

## WaterWell

### What is Murray Irrigation's WaterWell?

The WaterWell suite of products aims to increase the volume of water used within Murray Irrigation's footprint and increase customers' certainty when business planning, through better resource management.

There are five products in WaterWell:

- Allocation Advance
- Sustainability Product
- Resource Distribution
- Water Users Credit
- System Innovation Product

The Customer Operations department is constantly exploring opportunities to create new products to fit within WaterWell.

### Which products will likely be available each season?

The Board of Murray Irrigation approves the annual Resource Management Strategy annually in May, to be implemented at the commencement of the next irrigation season. This strategy outlines how any available water will be distributed, in-line with the company's Resource Management Policy.

The 2021/22 Resource Management Strategy outcomes are:

- 1) Delivery requirements will be met by provisioning adequate water to meet this season's operational and next season's critical needs requirements.
- 2) The value of the company's bulk licence will be realised by managing resources to maximise water for future assessments.
- 3) Break-even profitability will be achieved by:
  - Offering no more than 40 gigalitres of water to customers via the Sustainability Product, (triggered at 1% General Security announcement),
  - Selling any water savings achieved through the System Innovation Product on the Water Exchange.
- 4) An early allocation will be delivered to customers via an 8% Allocation Advance (Triggered at 1% General Security announcement).
- 5) Apply a 5% Water Users Credit (applicable to every megalitre delivered through compliant outlets).
- 6) Create value for delivery entitlement holders by allocating any further efficiencies to delivery entitlement holders via the Resource Distribution.

### Who is eligible for WaterWell products?

Murray Irrigation customers who are currently in financial terms with the company.

### When will the products be available?

Each WaterWell product is made available once their trigger point is met. The trigger points may vary from season to season and Murray Irrigation will communicate early to allow for greater certainty.

## Can water received from WaterWell products be carried over to next season?

Yes. If a customer has water remaining in their water allocation account at the end of the Financial Year, the usual carryover rules apply.

## Allocation Advance

### What is the Allocation Advance?

The Allocation Advance is an early allocation distributed to eligible customers. It is distributed according to delivery entitlements and must be included within the maximum annual allocation limit under the Water Sharing Plan (WSP) to allow the product to be available early in the season.

### Who is eligible for the Allocation Advance?

Murray Irrigation customers who are currently financial and own Delivery Entitlements

### How much water can I get through Allocation Advance?

Water is allocated as a percentage of the shareholder's total *delivery entitlements*. This is up to a limit of 110 percent of *water entitlements* (Class C) held within the same account. The Allocation Advance forms part of your total allocation limit.

If insufficient water entitlements are held, the account will not be eligible for the full Allocation Advance volume due to Water Sharing Plan limits.

An online calculator is available on the Murray Irrigation website under Customers > Allocation Advance.

The table below illustrates four examples, based on an Allocation Advance of 5%.

<b>Customers</b>	<b>WE's</b>	<b>DE's</b>	<b>Maximum Annual Allocation</b>	<b>Carryover</b>	<b>Allocation Advance Volume</b>
<i>Customer A</i>	600	600	660	0	30
<i>Customer B</i>	600	600	660	300	30
<i>Customer C</i>	20	500	22	0	22
<i>Customer D</i>	20	500	22	10	12

### How can I access the Allocation Advance if I do not hold enough Water Entitlements?

Customers seeking to increase their Allocation Advance (up to the limit of 8% of delivery entitlements) may 'borrow' Maximum Annual Allocation (associated with Class C General Security water entitlements) from another customer.

This arrangement requires Murray Irrigation's consent. Customers seeking consent for this arrangement can do so by submitting a Form 6M, located on the Murray Irrigation website. The deadline to submit a Form 6M to the company is 30 business days after the Allocation Advance is announced.

## **How do I access the Allocation Advance when it is announced?**

The water will be applied to eligible customers' water accounts as soon as the trigger point is reached. Customers can access the allocated water as they normally would.

## **Do I have to pay the Allocation Advance back?**

No. The Allocation Advance is exactly that; an advance on water allocations.

## **How often will Murray Irrigation release an Allocation Advance?**

The Allocation Advance volume will only occur once annually, when 1% General Security allocation is announced.

## **Sustainability Product**

### **What is the Sustainability Product?**

The Sustainability product is a volume of water offered to eligible Murray Irrigation customers for purchase at a discounted market price. It is an initiative intended to simultaneously put downward pressure on fees and prices, increase water availability in the region, and strengthen the company's financial position.

### **Who is eligible for the Sustainability Product?**

Murray Irrigation customers who are currently financial and own delivery entitlements

### **How much water can I get through the Sustainability Product?**

During the EOI phase, customers nominate the volume they would like.

### **What if customers apply for more or less than the available volume?**

If the offer is oversubscribed, participants will be offered a pro-rata volume based on their delivery entitlements. When a volume of water is offered, it is non-negotiable. Participating shareholders can either accept or reject the offer.

If customers apply for less than the available volume, surplus available water will remain in Murray Irrigation's accounts for future opportunities.

### **How do I access the Sustainability Product?**

Eligible customers can access it through an Expression of Interest (EOI) once it has been announced; and then 'opt-in' through the Customer Portal.

### **How is the water applied to my account?**

The accepted volume will be applied to the customer's water allocation account as an uncleared trade. Water can be used on farm as an uncleared trade, but for it to be traded or transferred it must be paid and cleared.

### **Can water purchased from the product be traded?**

Murray Irrigation encourages customers to use the water on-farm, but no special restrictions exist to prevent trade or transfer once it is paid and cleared. The usual rules for trade of water allocation apply.

## **Are there fees associated with accessing water purchased through the Sustainability Product?**

The product is offered at a set price per megalitre. Usual fees for trade and usage apply.

## **Resource Distribution**

### **What is the Resource Distribution?**

The Resource Distribution is an amount of water made possible by cumulative savings made from the efficient operation of the system. Expressed as a percentage of delivery entitlements, it is geared at increasing the value of delivery entitlements and promoting productive water use in the footprint.

### **Who is eligible for the Resource Distribution?**

Murray Irrigation customers who are currently financial and own delivery entitlements

### **How can I access the Resource Distribution?**

Murray Irrigation will credit water allocated to eligible customers accounts when the benefit is announced.

### **When will the Resource Distribution be released?**

Since it is cumulative and progressive, it is typically announced when these savings are realised later in the season.

## **Water Users Credit**

### **What is the Water Users Credit?**

The Water Users Credit, formerly the Compliant Meter Credit, is a five percent per-megalitre credit applied to water accounts based on each megalitre delivered on farm through a compliant outlet.

### **Who is eligible for the Water Users Credit?**

Murray Irrigation customers with compliant outlets. Water deliveries on behalf of the Department of Planning, Industry and Environment, WaterNSW and the Commonwealth Environmental Water Holder are not subject to the Water Users Credit.

### **How can I access the Water Users Credit benefit?**

The Water Users Credit is automatically applied to your water allocation account daily, based on imported meter readings.

### **Why does Murray Irrigation apply this benefit?**

Murray Irrigation applies the Water Users Credit to promote and reward productive on-farm water use within the footprint.

## System Innovation Product

### **What is the System Innovation Product?**

The System Innovation Product (SIP) is any initiative (internal or external) which saves water during operation of the system. The benefit of the identified water savings will be realised by commercialising the volume with the benefits used to fund any capital works relating to the initiative.

### **Who is eligible for the System Innovation Product?**

Water savings initiatives which create a reasonable payback for the initial capital outlay may be eligible for the System Innovation Product.

### **How can I purchase the water made available through the System Innovation Product?**

The volume of water will be listed for sale on the Murray Irrigation Water Exchange.

### **What volume of water is currently available?**

Murray Irrigation will commercialise 42ML in the 2021/2022 irrigation season to recover capital expenditure attributed to customer driven initiative.

For more details, visit the WaterWell section on Murray Irrigation's website or contact Customer Support on T. 1300 138 265.