



ERA Application Process.

Applicant Details

Applicant Details	
Name	Aquasol Pty Ltd
Registered Office (if a Corporation)	82-86 Beringarra Ave. Malaga WA 6090
Principal Place of Business (if different from Registered Office)	Same as above.

Contact Details	
Contact Name	Francisca Haro
Mail Address	82-86 Beringarra Ave, Malaga 6090.
Email	f.haro@aquasol.com.au
Telephone	08 9248 7533
Fax	08 9209 3975

Company Structure	
ABN or ACN	75 157 831 411
Legal Nature of Applicant	Private Company
Place of Incorporation	Perth Australia

Water Licences

Classification of the Water Operating Licence Application		
Type of Licence Application	Potable ✓ Irrigation ✓	
For all Water Operating Licence Classifications	Water System Length	
For all Water Operating Licence Classifications	Number of Customers	Final stage, approx. 1000 residential lots, plus 120 industrial lots.

Areas to be covered by the licence

Designated area of the Licence Application	
Specific Area and/or Address to be covered by this licence.	2.2kms south east of the Lancelin Town site
If the area covered by this licence is restricted to less than 4 Local Government Areas (LGAs) please list them here	Licence covered by : Shire of Gingin
Region(s) to be covered by this licence	Perth Metropolitan Gascoyne Goldfields-Esperance Great Southern Kimberley Mid-West ✓ Peel Pilbara South West Wheatbelt

Certification – Acknowledgement of Commitment

I declare that the information provided in this application is correct to the best of my knowledge and I am aware of the requirements under the Act for the licence being applied for and that I have the authority to make this application on behalf of the above entity.

Signed by or on behalf of the applicant.

Name: Francisca Haro

Position: Aquasol' Environmental Technical Consultant

Signed:

A black rectangular box used to redact the signature of the applicant.

Date: 10/05/2012

ECONOMIC REGULATION AUTHORITY, ERA

AQUASOL APPLICATION FORM

LANCELIN SOUTH DEVELOPMENT

**Potable and Non Potable Water Supply
Services**

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ENCLOSED DOCUMENTS, REFERENCE NUMBERS.

1. Certificate of Registration – Savage Corporation Pty Ltd
2. Savage Corporation Pty Ltd – ASIC Extract
3. Certificate of Registration – AquaRD Pty Ltd
4. AquaRD Pty Ltd – ASIC Extract
5. Certificate of Registration - Aquasol Pty Ltd
6. Aquasol Trust Deeds
7. Aquasol Business Name Extract
8. Aquasol Pty Ltd – ASIC Extract
9. AquaRD Product Catalogue 2012
10. Director Statutory Declaration
11. CONFIDENTIAL MOU, Lancelin South Development
12. Aquasol – Financial Audit Report 2011
13. Aquasol – Financial Audit Report 2010
14. Aquasol – Financial Audit Report 2008
15. Aquasol – ASIC
16. John Pascoe Signed Letter
17. CONFIDENTIAL, Proof of Funding
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19. 5 Years - Revenue, Opex and Profit
20. Sterling Accountants, Letter of Support
21. Aquasol – Financial Policy and Procedure
22. Aquasol – Training and Emergency Procedures
23. Aquasol – Safety Call Procedure
24. Aquasol – Monitoring Procedure
25. Aquasol – General Training Introduction Procedure
26. CONFIDENTIAL, Aquasol – Customer Service charter
27. DoW Approval Letter, acceptable abstraction
28. DoW Correspondence 18 April 12
29. Planning Development Approval
30. WAPC Letter - Lancelin South ODP
31. WAPC Letter
32. Aquasol's References
33. Lancelin South – Asset Register & Maintenances
34. Aquasol – Lancelin, Risk Assessment
35. Aquasol – Standards, Construction and Specifications

ELECTRICITY, GAS AND WATER LICENCES:

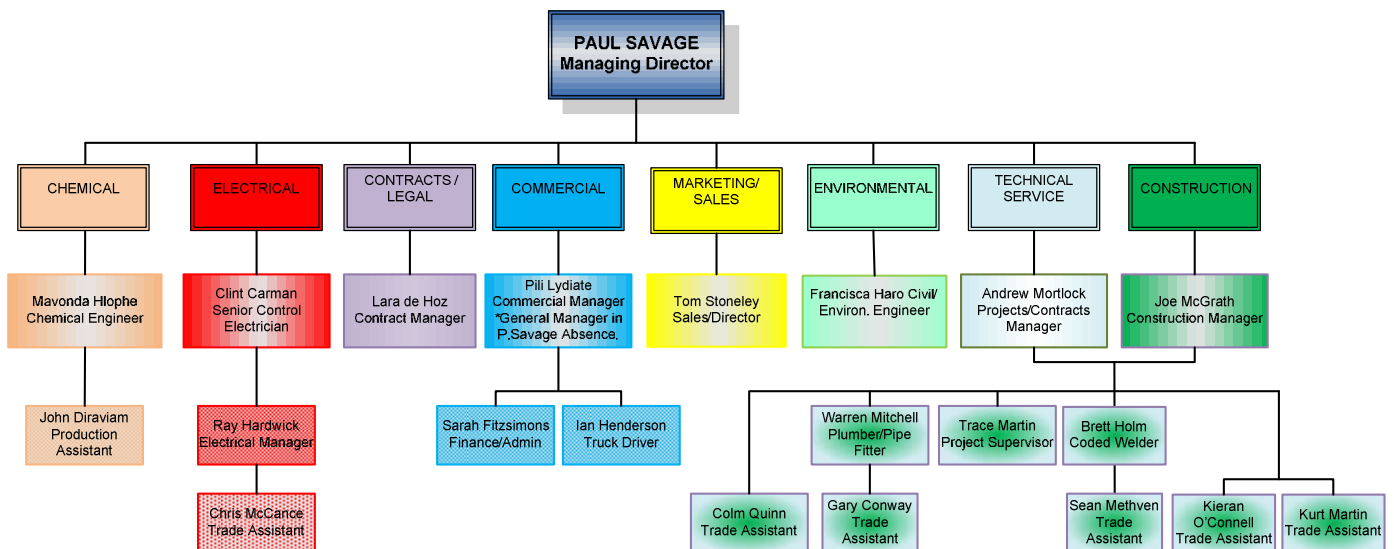
SECTION 5: Information Required for a Licence Application

5.1 Application Summary

• ***Applicant's structure and key organisational relationships.***

AQUASOL was established in 1996 to supply a much needed service in the water and waste treatment industry. Initially a water management consulting company, Aquasol has specialised and expanded into the design and construction of Water Treatment Plants and supply and manufacture of associated chemicals and consumables.

KEY PERSONEL DIAGRAM



• **Description of service**

The planning for the residential and industrial development, known as Lancelin South, is located 2.2kms south east of the Lancelin Town site.

The Lancelin South Structure Plan, Outline Development Plan and subdivision design is based on detailed investigation involving planning, environmental, engineering and ethnographic assessment. The vision for the Lancelin South development is to create a place which accords with its form and setting, and supports a variety of lifestyle opportunities for residents and visitors through a range of housing, recreation, leisure and employment opportunities.

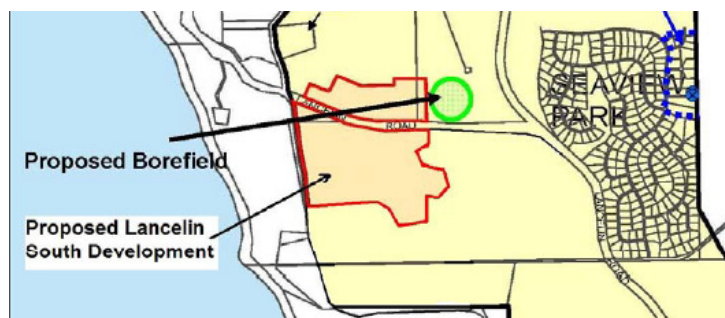
The Lancelin South Project will provide Potable and Non potable water to the residents and industrial landowners of the new development using bore water from Leederville Aquifer. This will be undertaken by water passing through a Water Filtration/Treatment Process to ensure high water quality, combined with careful consideration of guidelines and regulatory approvals for the use of treated water involving strict quality and system management control to prevent impacts on the environment and the health of the residents. The development is currently divided into 3 Phases; Phase 1 will comprise a total of 250 lots, Phase 2 will comprise 1000 lots and Phase 3 will comprise a total: 4000 lots. The water treatment plant proposed for this application will be designed for the first 2 phases, **1 & 2**, of the project. It will service approximately 1,000 residential lots and a small mixed business/industrial estate of approximately 120 lots.

Construction and operation for the final Phase 3 is planned in 4 to 5 years' time whereby the Water Treatment Plant will be modified as required to meet the additional needs.

• **A description of service infrastructure.**

In working closely with the DoW, three groundwater bores have been constructed on site; one on the Leederville aquifer for production and two more for monitoring. In accordance with hydrological bore modelling already completed, the bore system will be able to sufficiently provide a fresh water supply to the Lancelin South Development for 1000 lots comprising phases 1 and 2 and the total 4000 lots for final stage.

Water Treatment Plant is identified to be located at the existing bore site (adjacent to Lancelin Road) approximate coordinates of: 31° 02' 53" S, 115° 22' 19"E

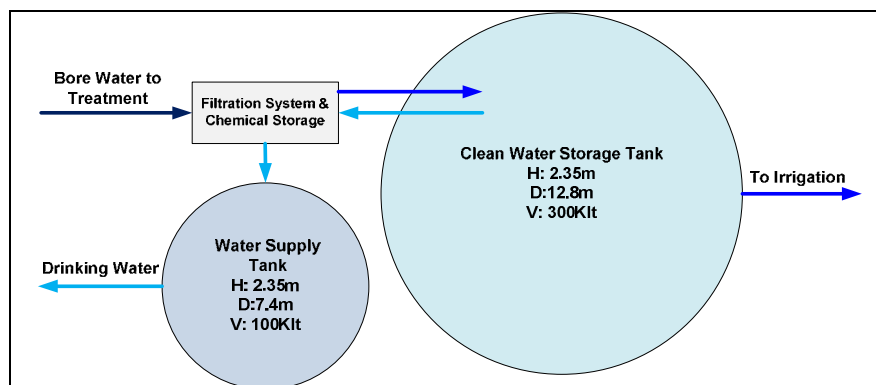


Water plant will have 2 stages; first stage will treat water for irrigation, and second stage will treat water for drinking purposes. Apparatus used in the whole process are:

1 x 100KLt Water Tank
 1 x 300KLt Water Tank
 1 x 20 Foot Sea Container & associated equipment as:

- 2 x Pressure sensor
- 5 x Flow sensor
- 2 x AQ6500 Filtration media
- 1 x Chlorine injection (chemical tank and pump dosification)
- 1 x Chlorine analyser
- 2 x Carbon filtration media
- 1 x Antiscalant injection (chemical tank and pump dosification)
- 1 x Cartridge filter
- 1 x UV sterilizer
- 4 x RO cartridges
- Water distribution and pump system

Flow Diagram of Water Treatment



- **Information on the status of other essential regulatory approvals required.**

- WAPC: Lancelin South development is forecast to be 4,000 residential lots and 122 industrial lots. Currently there has been sufficient land rezoned for 1,000 residential lots and 122 industrial lots. In accordance with WAPC's approval of the Lancelin South Structure Plan, the estate will ultimately provide a total of 4,000 residential lots.

- Local Shire and WAPC: approval has been granted to an Outline Development Plan over the 1,000 residential lots and 122 industrial lots with the base zoning being "Urban Development" that provides for Residential land with a density coding ranging from R20-R40 and a mixed business zoning for 120 lots.

- WAPC: Subdivision approval has been granted for the Phase 1. A condition of the subdivision approval requires the lots in Phase 1 to be connected to a licensed water service provider.
- DEC/EPA: During the rezoning process the DEC/EPA were closely consulted with and concessions made in accordance with EPA requests for portions of the land being developed to be ceded for Conservation Purposes and gifted to the Crown free of cost. During the subdivision approval process they recommended approval to the WAPC and did not stipulate any conditions regarding the installation of water supply infrastructure.
- DoH: application in process.

• A description of any public consultation or stakeholder engagement processes undertaken concerning the licence project.

Not Applicable, no residents or built up areas near by the Development boundaries.

5.2 Corporate Information

• Identity of the applicant

Trading Name : Aquasol Pty Ltd
ABN : 75 157 831 411
ACN : 157 831 411

• Address and contact details of the entity.

Address : 82-86 Beringarra Avenue, Malaga, WA 6090
Phone : 08 9248 7533
Fax : 08 92093975
Email : reception@aquasol.com.au

Primary contact person,

- Name of person: Paul Savage
- Position: Technical Operation Manager
- Phone number on: 08 9248 7533

Secondary contact persons,

- Name of person: Tom Stoneley
- Position: Sales & Marketing Director
- Phone number on: 0419 859 775

- Name of person: Francisca Haro
- Position: Environmental Consultant
- Phone number on: 08 9248 7533

• ***Company structure and proportions of equity held by the individuals involved.***

Aquasol's legal structure is as follows:

- Applicant's name:
Aquasol Pty Ltd
- Officers of the Company Directors:
Paul Savage
- Shareholding:
Savage Corporation Pty. Ltd. ACN 090549143 as trustee for the Savage Family Trust

Company History, foundation's dates:

- Savage Corp Pty Ltd 15th nov 1999
- Aquasol unit trust 25th june 2007
- Aqua RD 29th june 2010
- Aquasol Pty. Ltd. 17th april 2012

** Savage Corp Pty Ltd is held by Savage's family as follow:

- Paul savage: 48.36%
- Tonya Savage: 48.36%

Daughters

- Izabel Savage: 1.64%
- Lani Savage: 1.64%

• **Relevant articles of association and company registration details for the applicant and any associated or controlled entities.**

With more than 16 years on the Water Treatment field, Aquasol has expanded its horizons with the development of new projects and companies. Currently, the Aquasol group has a few associated entities, but no articles of association.

In documents enclosed you could find the registrations of all the companies, as well all documents mentioned above:

- 1. - Certificate of Registration - Savage Corporation Pty Ltd
- 2. - Savage Corporation Pty Ltd - ASIC Extract
- 3. - Certificate of Registration - AquaRD Pty Ltd

- 4. - AquaRD Pty Ltd - ASIC Extract
- 5. - Certificate of Registration - Aquasol Pty Ltd
- 6. - Aquasol Trust Deeds
- 7. - Aquasol Business Name Extract
- 8. - Aquasol Pty Ltd - ASIC Extract

** AquaRD is a standalone company whose shares are owned by AQ Environmental Pty Ltd ATF the Aquasol Unit Trust being the research and developing department of Aquasol focused on upgrading technology, equipment, new treatment processes, etc. A constant update and development, allows the company to be more competitive and efficient on national and international markets. For more details please refer to the attached "9. - AquaRD Product Catalogue 2012" in the documents enclosed.

** As a future business, Aquasol is intending to create a new Company called AQTanks together with Onedex Communication. AQTanks is oriented to the manufacture of galvanized tanks for water treatment, storage tanks, sewage tanks, etc.

Standard galvanized water tank



• **A list of all company directors or principals of the applicant.**

Company directors & principals

Paul Savage: Aquasol's Managing Director
 Tonya Savage: Aquasol's Managing Director

Management Team

Mavonda Hlophe
 Clint Carman
 Pili Lydiate
 Tom Stoneley
 Francisca Haro
 Andrew Mortlock
 Joe McGrath

Department

Chemical Department
 Electrical
 Commercial
 Marketing Sales
 Environmental Area
 Contract / Service
 Construction

Function in company

Chemical Engineer
 Electrician Senior Control
 Commercial Manager
 Sales Director
 Environmental Engineer
 Project/ Contract Manager
 Construction Manager

- **Statutory declaration from the company directors that they have not been or disqualified under the Corporations Act 2001 (Cwlth) from managing corporations.**

Please refer to "10.- Director Statutory Declaration" in documents enclosed.

- ***Entity's profile, date of foundation, history, employee numbers and a description of the entity's core activities.***

Aquasol:

Aquasol was formed to provide a quality Water Management Consulting and Water Reuse Service with associated Chemical Supply.

With 25 local staff based in Western Australia and Agents/Staff in VIC, SYD, QLD, Chile, USA and Indonesia we are expanding globally to fill a niche market offering our clients a complete package approach to water treatment solutions.

Our strategy of providing Concept to Completion service has enabled us to build relationships with our clients that have ensured our growth and capabilities.

- Industry Experience

Industries which have utilised our expertise and products have included:

- Ferric Sulphate Clients –BHPB; Orica; Coogee Chemicals; Sigma Chemicals
- Pulp and Paper Processing Plants – Australian Plantation Export Co; Fulghum Industries SA; Hansol PI Bunbury
- Mining Operations - St Barbara Mines; Catalpa ; BHPB; Regis ; Citadel; Barrick; Pangea; Plutonic; Talison;
- Potable water supply, Sewerage and Effluent Treatment – Water Corp WA; Local Govt WA & Qld; ATCO Power
- Construction Industry Dewatering Plants – Mobile Dewatering; Pioneer Road Services;
- Food Processing Plants – Margaret River Dairy; Bartter Ind's; Inghams

- Water Treatment Services

Aquasol specialise in all aspects of water treatment services, namely:

- Reverse Osmosis Systems
- Waste Water Treatment / Recycling
- Sewerage Treatment Plants, Nitrogen Removal
- Dewatering Plants
- Water Treatment Chemicals – Ferric Sulphate Facility (10,000 tonne per annum)
- Iron and Heavy Metal Removal
- Electrolysis Chlorine Generation (offering a low cost alternative to liquid chlorine)

- Innovation & New Process Developments

Aquasol is dedicated to new developments including the launch of a new chlorination system that uses electricity to generate chlorine from fresh water, avoiding using liquid chlorine or gas in water treatment systems.

Aquasol also developed patent pending an innovative and exciting new process to rapidly remove total nitrogen out of waste water in less than 1 minute contact time.

- OHS and Environmental Policies:

Aquasol is Occupational Health and Safety compliant and have in place Environmental Policies and Procedures that are implemented throughout the company on all of our construction sites.

• ***Associated and/or controlled entities.***

Not applicable, there are no external entities controlled/associated by Aquasol concerning this project.

• ***A description that specifies any degree of control exercised by associated entities over the applicant and how that control is exercised. The application should include detailed information on any other entity the applicant intends to rely on to provide staff, services or resources to the licensed service.***

The following sections constitute a scope of the proposed transaction and structure detailed on the confidential Memorandum of Understanding (MOU) between Aquasol and Lancelin South Development. For complete information, please refer to "11.- CONFIDENTIAL-MOU, Lancelin South Development" in documents enclosed.

- The developer of Lancelin South, Lancelin South Pty Ltd agrees to fund the capital cost of the project as well as supply the necessary land at no charge that has been allocated to the project.
- Aquasol Pty Ltd is to make formal application as the water service provider for the Lancelin South development. Lancelin South Pty Ltd is to make available any and all information requested by Aquasol to comply with the applications requirements.
- Costs associated with the application are the responsibility of the individual entity making the application.
- In the event the application is unsuccessful, Lancelin South will reimburse Aquasol for the work and labour provided to date on the application process.
- Lancelin South Pty Ltd agrees to underwrite the operational net losses to the Water Service Provider incurred on the project until the project income stream breaks even or starts making an operational profit.
- Once the project returns an operational profit, 20% of the profit will be paid to Lancelin South Pty Ltd as repayment for the value of the WTP infrastructure and the incurred operating losses.

5.3 Financial information

- ***The most recent audited general purpose financial report (with accounts) that complies with the Australian Accounting Standards Board (AASB) Standards, including the auditor's report.***

Please refer to "12.- Aquasol - Financial Audit Report 2011" in documents enclosed.

- **Financial reports for the last three years, which should be provided together with the Auditor's report, the Director's report and the Director's(s) declaration.**

Please refer to "13.- Aquasol - Financial Audit Report 2010-2009 and 14.- Aquasol - Financial Audit Report 2008" in documents enclosed.

- **In the case of new entities, which cannot provide financial and auditor's reports, financial information should be provided (such as interim accounts) to demonstrate that they have an acceptable financial standing/capacity commensurate with their potential financial exposure.**

Not Applicable, Aquasol is an entity with more than 16 years on the water treatment field

- **If the applicant is a subsidiary company, audited general purpose financial reports should be provided that comply with the AASB Standards or AAS for the parent company(s) for the past 3 years.**

Not Applicable, Aquasol is not a subsidiary company

- **A copy of documents submitted to ASIC under chapter 2M of the *Corporations Act 2001* (Cwlth) over the past three years.**

Please refer to "15.- Aquasol - ASIC doc" in documents enclosed.

- **Evidence of long and/or short term credit rating/s from a ratings agency.**

Not Applicable, Aquasol doesn't have any type of credit.

- **A description to the extent to which any financial obligations of the applicant are guaranteed by other group companies. A copy of guarantee agreements should be attached to the application.**

JB Mathews representing Lancelin South Group will finance the entire capital costs of the project and will subsidise the shortfall in operating costs associated with the provision of the service. Financial obligation mentioned in the confidential MOU, as outlined above.

- *The developer of Lancelin South, Lancelin South Pty Ltd agrees to fund the capital cost of the project as well as supply the necessary land at no charge that has been allocated to the project.*

• **The contractual arrangements (e.g. alliance contracts, associate contracts, establishment contracts) that define relationships within the group including shared resources, guarantees, revenue flows, obligations and/or responsibilities.**

Please refer to the scope of the confidential MOU between Aquasol and Lancelin South Development mentioned at the end of dot 5.2 above.

• **A written declaration from an independent auditor or your principal financial institution stating that:**

For the following requirements, please refer to “16.- John Pascoe Signed Letter” in documents enclosed.

- **an insolvency official has not been appointed in respect of the business or any property of the business;**
- **no application or order has been made, or resolution has been passed or steps have been taken to pass a resolution, for the winding up or dissolution of the business; and**
- **the applicant is unaware of any other factor that would impede their ability to finance the activities required by the licence.**

• **A declaration is required (where relevant) specifying the lenders financing the application proposal and the type of funding obtained including any secured funding, mezzanine debt, vendor finance or venture capital obtained.**

Not applicable, no loans associated.

• **Details of any bank guarantees.**

Not applicable, no bank guarantees associated

• **Evidence that the applicant is able to finance the assets and investment necessary to undertake the activities to which the licence relates.**

Please refer to the scope of the confidential MOU previously mentioned considering the developer is financing the capital cost of the project and operating costs. See CONFIDENTIAL proof that the developer, J.B. Matthews', has the necessary funds to undertake this construction in the documents enclosed item 17 & 18.

- **Projected revenue and expenditure figures for at least 5 years, or the life of the project, for the provision of services sufficient to demonstrate the financial security and feasibility for the activities to which the licence relates. This forecast should highlight all key assumptions and risks, along with all relevant risk management strategies.**

For the 5 years projected revenue and expenditure figures please refer to “19.- 5 Years - Revenue, Opex and Profit” in documents enclosed.

Regarding to the risk management strategies, the two main revenue-side risk management strategies are:

- ✓ The financial backing of the developer to ensure project does not incur losses, and
- ✓ A fixed charge component in the prices to protect revenue against demand fluctuations. Please check attached “19.- 5 Years - Revenue, Opex and Profit”, “30.- Lancelin South - Asset Register & Maintenances”, “31.- Aquasol-Lancelin, Risk Assessment” in documents enclosed.

Project’s underlying assumptions are based on number of lots, water demand (potable and non potable), power consumption, chemical usage and fixed costs, see details as follow:

- Water usage based on,
 - Water Consumption of approximately 350 to 300Klt/Lot-year (external + internal on summer time).
 - Drinking water consumption of: 120[Lt/person a day]
 - Irrigation water consumption of: 600 [Lt/Lot a day]

- Residents and lot,

TOTALS, Years	2014	2015	2016	2017	2018
Total Residential Lots	100	300	600	900	1000
Total Industrial Lots	0	20	40	80	120
Total lots	100	320	640	980	1120

EP Residential	2.9
EP Industrial	1.8
Hydraulic Load [Lt/EP-day]	120

Yearly Consumption Summer time	2014	2015	2016	2017	2018
Total Drinking & Irrigation [Klt/year]	34,602	109,763	219,526	335,245	381,761
Yearly Consumption Winter time					
Total Drinking & Irrigation [Klt/year]	12,702	39,683	79,366	120,625	136,481

- Chemical usage, based on water consumption:

Chemicals	Irrigation Dosing [ppm]	Drinking Dosing [ppm]	Price
A135 Antiscalant	-	50	\$12.00 per litre
A3000 Chlorine	30	1	\$1.00 per litre

	2014	2015	2016	2017	2018
Total cost Year	\$8,229.17	\$25,733.64	\$51,467.27	\$78,247.04	\$88,568.47

➤ Power consumption:

Cost Item	Kw	Use Rate	Hrs Op/Day	Kw/Day	Cost Day	Cost Yr
Bore Pump M1	2	80%	19.2	38.4	\$11.52	\$4,204.80
Pump M2 / M3	2	80%	19.2	38.4	\$11.52	\$4,204.80
Pump M4 / M5	1.5	80%	19.2	28.8	\$8.64	\$3,153.60
Pump M6	3	80%	19.2	57.6	\$17.28	\$6,307.20
Dosing Pump M7	0.5	90%	21.6	10.8	\$3.24	\$1,182.60
Dosing Pump M8	0.5	90%	21.6	10.8	\$3.24	\$1,182.60
Dosing Pump M9	0.5	80%	19.2	9.6	\$2.88	\$1,051.20
UV Lamps	1.5	100%	24	36	\$10.80	\$3,942.00
Irrigation System						\$25,228.80
Total Power Cost					\$69.12	\$50,458

➤ Fixed Costs, based on maintenance and plant operation

Fixed Costs / Year			2013	2014 and so on
Lab Analysis	52 x	\$500	\$26,000	\$26,000
Maintenance	12 x	\$1,500	\$18,000	\$18,000
Call Outs	12 x	\$600	0	\$7,200
Desludge	6 x	\$2,500	0	\$15,000
SMS service			0	\$2,000
Reporting	12 x	\$150	\$1,800	\$1,800
Environmental Reporting a year			\$3,000	\$5,000
Plan Management a year			\$3,000	\$5,000
Maintenance Equip.				\$10,000
Capital Replacement Contingency Fund				\$2,800
Contingency 10%				\$9,000
Totals			\$51,800	\$101,800

- Evidence including third party comments supporting the past, present and future financial position of the applicant.

Please refer to “20.- Sterling Accountants Letter of Support” in documents enclosed.

- Copies of the entity’s financial policies, including the applicant’s accounting policies, internal and external auditing policies, risk management policies and internal control procedures.

Please refer to “21.- Aquasol - Financial Policy and Procedures” in documents enclosed.
For internal control procedures, refer to, “22.- Aquasol - Training and Emergency Procedures”, “23.- Aquasol - Safety Call Procedure”, “24.- Aquasol - Monitoring Procedure” & “25.- Aquasol - General Training Introduction Procedure”

- **Where relevant, the applicant's pricing policies, methods and procedures.**

For methods and policies procedures please refer to our "26.- CONFIDENTIAL, Customer Service Charter" in documents enclosed.

In the first instance, it is intended that prices will be set at a rate of \$■■■■ per kilolitre for Potable Water and \$■■■■ per kilolitre for Non Potable Water, plus a flat charge of \$■■■■ per Lot per year. These prices have been developed with reference to Water Corporation charges in Lancelin and the internal costs of operating and maintaining the infrastructure, plus the cost of administering the services. Prices will subsequently be indexed by CPI each year. Prices may be modified if costs are determined to be higher than initially forecast or if the average cost across increases as the scheme expands over time.

- **The intended services and markets and the nature of the business activities to be undertaken by the applicant.**

The intention of the project is to service the Lancelin South development with Potable drinking water and outdoor Non-potable water. The applicant intends to be the Potable and Non-potable Water Service Provider for the development on phases I & II.

5.4 Technical information

- **A description of the physical environment of the proposed activity and its immediate vicinity, including all land and areas affected by the proposed application**

The majority of the development site, south of Lancelin Road, is currently used for grazing purposes. The northern portion of the development site, i.e. north of Lancelin Road, has previously been used for cattle grazing. The developer of Lancelin South owns these large tracts of land. In addition to livestock grazing, limesand is currently extracted from a number of sand dunes located to the west and south of the subject land.

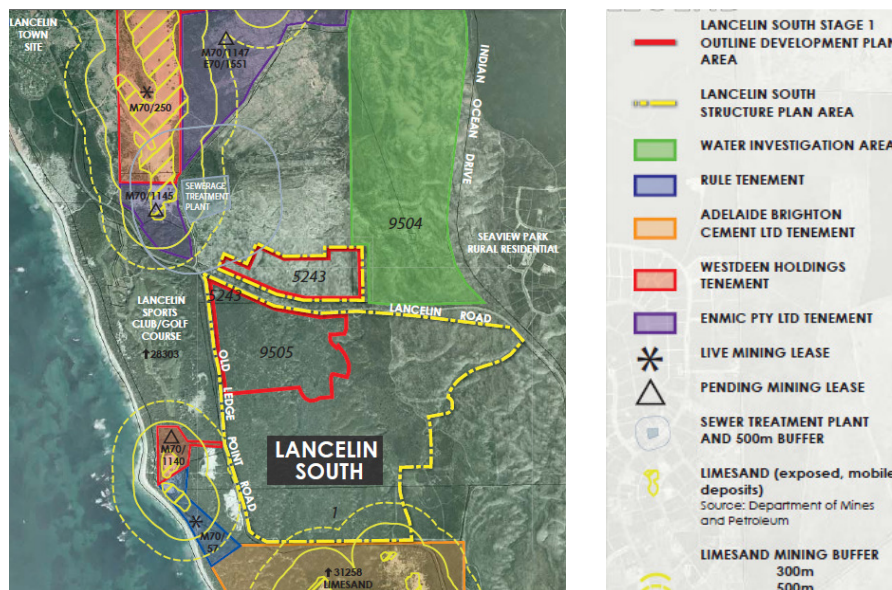
The Lancelin South development site is located 128 km north of Perth (Figure 1-1). The nearest towns include Lancelin (2.2 km) and Ledge Point (3.5 km). The town enjoys a seasonal population but maintains a core population of approximately 600 people.

Lancelin faces west to the Indian Ocean, with the local beaches protected by several small islands. Massive sand hills surround the town. The undulating site rises from approximately 5 m AHD in the west through two parallel north-south sand dunes and swales before reaching a continuous incline approximately 1.5 km from the eastern boundary that reaches a maximum of 70 m AHD within the development site.

There are three main dune systems on the Swan Coastal Plain, aligned parallel to the coastline as a result of aeolian deposits. In order of age and distance from the coast these are the Quindalup, Spearwood and Bassendean Dune Systems. Each of these systems is differentiated by their topography and soil profiles.

The development site lies within the Quindalup Dune System, which consists of calcareous sands that form beach ridges and parabolic dunes. The Quindalup Dune System is further subdivided into soil units, and four phases based on age and landform.

Site and Surrounding Land Uses

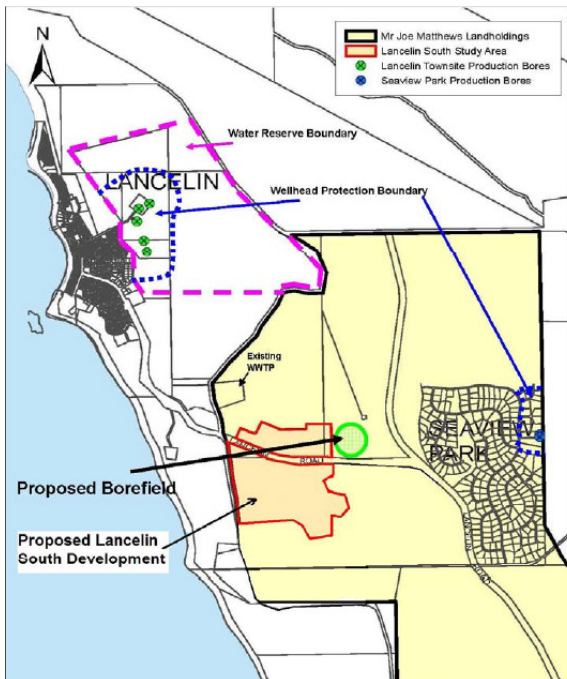


• A description of the relevant supply infrastructure and any interconnected infrastructure systems.

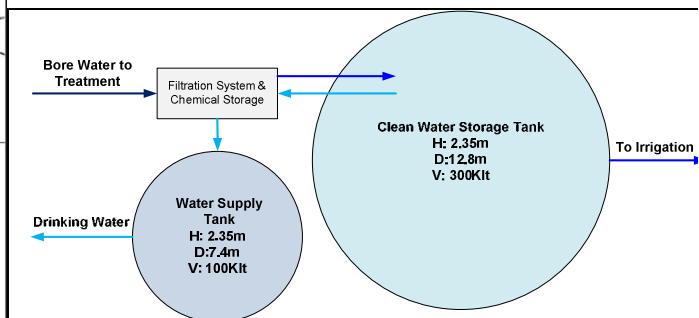
To date, three groundwater bores are constructed on site; one on the Leederville aquifer for production and two more for monitoring. Hydraulic bore tests and water quality tests showed that the bore can sufficiently provide fresh water supply to the Lancelin South Development for phases 1 and 2 of 1000 lots and the total 4000 lots for final phase.

In the deliverables phase, the proposed site location for the Water Treatment Plant is identified to be located at the existing bore site (adjacent to Lancelin Road). It is proposed that the potable water shall be supplied via gravity system from 1600 metres of DN 250 HDPE (polyethylene) PN16 along Lancelin Road Reserve.

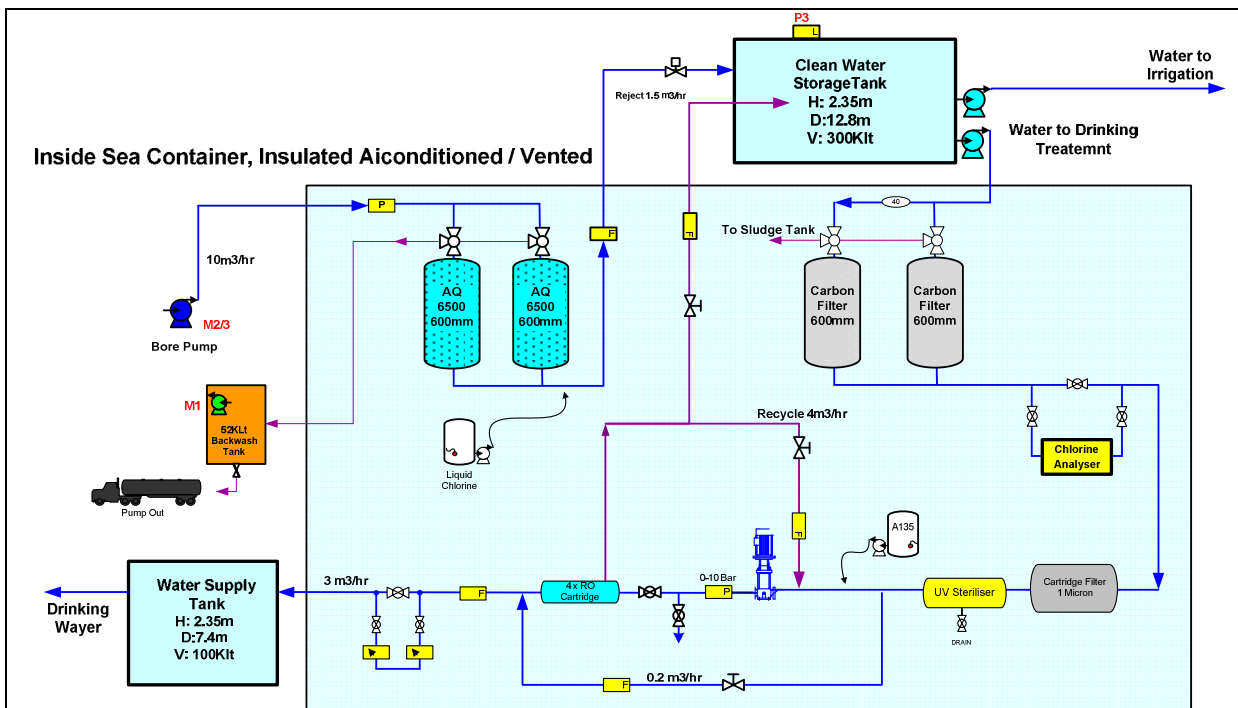
Bore Location



Treatment System



Process Description



- Where applicable, information about supply connection to networks or customers, including, details of the network connection and actual or estimated number of customers by type (e.g. industrial, commercial, and residential).

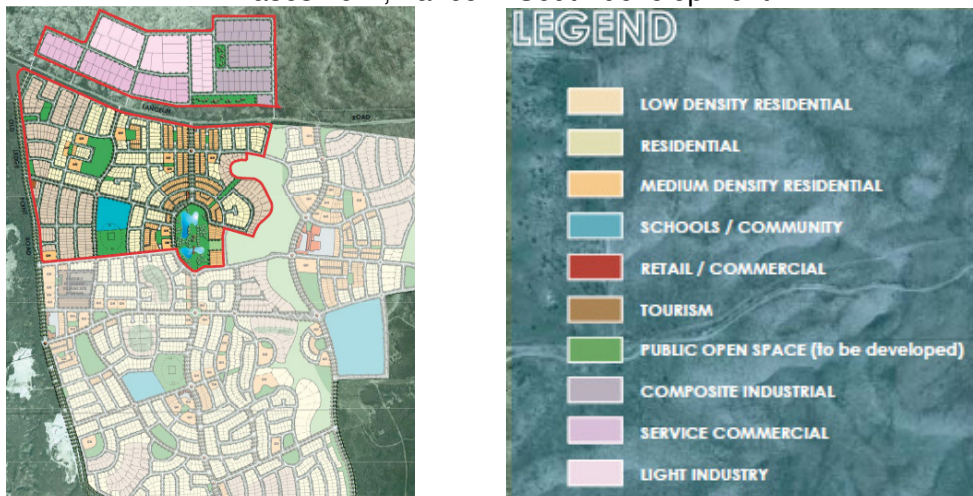
Network connection will be arranged to supply a drinking system to each housing-lot, and also to provide with an irrigation pipeline system for green areas surrounding the development.

Forecasts of annual maximum demand for each of the next 5 years for phases I & II are listed below:

Year	New Development	Industrial Development	Total
2012	100		100
2013	200	20	320
2014	300	20	640
2015	300	40	980
2016	100	40	1120

** Numbers are indicative based on lot sales and are based on what has currently been zoned for urban purposes.

Phases I & II, Lancelin South development



- Where applicable, details of the actual or proposed metering arrangements, for the proposed service, including:

- agreements with network service providers;
Not applicable, Aquasol will provide the totality of the services.
- agreements with metering agents; and
Not applicable, Aquasol will manage metering planning

➤ arrangements for dealing with metering complaints and queries.

All service specifications, including arrangements for handling complaints and queries, are detailed in the Customer Service Charter.

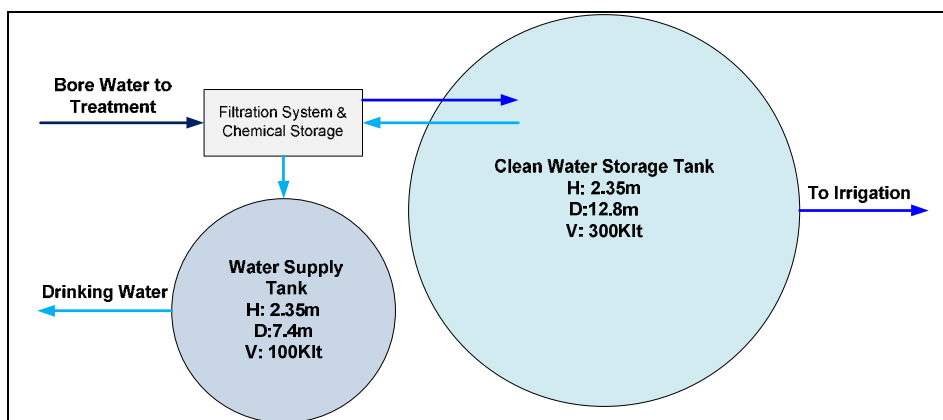
• **A description of the service system (note: electricity measured in MW, gas measured in terajoules and water measured in ML).**

The project will treat bore water from the Leederville Aquifer to provide Potable and Non-potable water to the Lancelin South Development (phases I & II) up to 1000 residential lots and 120 industrial lots.

It is forecasted that water consumption will vary depending on the number of customers in residential & industrial lots, following increasing as below:

TOTALS, Years	2014	2015	2016	2017	2018
Total Residential Lots	100	300	600	900	1000
Total Industrial Lots	0	20	40	80	120

Water Treatment for Potable and Non-potable purposes will follow the process below; water for non-potable irrigation will pass through a filtration system before being used on green areas, while potable drinking water will pass through a second filtration stage to ensure water quality meets all required regulations and guidelines to be followed from the Department of Health listed on the “Model Drinking Water Quality Management Plan”.



Treatment stages are:

- First Filtration System → Holding Tank → Irrigation water ready to use
- Second Filtration System → Water Supply Tank → Drinking water ready to use

The Water Treatment plant will be automatic, requiring some maintenance to replace the chemical drums, compile data logged information and undertake sampling.

- **If the applicant proposes to provide water services, provide a copy of the applicant's Customer Service Charter.**

Please refer to "26.- CONFIDENTIAL, Customer Service Charter" in documents enclosed.

- **Where applicable, provide evidence of a commitment to remain or become a member of an approved Ombudsman scheme and to be bound by any decisions of such an Ombudsman (applies to electricity and gas retail, trading and distribution licences).**

Not applicable, Aquasol doesn't have any commitment to remain or become a member of an approved Ombudsman.

- **Where applicable, provide evidence of compliance with relevant supply industry methods, quality, standards and codes including compliance with relevant consumer protection arrangements including:**

- The terms and conditions of any proposed standard customer contract.

For terms and conditions, please refer to the "26.- CONFIDENTIAL, Customer Service Charter".

- A description on how customer accounts will be managed.

Aquasol will issue accounts 4 times each year that are due for payment on 31st of January; 30th of April; 31st July; and 31st October. Each customer will be provided with a reference number used for payment and enquiries purposes

AQ will accept payment from customers:

- Electronic Fund Transfers EFT
 - By direct debit arrangement in accordance with an a previous agreement
 - In advance using any of the methods described before.
 - Bpay
- Provide details on customer information provision policies (e.g. tariffs, fees and charges), customer service charters, customer consultation processes, account enquiries processes, payment arrangements and hardship policies and procedures, complaints and dispute resolution processes, account termination procedures and customer performance measures.

Please refer to Customer Service Charter, for:

- Account enquiries, following details in "Contact us' and checking www.aquasol.com.au
- Payment arrangements
- Hardship policies and procedures, following 'Hardship Policy & Flexible Payment Plans'
- Complains and dispute, following 'Customer Enquiries'

- Provide information on the customer information management systems used by the applicant.

Account Information Management will provide comprehensive end-user data integration for:

- Location information management
- Billing account management (billing addresses, etc.)

As well as, customer account history

- Record of payments
- Record delayed payments
- Preferred communication

For the first stages of the development, Aquasol will manage customer information manually in an internal data base; for future increase in customers, Aquasol will update the management for an automatic system.

- A description and written evidence of environmental, planning and public health approvals, permits or licences.

Department of Health (DoH): the DoH application is in progress. As both potable and non-potable water are sourced from a low risk aquifer, we do not anticipate any impediments to this application. We understand that an MOU with DOH is required within 6 months of obtaining the Water Services Licence.

Department of Water: In their letter of 29 July 2010 (see attached items 27 and 28 in documents enclosed), the Department of Water confirmed that *'...the department has assessed the H3 Hydrogeological Report submitted on July 5, 2010. The report provides sufficient information to deem the abstraction of 470,000 kilolitres from the Leederville aquifer acceptable, should the licence be issued.'* On 1 February 2012 the Department of Water also approved a Water Resource Management Operation Strategy (WRMOS) for Lancelin South, which was submitted by the Water Corporation. For commercial reasons, Water Corporation is no longer the developer's preferred water service provider, however the core elements of the WRMOS will remain unchanged regardless of the service provider. As you would be aware, the Department of Water will not formally issue a Licence to Take Water under Section 5C of the Rights in Water Irrigation Act 1914 until a water service provider has been secured, Therefore formal issue of the licence will only take place after the ERA has approved a Water Service Licence for the developer's preferred water service provider.

Planning: As previously discussed, all Western Australian Planning Commission planning approvals have been granted for the subdivision. This has enabled all site works to commence.

Please find attached extra planning approvals:

The Gazettal notice that actually advises that Lancelin South was rezoned from Rural to Urban Development and Conservation. This document required full DEC environmental approval and enables an Outline Development Plan and subsequent subdivision application to be approved. "29.- Planning Development Approval"

The letter from the WAPC advising the ODP has been approved for 176ha of land to enable the residential and industrial development of the land. With this approval it enables a subdivision application to be approved. "30.- WAPC Letter - Lancelin South ODP"

The subdivision approval issued by the WAPC for the first stage of development comprising 24 Industrial Lots and 207 Residential lots. This subdivision approval permits site works to commence and is in a sense also an approval to clear vegetation, "31.- WAPC Letter".

- **A detailed construction schedule of all proposed construction activities including proposed commencement and completion dates of the construction activities and commissioning of works. Construction activities must specify the location of any areas to be temporarily or permanently affected by such activities**

Total timeframe for construction will be approximately 2 months, see diagram below.

	Month 1				Month 2			
	1	2	3	4	5	6	7	8
PROJECT SCHEDULE								
Parts Frabrication off site								
Tank + Pipe Work Installations								
Pump Station								
Electrcial Install								
Hydrostatic Testing								
Commissioning								

** Dates of commencement will depend on the approval process

- ***A description of the applicant's prior experience and/or appropriate training related to the nature of the proposed activity.***

Aquasol, will manage all aspects of the Water Treatment Plant; past experiences in similar projects are detailed as follow, for more details please refer to "32.- Aquasol references" in document attached:

- National Lifestyle Villages Tuart Lakes ABN 20 089 174 845 , Rockingham; 2009. Aquasol constructed and commissioned a Waste Water Treatment Plant and Recycling System for approximately 113[m3/day], with DoH, DEC and ERA applications approved.
- Parry House, Retirement Centre Lesmurdie; Aquasol constructed a Waste Water Treatment Plant and a Recycling System, with local shire & DoH Approval 11.7[m3/day]; 2011. Plant provided water treatment for approximately 65EP, in an area with no sewerage connection. Final usage for treated water is to irrigate green area near by the Centre.
- Catalpa Resources, Westonia Village Sewage Waste Water Recycle System, 50[m3/day], 2009, for the supply of a gravity fed Waste Water Treatment Plant for the Edna May Operation Accommodation Village.

- WA Sewage Project Waste Water Treatment & Irrigation Plant, Hazelmere WA 117[m3/day]. At present, ERA, DEC & DoH in progress. Aquasol and G&G Corporation created a joint venture to provide water treatment to a Lifestyle Village, owned by G&G Corp, and where sewerage connections are not yet available.

• A listing of the key personnel used to install and/or operate and/or maintain the supply of water services with a summary of the key qualifications of the key personnel

Aquasol's Key Professional Personnel

Paul Savage

- Technical Director
- Bachelor App Sc – Chem Tech – Queensland University of Technology
- 26 years experience in Water Industry
- 14 years experience designing / building Waste Water Recycle Equipment such as Aerobic Treatment Plants, ASR,SBR, DAF/IAF, Clarifiers, Reverse Osmosis Units, and Ozone systems.
- Basic PLC program skills, Basic computer program skills
- Minor language skills Indonesian, Mandarin

Clint Cartman

- Electrical Process Control Manager
- Building and programming electrical boards
- Design and installation of control systems
- PLC Programming
- Project Design & Commissioning
- Training/Mentoring Electrical Apprentices
- Purchasing /stock control

Andrew Mortlock

- 3 years experience with Aquasol as Technical Manager
- 2 years with Alldos (Now Grundfos) as Technical Manager for Dosing / Analyser Equipment
- 10 Years experience with Aquarius Technologies as Technical Manager for Dosing / Analyser Equipment
- Trained in PLC programming Block and ladder languages.
- Formal electronics qualifications obtained with Royal Australian Navy

Francisca Haro

- Technical Consultant
- BSc Civil and Environmental Engineer Trained in Chile
- Water Treatment Engineer 1yr experience
- Multilingual English, Spanish, Basic Portuguese.

Mavondo Hlophe

- Production Manager
- South African trained BSc Chem Eng, currently studying MSc Chem Eng in Perth
- Responsible for Chemical Production, Process Design
- Water Treatment Service and design experience 2 years

Pili Lydiate

- Commercial Manager
- Responsible for Admin, HR, Safety, Internal Sales, Distribution
- Bilingual- English , Spanish

• ***The applicant's policy on the use of sub-contractors.***

No subcontractor will be required.

• ***Details of any relevant licences or approvals held by the applicant for the supply of water services in Western Australia or elsewhere.***

The water demand for the Lancelin South development has been established based on the Water Corporation's Domestic Water Use Study (Loh and Coghlan, 2003). Following water supply investigations and consultation with the Department of Water, the Leederville aquifer has been identified as the potable & non-potable water source for Lancelin South. Field results confirm that the upper Leederville aquifer is a high-yielding aquifer that can provide water of sufficient quality and quantity for the development. Results from various pumping tests have demonstrated that the impact of groundwater abstraction from the Leederville aquifer on the watertable and the environment are minimal.

The pumping test results have also shown that the abstraction from the Leederville aquifer has a very limited drawdown impact on the Leederville aquifer. The water quality and quantity are stable over the pumping period, and the water level recovers fully within one hour. These results demonstrated that the proposed groundwater abstraction from the Leederville aquifer is sustainable.

A Drinking Water Source Protection Assessment (DWSPA) has been carried out for the Leederville aquifer production bore. The DWSPA assessment concluded that the production bore is considered to have negligible water quality risk from the land use and any other contamination source; and that there is no need for a local Public Drinking Water Source Area (PDWSA) or Wellhead Protection Zone (WHPZ).

Regarding specific regulations for drinking purposes, an application to the Department of Health (DoH) is being developed together with this application. As required by the ERA, a Memorandum of Understanding with DoH will be obtained within six months of obtaining the Water Services Licence.

• If the applicant intends to rely on another entity to provide staff and resources, the applicant should provide a summary of the relationship between the applicant and this entity. This should include evidence of agreements to provide services and a summary of this other entity's experience in and knowledge of the industry and technical capacity to meet the relevant requirements of the licence.

Not applicable, Aquasol will provide all staff required to manage Lancelin South Development

• A detailed description of the asset management system is required and including:

➤ The measures to be taken by the applicant for the proper maintenance of assets used in the provision of water services and for undertaking maintenance and operation of any works.

Please refer to "33.- Lancelin- Asset Register & Maintenances" in the documents enclosed.

➤ A description of the existing or proposed asset registers, risk assessments, asset management plans, quality management systems, construction standards, maintenance manuals/plans/schedules, asset management information systems and data management.

Please refer to "34.- Aquasol – Lancelin Risk Assessments", "35.- Aquasol – Standards, Construction and Specifications", "33.- Lancelin Asset Register & Maintenances" in documents enclosed. A comprehensive maintenance manual will be developed and can be provided when the project is approved.