



RURAL WATER NEWS

MARCH 2009

Phone: 03 50513400 **Website:** www.lmw.vic.gov.au

Name
Address
Town State PCode

IMPORTANT MESSAGES FOR IRRIGATORS REGARDING SEASON 09/10

Current situation.

Total Murray-Darling active storage on the 25th February was 1,195GL or 14% of capacity, which is slightly lower than this time last year. The volume in storage remains well below the long term February average of 4,900GL. As at 25th February Dartmouth Dam held 868 GL (22% of capacity), Hume Dam 370 GL (12% of capacity) Lake Victoria 168GL (25% of capacity) and Menindee Lakes 131 GL (8 % of capacity). In Victoria, Eildon holds 548 GL (16% of capacity).

Very hot and dry conditions in the southern basin over January saw system inflows drop to 70GL, near the historic minimum of 50GL recorded in 1982 & 2007. Long term average inflows for January are 420GL.

The northern basin has received heavy rain recently with between 50 – 200mm recorded in southern Queensland and 230mm at Bourke. Unless there is further rainfall, NSW expect 70 – 100GL of this floodwater, which has now passed Tilpa on the Darling, to enter the Menindee Lakes. This would increase the storage volume to around 290GL still well below 640GL at which point control of the Lakes reverts to the Murray Darling Basin Authority. While the monsoon season remains there is still a chance of further late summer early autumn rains in the northern part of the basin.

The water that now remains in Dartmouth and other storages is largely water that has been allocated this season and not yet used and water which will cover critical human needs for next season. Volumes required to run the river for the 09/10 season still need to be fully secured.

The Bureau of Meteorology's latest outlook for the period March to May 2009 is not promising indicating average rainfall during the autumn period. Average rainfall will not deliver average inflows given the current dry state of catchments.

Given that only 10% of annual Murray system inflows occur between February and May further allocations this season are unlikely.

Similar to last season, the Outlook for 09/10 is again grim and totally dependant on rainfall and the inflows that will be generated from rainfall events during the autumn winter and spring period. The extremely dry state of catchments indicates there would need to be a sustained period of above average rainfall for inflows to approach the long term average. Irrigators on the Campaspe, Loddon and Bullarook systems are likely to remain without an allocation this season.

River Management.

Currently River Murray Water's goal is to conserve water in upstream storages, avoiding transmission and evaporative losses and draw on downstream storages and weir pools to meet demand. The benefit of drawing down lower storages is that it maximises the potential to capture and store inflows during autumn and winter period.

In our region, Euston was drawn down during January. If further hot spells trigger demand this may occur again.

Flows in the Murray through our region will be similar to those experienced last autumn resulting in lower river levels and private diverters need to be mindful of the need to reposition pumps.

Recent hot weather and lower than normal flows have also increased the risk of algal blooms in our region. River users should notify Lower Murray Water of any algal scum in the water system so that this can be tested for potentially toxic blue green algae.

IMPORTANT INFORMATION ON ATTACHED WINTER IRRIGATION SCHEDULES

For those customers in the pumped irrigation districts of Red Cliffs, Mildura (FMID), Merbein and Robinvale please see the attached irrigation district Winter Pumping schedules.

Please note that there are two versions, one showing a normal irrigation season, the other showing the pumping dates should we start the 2009/10 season with a zero water allocation and limited availability of water to irrigation district customers. Please check the title at the top for the 2 versions. LMW will notify customers which version shall be used from the 1st of July 2009 after the allocation announcements are made and our situation with regards to water for running the river is clarified.

Season 2008/09 Close Off

Goulburn Murray Water, the Victorian Resource Manager, have advised that the last allocation for this season will be made on Wednesday 1 April with any further improvement in storages to be reserved for next season.

Please ensure that your Allocation Bank Account does not have a negative balance. Penalties of \$2,000/ML of overuse apply plus normal irrigation usage charges. This also applies to metered Stock and Domestic users.

If you intend purchasing water for carryover or use this season please note the following dates.

- Any application to trade involving NSW must be received by State Water in NSW by close of business (COB) on Sunday 31st May 2009.
- Victorian Water Corporations will process a trade from NSW provided the Victorian application form is received prior to close of business on 2nd June 2009 and NSW have received their application by COB Sunday 31st May 2009.
- Victorian Water Corporations will guarantee that trade of allocation applications for trade within Victoria received by COB on Tuesday 16th June will be approved prior to 30th June and be eligible for inclusion in carryover.
- Lower Murray Water will process trades with SA provided the Victorian application is received by COB Tuesday 16th June.
- Lower Murray Water's trading staff will process applications received after 16th June in order received. There is no guarantee that these trades will be finalised for the 08/09 year and eligible for carryover.

The Victorian Water Registrar will send Allocation Bank Account transaction statements for season 2008/09 during July. Please review these and if concerns arise contact LMW. Note that any opportunity for meter reading adjustments will close on Friday 11th September and that there will be no opportunity to do back-dated trades to remedy any carryover problems.

If you require any further information on water trading please call the Water Trading Group on 50513400. The new 09/10 season will open in the second week of July 09. Please also ensure that you have your Trade ID number, account and ABA particulars handy prior to calling.

Customers wishing to trade can download an Application to Trade Water Allocation form (Form 39). Go to www.waterregister.vic.gov.au on the main menu at the left select *Application forms*, then select *Application forms to water authorities*, on that page a single click on (Form 39) highlighted in blue will automatically download a form which you can print complete and submit. This site can also be used to track the progress of a trade.

Outlook for Season 2009/10

Goulburn Murray Water, the Resource Manager for northern Victoria water systems, recently announced its first outlook for next season a further outlook is expected on Friday 15th May.

It is expected that storages will fall to very low levels by the end of autumn with remaining volumes essentially being privately held carryover. As at the 16th February more than 550,000ML of allocation held by Murray and Goulburn System irrigators is yet to be delivered. This volume is available for use, trade or carryover. Any inflows received during autumn will be stored to cover losses within Victoria for next season. Allocations next season will therefore depend on inflows received next winter and spring, between July and September.

Average inflow conditions based on records available indicate an allocation on Wednesday 1st July 2009 would be unlikely, therefore expect 0% allocation until at least Monday August 17th 2009. Continued severe drought conditions with inflows received this season would also prevent an opening allocation on that date.

The following terminology is used by GMW in the Outlook table:

- 'Wet' - Inflow volumes that have 1 chance in 10 of being exceeded
- 'Average' - Inflow volumes that have 5 chances in 10 of being exceeded
- 'Dry' - Inflow volumes that have 9 chances in 10 of being exceeded

Murray System

Inflow Conditions	1 Jul 2009	17 Aug 2009	15 Oct 2009	15 Feb 2010
Wet	0%	87%	100%	100%
Average	0%	27%	60%	100%
Dry	0%	0%	18%	38%

Key Points

- The outlook is conservative.
- Expect the opening allocation in July to be 0% (No allocation)
- If severe drought conditions continue in the catchments through to the end of July it is highly probable that no allocation will be made in August
- The volume of water required to meet essential human needs will be available in July.
- The volumes required to meet delivery system losses within the Irrigation Districts are yet to be covered.
- Private Diverters extracting directly from the river will have access to carryover water once adequate water is in storage to run the River. There is a very slight risk that this may not occur in July.

- In the event of zero allocations, the Minister is likely to “Qualify Rights” allowing access to water for essential human needs.
- LMW will fill systems for short periods on a three weekly interval for Stock and Domestic use. Irrigators with specific crop needs, holding carryover water, will be supplied on a case managed basis during this period.
- Again the date of an opening allocation is totally dependant on rainfall in the catchments.
- While the Dry forecast indicates an 18% allocation in October, it is possible that small allocations may be delivered earlier

Carryover now 50%

Carryover of unused 08/09 allocation is again available to help irrigators meet next season’s requirements. The rules are similar to last year, however the maximum amount able to be carried over has increased from 30% to 50% of the Water Shares (low and high reliability) held against an Allocation Bank Account. Only the holders of permanent water entitlements known as “Water Shares” (previously termed water right, entitlement or licence volume), supply by agreement and where applicable the holder of a Limited Term Transfer (LTT) (rather than the owner of the share subject to an LTT) can carryover unused allocation from this season into the next.

If a customer has disassociated a water share from land into the Non Water User Limit (NWU) or 10%, you cannot use the disassociated share as part of your carryover calculations as it is no longer attached to your land and allocation bank account linked to your Water Use Licence for that land. Note you are also not able to transfer any allocation you may have from that share back to its allocation bank account. The only way to use this Share for carryover calculations is to reassociate it with your Water Use Licence or if it is held in different ownership enter into a LTT.

The following rules apply please note very few LMW customers hold Low Reliability Water Shares (previously Sales Water).

Terms and Conditions for Carryover of Seasonal Allocation

1. Carryover of seasonal allocation is available for customers in the regulated Goulburn, Murray, Campaspe, Loddon, Broken and Bullarook systems.
2. Only the holders of permanent water entitlements, including water shares and supplies by agreement, in these systems will be able to participate in carryover. Where applicable, the holder(s) of a limited term transfer (LTT) over a water share will be able to participate in carryover (rather than the owner(s) of that water share). If an LTT expires during the current season (before 1 July), the LTT holder cannot carry over water against that entitlement.
3. Entitlement holders (including LTT holders where applicable) can carry over a volume of water of up to 50% of the volume of their high- and low-reliability water shares or supplies by agreements as at 1 July.
4. A deduction of 5% of the volume of water carried over will be made to account for evaporation losses. This evaporation factor will be applied to the volume of water carried over as at 1 July.
5. The volume carried over from the end of a season (minus the 5% deduction for evaporation) plus all subsequent allocations in the following season will be limited to a maximum of 100% of the water entitlement volume.
6. Where an entitlement holder has both high and low-reliability water shares linked to the same allocation bank account, for the purposes of Rule 5 (above), water allocations carried over will be deemed to be recorded firstly against an entitlement holder’s high-reliability water share(s) up to the 50% limit. Any water carried over above this limit will then be recorded against the entitlement holder’s low-reliability water share(s) up to the 50% limit.
7. Where an entitlement holder has multiple water shares of a single reliability class linked to the same allocation bank account, for the purposes of Rule 6 (above), water allocations carried over will be deemed to be recorded pro-rata against all water shares of a single reliability class up to the 50% limit.

8. Water held in an allocation bank account cannot be carried over unless that allocation bank account is connected to a water share (including by a LTT).
9. There will be no application form necessary to carry over water. Any seasonal allocation remaining in an entitlement holder's account at the end of the season will be deemed to be eligible to be carried over, subject to these terms and conditions.
10. There will be no additional storage charge for water carried over. Normal infrastructure use fees will apply to all water deliveries, including the delivery of any water carried over.
11. Volumes of seasonal allocation carried over can be used or traded at any time (subject to the trading rules that apply at that time), regardless of the level of seasonal or advance allocation against the entitlement (use will be subject to the deliverability constraints covered below).
12. There is no guarantee on delivery of water carried over. Delivery of carryover water will only be possible when the supply system serving a property is operating for irrigation deliveries. If delivery is not possible, the carried over water will remain in an allocation bank account. It can be traded to other areas (subject to the trading rules that apply at that time), or retained until delivery can be made.
13. Note that any limit on future allocations that arises from a volume of carryover recorded against a water share remains on the water share for that season. It will not be affected by a transfer or limited term transfer. Full details are described in Rule 27 of the *Trading Rules for Regulated Water Systems in Northern Victoria*.
14. These terms and conditions apply for carryover of allocation commencing from the 2008/09 irrigation season, and will continue to apply for all future irrigation seasons, subject to any amendments the Minister may determine from time to time.

A typical situation follows:-

Calculating your carryover limit.

Your Water Shares (linked to same ABA)	100 ML	This is the total permanent water you own (including LTTs)
Carryover Cap 50% of linked Water Shares	50 ML	This is the max or upper limit you can carryover

Calculating your ABA balance and available water to carryover,

Allocation this season at 35%	35 ML	This is the water you had allocated into your ABA
Water traded out	0 ML	
Water traded in	25 ML	One or more temporary trades
Total water available for use	60 ML	
Water used during 2008/09	52 ML	If your irrigating again add estimated usage
ABA balance at season end	8 ML	This unused water will automatically carryover on 30/6/09

Adjustment for losses and volume available in your ABA next season.

Deduction for losses on 1/7/09 minus 5%	0.4 ML	Covers delivery losses seepage and evaporation
Water available on 2/7/09 for irrigation	7.6 ML	Will appear as a credit in your ABA, ring fenced and not subject to reduction.

Further Review of Carryover

The Department of Sustainability and Environment (DSE) has released an information paper on a proposal to further adjust carryover, possibly in 2010. This paper is available on the web at: www.ourwater.vic.gov.au/programs/sws/northern/carryover

Further advice

Lower Murray Water will provide a further update to customers after the next seasonal outlook is available in May. In the meantime customers should consider their water needs closely as the season draws to a close.

Over Use of Water Allocation

In line with legislative changes supporting 'Unbundling', the principle that "water users are only entitled to use water they own" has been reinforced. The Victorian Government has announced that this season overuse of water will result in a negative balance being carried over into the following season within customer Allocation Bank Accounts. Penalties of \$2000/megalitre of overuse will still apply.

As an example a Customer who uses 10ML more than they are entitled to will:-

- Start next season with a balance of -10ML in their Allocation Bank Account
- Be penalised at the appropriate rate, in this instance \$20,000 plus usage charges.
- Not be allowed to use water until the account returns to a positive balance.
- Please ensure you are not in overuse. If unsure please check your assessment page on WaterNow, your records or contact us on the numbers below.

District Customers - Pumping days - Operations Group on your district orderline 8am – 4pm.
Non pumping days – Operations Group on 50513400 8am – 10am.

Managing water available between properties.

It is now possible for customers with multiple properties to apply to link those properties to a single allocation bank account (ABA) and cancel the other ABA's. Effectively this means that your allocations from many Water Shares will be deposited/credited into one single ABA and usage across all properties withdrawn/debited from that same ABA. This process avoids the need for trading between properties to maximise carryover and to cover use early in the season. It also means you can trade into one ABA and use that water on any or all of your properties. If you require further information or assistance please contact the Water Trading Team on 50513400 regarding Form 40.

Obtaining Usage and other advice

"WaterNow", our internet based water ordering system for District Customers has recently been upgraded. The site now can provide data from the Victorian Water Register into the assessment page of WaterNow in a much more precise format providing the balance of your ABA and a complete history of allocation trades.

WaterNow will shortly be accessible to Private Diverters who will be able to log on using a pin number and view their allocation bank account balances, see approved and pending trades on a daily basis and usage debited to the last meter read. Diverters will shortly receive their password and pin number by mail.

Private Diverters will also be able to access Silo Weather Forecasts, River Management and storage reports, flow and salinity forecasts and other information provided to District Customers through this site.

Our Website provides regularly updated information on a range of matters affecting customers including, power outages, service interruptions planned and unplanned under the menu item Water Ordering and prior to logging into WaterNow. Many customers who have bookmarked our site at the ordering page miss these notices. When in WaterNow please click on Main to view these messages or bookmark at Water Ordering.

Robinvale Project update

Progress on the installation of the pipeline is good with completion of this now expected to occur in late October.

Works are expected to commence on construction of the new river pump station in early March.

The Contract, which has a value of \$9.4 Million, has been awarded to Fulton Hogan Pty Ltd

The Pump Station is also scheduled for completion in late October which should see the commencement of operation of this system to Robinvale customers in late 2009.

Sunraysia Modernisation Project.

The Federal Government has earmarked \$103 Million toward modernisation of the Irrigation Districts in Sunraysia. The Board of LMW wish to prepare a case for extra funding that will be presented to the Victorian and Federal Governments. Until the outcome of these applications is known it is not possible to define the extent of works.

Engineering plans have been prepared for renewal of the main pumping and delivery infrastructure in the Merbein and Red Cliffs Irrigation Districts. Detailed costings of these plans are currently being prepared by an independent professional estimator.

Similar engineering plans are currently being assessed for options for the First Mildura Irrigation District including to either renew or reconfigure the main channels. Once a final engineering proposal is identified it will be costed by the professional estimator.

In addition, the Board wish to examine the options that would improve the level of service to all properties, albeit being high pressure, mid range pressure or maintenance of the status quo.

Consultation with Customer Service and Advisory Committees will commence once the detailed costings are available. Broader consultation with all growers is proposed toward the middle of 2009.

The costed engineering plans will form the basis for the preparation of the business case that will be submitted late 2009 to the Victorian and Federal Governments for funding for works.

Stock and Domestic (Rural Garden Supplies) – Do you have sufficient on property storage?

LMW policy is that every Domestic and Stock (D&S) customer should have on property water storage in the event of LMW being unable to supply water on demand. We know however that many customers don't have back up storage on their property. Given the current drought conditions affecting much of Victoria and potentially zero allocations from the River Murray system from 1st July 2009 until inflows improve, it is prudent to review the need for additional storage.

Due to the possibility of drought restrictions being imposed, water for D&S services may be restricted to house use only with water being delivered by water tankers to fill storage tanks in extreme circumstances. Domestic and Stock customers who have a dual water supply will be required to use only their urban supply until proposed restrictions applying from 1st July 2009, are lifted.