers may be either small fish or debris, it is mainly dislodged slime in the pipe which is a result of using unchlorinated water and is more noticeable with high volume flows at the start of the irrigation season - there is little that can be done as it is not possible to flush the mains

Other issues raised include:

- While the question referring to sale of grapes was considered important, the issue of grape prices and payment were of more concern to customers and, well aware of the present difficulties in the industry, BIL will continue to work at minimising costs to ensure water charges are as low as possible
- Where possible, all BIL contracts are tendered, however in some situations industry standard prices are applied

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