

OCTOBER 2007

BULLETIN

NO. 2

MOKOAN DIVERTERS PIPELINE



Produced by Goulburn-Murray Water

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PIPELINE PROJECT UPDATE

Outlet Channel Works

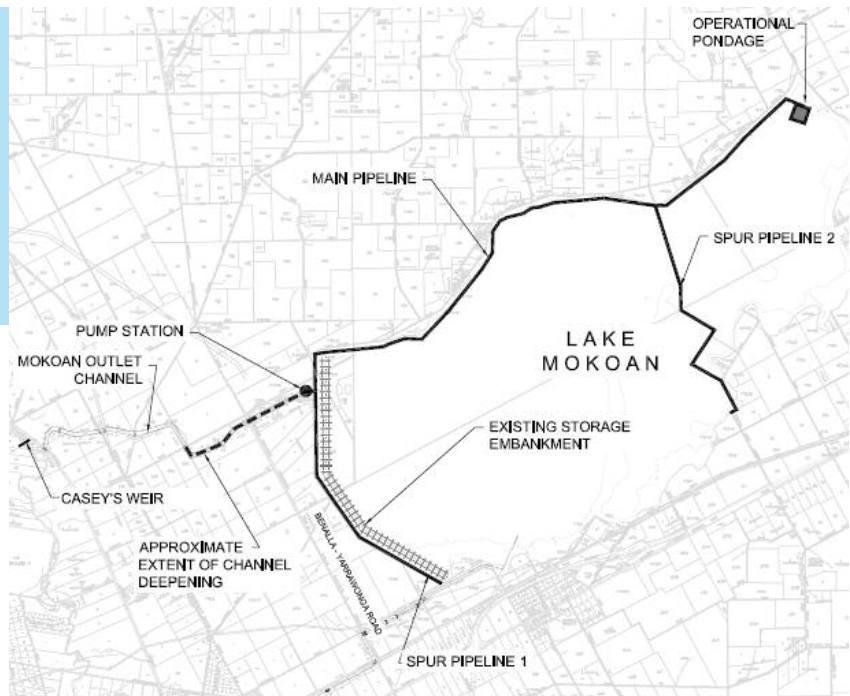
The pipeline's pump station will be situated in the Lake Mokoan Outlet Channel just downstream of the existing storage embankment. Excavation of the centre part of the Outlet Channel is required to ensure that Casey's Weir pool can gravity feed to the pump station site. The works will ensure a sufficient flow rate and pumping depth to meet maximum scheme demands. The extent of these works is shown in the adjacent map.

Operational Pondage

To provide operational benefits, a dedicated pondage has now been incorporated into the pipeline design. The pondage will be located at the north eastern end of the lake as shown in the map.

This pondage will aid in operational flexibility, maintaining continuous service and buffering of peak demands. The diameter of the main trunk of the pipeline will not be reduced, therefore the pondage will maintain an appropriate level of delivery service.

The optimal capacity of the pondage will be determined as part of the detailed design currently underway, but it is expected to be in the order of 2-3 days of total peak use.



Updated Timeline

The project timelines have been reviewed after the inclusion of the pondage design. The consultation process has also been extended to allow sufficient time to address customer feedback on the proposed design.

The following outlines anticipated timelines for the project subject to a decision on the Modified Mokoan Storage Proposal:

- | | |
|----------------------------|---------------|
| • Detailed Design complete | December 2007 |
| • Pipe supply commences | December 2007 |
| • Construction commences | December 2007 |
| • Scheme Commissioning | May 2008 |

The adoption of the Alternative Storage could result in later completion of the Mokoan Diverters Pipeline.

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or contact the Project Manager on (03) 5833 5458



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PIPELINE CAPACITY SHARES

Pipeline capacity shares have been allocated to all existing customers based on their registered water share (entitlement). The capacity of the pipeline will allow all entitlement to be delivered over a period of 77 days. The pipeline capacity share provides an indication of your minimum access to the pipeline scheme during peak demand.

Any diversion from the scheme will be subject to placing orders on Waterline, whereby each customer shall have to indicate the estimated rate at which they would like to pump and the expected commencement and finish times. Depending on system demands at the time, diversion planners will schedule orders accordingly.

At times of less than full demand, additional capacity will be available above your allocated capacity share. During these times customers can pump at higher rates without the need to purchase additional pipeline capacity share. However, purchasing additional capacity share ensures access to water at the increased rate during times of full demand.

There is no restriction on existing customers who wish to purchase additional high or low reliability water share, on the understanding that it can only be delivered via the pipeline at your capacity share rate.

Call for Expression of Interest

Customers are asked to formalise their intention to purchase, or not to purchase, additional capacity share by submitting an Expression of Interest (EOI). After the submission of an EOI, a process will follow whereby each party (G-MW and Customer) shall enter into a legal agreement that will involve the customer financing the agreed monetary sum in exchange for agreed additional capacity share in the pipeline to their service point.

The sum for additional capacity share is \$200,000 per additional ML/d.

All Expressions of Interest indicating whether or not additional capacity share is required must be received by G-MW by 16 November 2007.

SERVICE POINT CONNECTION & LOCATION

During the final design of the scheme, detailed service connection drawings will be prepared for each individual tapping point. Specific detail on your diversion infrastructure (pumps and pipes) will be collected in order to design compatible connection points.

The reconnection work will be carried out by the project.

The location of the tapping points indicated on the map sent out in June 2007 is an estimate only and the final point will be as close to your existing diversion point as practical. When the final pipe alignment is selected, each tapping point will be located in consultation with customers.

OPTIONS FOR FUTURE SCHEME AUGMENTATION

The pipeline will be sized and installed based on existing capacity shares, plus any additional capacity share formally purchased through the EOI process. Customers have in several cases advised project staff that they have no immediate intentions for expansion and so are satisfied for the installed pipeline design to be based on the 77 day entitlement calculation.

However, customers have also sought an understanding that the scheme could also potentially be augmented in future. As part of the design, the consultant engineers will broadly evaluate the most cost effective and practical means by which the scheme could be augmented in future if approved. This would likely include; increasing the capacity of the operational storage, booster pumping and partial pipe duplication options. Scope would exist to augment the system by one or more of these means, provided works costs can be met at that time.

Customers should also note that historic usage levels across the whole scheme have run less than full entitlement. G-MW, with the benefit of data obtained from usage metering, will monitor scheme performance and usage over the initial years of operation to ensure the scheme is delivering service level targets.

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2007/08 SUPPLY ARRANGEMENTS

Lake Mokoan will continue to be managed in accordance with current operating rules during the 2007/08 season. Inflows from the Broken River or Hollands Creek will be harvested to Lake Mokoan when available throughout the 2007/08 season. The current low level of the Lake has continued due to ongoing drought conditions. Lake Mokoan operating rules will not be altered until supply reliability offsets are in place.

The revised Scheme Commissioning date of May 2008 means that supply in the 2007/08 season will continue in the traditional manner. It is anticipated that the 2008/09 season will be the first full season supplied from the Lake Diverters Pipeline.

If you have issues with access this summer please contact Diversions Inspector, Kane Dougherty on (03) 5832-9959.

WATER ORDERING

All customers will have to place orders with Diversion Planners four days in advance of their requested pumping commencement time. This is essential for the planned releases of water from Lake Nillahcootie.

To enable efficient utilisation of the resource we will rely on our customers ordering their water correctly and notifying us of any changes. All customers are expected to order in accordance with the Waterline ordering policy.

Service points will be monitored to ensure that scheduled diversions are being followed. An effective ordering system will greatly increase pipeline performance, as capacity temporarily unused by one customer becomes available to others. This is supported by the design of the pipeline, as the large diameter main trunk extends all the way to the eastern end of Lake Mokoan to service several large users at that location.

TARIFFS

Diverters supplied from the new pipeline will continue to be treated the same as all other Broken System diverters. The pipeline is considered to be 'part of the river' in this respect. The same tariff structure will apply across the entire Broken System.

CONSULTATION

Consultation with Lake Mokoan Diversion customers is well underway, with many interviews being held in July and August.

The project team welcomes the opportunity to meet with all customers and encourages people to make contact to clarify any issues they may have in relation to the pipeline scheme.

During the detailed design, staff will attempt to respond to all issues raised by customers and stakeholders.

The main issues that have been identified thus far relate to connection to existing diversion infrastructure, location of service points, the ordering of water and pipeline capacity shares.

MODIFIED MOKOAN PROPOSAL

Department of Sustainability and Environment (DSE) are currently reviewing further information submitted by the Justice for the Broken Group in relation to their Modified Mokoan Storage Proposal. A date for a final meeting involving Justice for the Broken Group, DSE and consultants is yet to be fixed. The proposal and the review outcomes, will then be submitted to the Minister for Water for a final determination.

The Lake Mokoan Diverters Pipeline has many common elements to both full decommissioning and the Modified Mokoan Proposal, work on the pipeline has therefore continued.

STAFF UPDATE

There have recently been changes to the Mokoan Diverters Pipeline Project Team, with the departure of Nicole Baud and the arrival of Sarah Drowley. Please note the updated contact information on page 4 of this bulletin.

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CONTACT INFORMATION



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Department of
Sustainability
and Environment