

Round 1: Water for the Lockyer Demand Assessment – Confidential Expression of Interest

Name of customer:

Company / trading name:

Property / address :

Email: Ph/Mob:

Water product and delivery

The proposed project would supply water from Wivenhoe Dam blended with recycled / RO water at times. The product will be a transferable (tradeable) supply contract. The new scheme is to be expected to deliver 70% reliability long-term, given that urban water is the priority for Wivenhoe Dam. Water will be delivered to property boundaries via a pipeline network that may include Atkinson, Clarendon and/or Dwyer irrigation schemes. In some periods, there may be no water delivered from Wivenhoe Dam. The pipeline may be shut down one month per year for maintenance.

Capital cost / customer contribution

Customers pay a **one-off capital contribution** per ML for a share of the scheme, which will be refined. This EOI asks for your demand at upfront capital contributions of \$1,000/ML, \$2,000/ML, \$3,000/ML, \$4,000/ML and \$5,000/ML.

Operating cost / annual water charges

Governments require that for new water, 100% of operating costs be covered by annual charges, comprised of: (a) a fixed annual water charge to take from Wivenhoe; and (b) Lockyer Water Pty Ltd (or equivalent) distribution charges.

Table 1: Price Summary for Expression of Interest (prices subject to change)

Customer capital contribution	Very low	Low	Medium	High	Very high
One-off upfront customer capital cost (\$/ML)	1,000	2,000	3,000	4,000	5,000
Annual water charges					
Fixed charges (\$/ML)	280	330	400	450	520
Variable charges (\$/ML)	30	50	70	100	120
Total charge (\$/ML)	310	380	470	550	640

Confidentiality

Your name, company / property name and your individual water demand volumes will be kept confidential. Your responses will be aggregated with other responses and published as part of a summary of demand by area.

Guideline for responding

Your low, high and most likely volume of demand are requested for each set of prices. This data is needed to quantify willingness to pay and the value that Lockyer Valley water users would place on having additional water. A lack of private sector funding (or understated willingness to pay) is the quickest way to undermine the project.

Your use of the new water (crop types or enterprise) is needed to estimate the economic benefits of the project.

Your answers need to be **honest and accurate to give this project its best chance**. This is round one, and consistency with your responses in round two will be rewarded in round three – binding water sales.

Minimum volume of demand

The minimum demand allowed is 20 ML, to reduce the design cost of having too many small connections. So please base your EOI (below) on a minimum demand of 20 ML or more. There is no upper limit on minimum, likely or maximum demand. Your demand should increase in increments of at least 10 ML.

CURRENT LOCKYER VALLEY OPERATIONS, VOLUME OF WATER USE & LOCAL ENTERPRISE SUMMARY

Q1: Do you irrigate and what is your *typical annual* water use in ML by source (underground or surface water)?

Surface

Groundwater

Other (e.g. recycled)

Q2: Please provide an overview of your water using enterprises (e.g. carrots, cherry tomatoes, green leafy vegetables, turf, protected cropping, specific tree crops, pack house, gravel processing, other), hectares and ML use per hectare.

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VERY LOW PRICE

Q3: What volume of water would you buy at **\$1,000/ML** (upfront capital charge) and an annual charge of **\$310/ML**?

Description of location (e.g. Street address or CA number)	Minimum volume (ML) (e.g. good year)	Likely volume (ML) (e.g. dry year)	Max volume (ML) (e.g. dry + expansion)
Examples: 470 Atkinson Dam Rd / CA 10,000 England Cavendish	20 ML	500 ML	1,000 ML
Your total demand (ML)			

Q4: What are the key reasons for your response to Q3? What would you use the new water for / main enterprises?

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This table helps to calculate economic benefits. Please be specific about use (e.g. carrots, cherry tomatoes, leafy vegetables, Wintergreen or Buffalo turf, protected cropping, specific tree crops, pack house, gravel processing, other).

Crop / Other enterprise	Share of new water (%)	Water use (ML/ha)	Revenue (farmgate \$/ha)	Expenses (\$/ha)

LOW PRICE

Q5: What volume of water would you buy at **\$2,000/ML** (upfront capital charge) and an annual charge of **\$380/ML**?

Description of location (e.g. Street address or CA number)	Minimum volume (ML) (e.g. good year)	Likely volume (ML) (e.g. dry year)	Max volume (ML) (e.g. dry + expansion)
Examples: 470 Atkinson Dam Rd / CA 10,000 England Cavendish	20 ML	500 ML	1,000 ML
Your total demand (ML)			

Q6: What are the key reasons for your response to Q5? What would you use the new water for / main enterprises?

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This table helps to calculate economic benefits. Please be specific about use (e.g. carrots, cherry tomatoes, leafy vegetables, Wintergreen or Buffalo turf, protected cropping, specific tree crops, pack house, gravel processing, other).

Crop / Other enterprise	Share of new water (%)	Water use (ML/ha)	Revenue (farmgate \$/ha)	Expenses (\$/ha)

MEDIUM PRICE

Q7: What volume of water would you buy at **\$3,000/ML** (upfront capital charge) and an annual charge of **\$470/ML**?

Description of location (e.g. Street address or CA number)	Minimum volume (ML) (e.g. good year)	Likely volume (ML) (e.g. dry year)	Max volume (ML) (e.g. dry + expansion)
Examples: 470 Atkinson Dam Rd / CA 10,000 England Cavendish	20 ML	500 ML	1,000 ML
Your total demand (ML)			

Q8: What are the key reasons for your response to Q7? What would you use the new water for / main enterprises?

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HIGH PRICE

Q9: What volume of water would you buy at **\$4,000/ML** (upfront capital charge) and an annual charge of **\$550/ML**?

Description of location (e.g. Street address or CA number)	Minimum volume (ML) (e.g. good year)	Likely volume (ML) (e.g. dry year)	Max volume (ML) (e.g. dry + expansion)
Your total demand (ML)			

Q10: What are the reasons for your response to Q9? For what purpose would you use the new water?

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VERY HIGH PRICE

Q11: What volume of water would you buy at **\$5,000/ML** (upfront capital charge) and an annual charge of **\$640/ML**?

Description of location (e.g. Street address or CA number)	Minimum volume (ML) (e.g. good year)	Likely volume (ML) (e.g. dry year)	Max volume (ML) (e.g. dry + expansion)
Your total demand (ML)			

Q12 What are the reasons for your response to Q11? For what purpose would you use the new water?

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YOUR SIGNATURE (NON-BINDING COMMITMENT)

Your signature: Date:

Use of data

This EOI is a key input to a decision about whether the detailed business case will proceed and to design. It does not imply that the project will proceed. **However, strong demand will demonstrate significant support for the project.**

Next steps

Please complete and sign the above form asap, then scan (or photograph with mobile) and email it back to angus.macdonald2@jacobs.com. Please note "2" in email address. If you would like to discuss the EOI, please contact Angus MacDonald, Principal Advisor, Jacobs on mobile **0488 444 973** or via his email (above). This form is due by **COB Sunday 16 February 2020**. Your email subject line should say **Round 1 EOI – Water for Lockyer**.