Public Consultation on Lake Nicaragua

24 September 2015





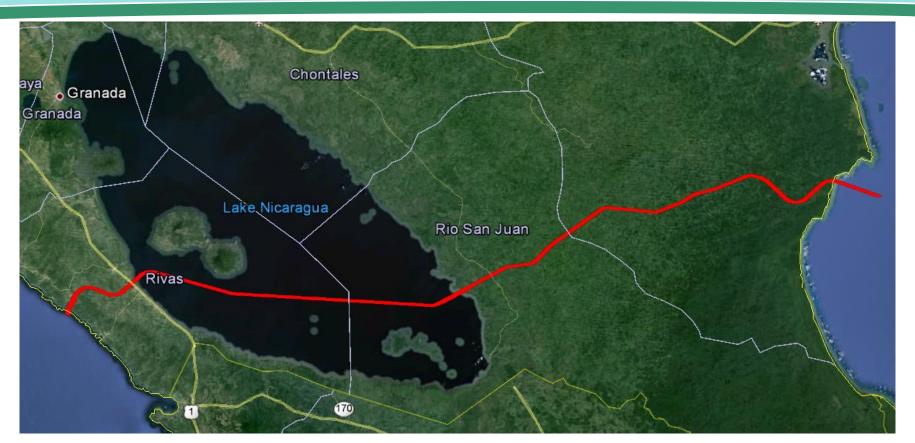
K.W.PANG Executive Vice President

Introduction

Lake Nicaragua is a critical element of the Project
 HKND is fully aware of the issues with the Lake & people's concern about the Canal's impact on the Lake
 HKND believes that all risks can be successfully managed
 Further detailed technical studies will be undertaken to ensure that the final Project design will protect the Lake



Major Fresh Water Source



International community's greatest concern on the Lake are:

- Water balance
- Salt intrusion

- Sediment increases
- Seismic hazards
- Security of the Locks
- Toxic material spill



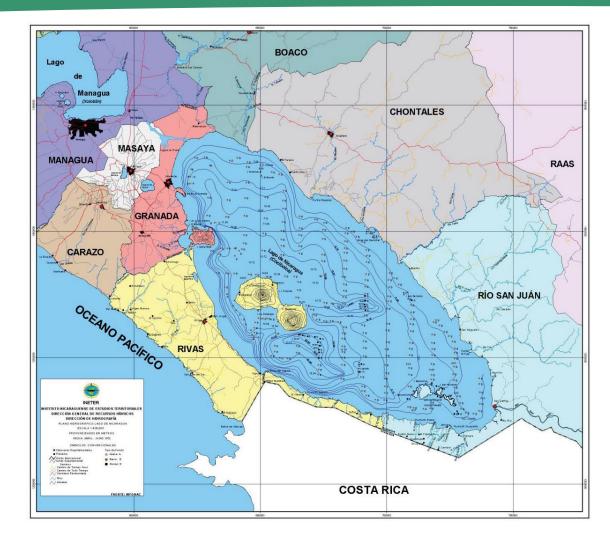
Current Situation of the Lake

The lake is deteriorating even without the Canal:

- Increase in Sedimentation
- Water quality is getting worse
- Reduced water inflows causing lake level to drop
- More water consumption due to social usage
- Climate change will impact the lake further even without the canal



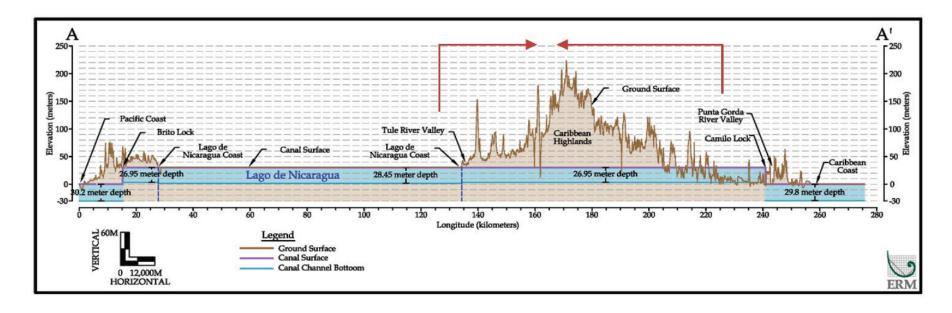
Water Balance



- Impact of Canal on
 Water Balance is major
 concern
- With the Canal there will be NO NET USE OF LAKE NICARAGUA WATER
- Water usage is made up by diverting Rio
 Punta Gorda water into
 Lake
- With Canal, Lake water levels can be maintained to reflect current levels fluctuations



Water System of Canal



- Canal will use water from the Punta Gorda watershed that currently flows into the Caribbean
- Agua Zarca Reservoir will store additional water for El Nino events & climate change
- Water diverted from east to west will maintain Lake water levels.

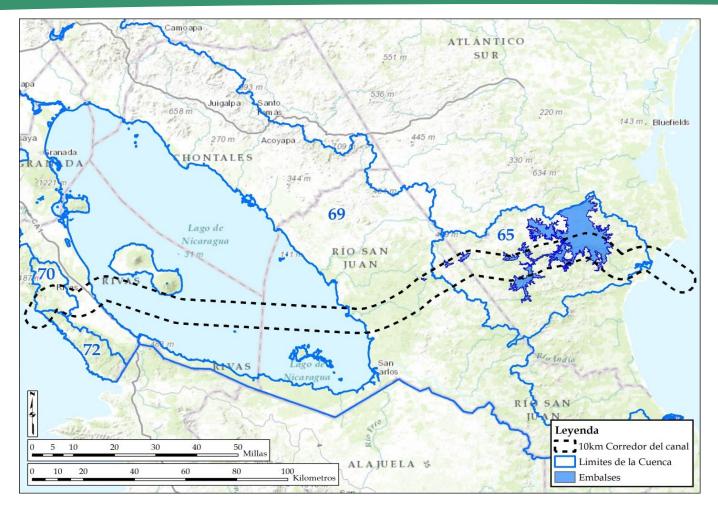
Aspect	Units	Value
Average annual evaporation rate	mm/year	2,389
Average annual precipitation	mm/year	2,229
Calculated total annual outflow	10 ⁶ m ³ /year	12,858
Annual average outflow to Rio San Juan as measured at Loma del Gallo gauge	10º m³/year	10,358

Lake Nicaragua hydrologic characteristics (source: ERM, 2014)

Table 2-2



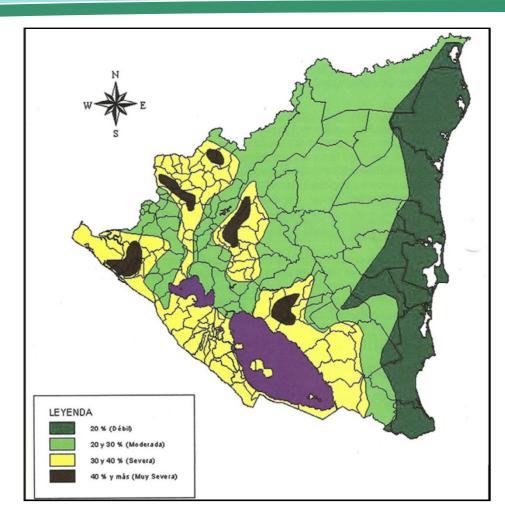
Rio San Juan Watershed



- Rio San Juan watershed is roughly the same as the Lake's watershed
- With the Canal the Rio Punta Gorda's watershed will be added
- More water available for control of Lake level.



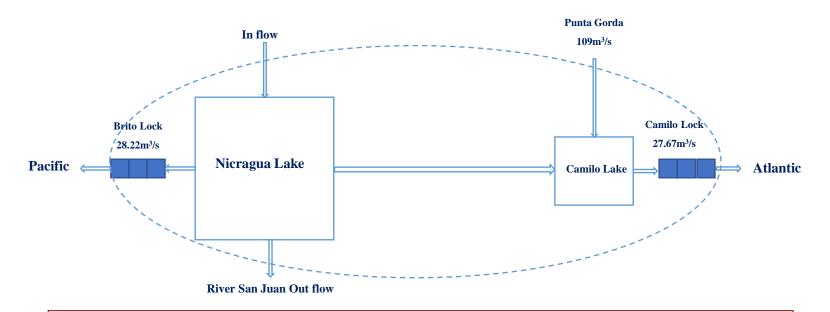
Severity of drought induced by El Nino



- > 1972 drought
 - Strongest in history; deficit of rainfall 35%
 - Very severe in the Pacific North and Central Regions
- Climate change
 - Due to climate change, overall rainfall could be reduced by 15%
- Agua Zarca Reservoir will provide "make-up" water



Water Supply Modelling

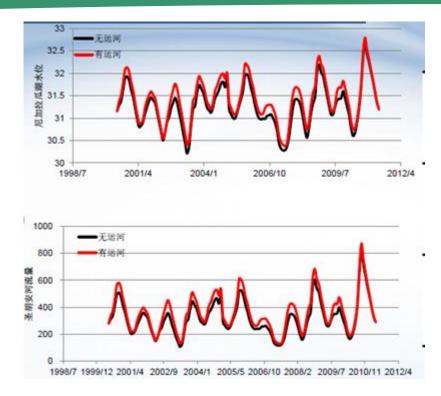


Annual average runoff above Camilo ship lock of Punta Gorda River is $111 \text{ m}^3/\text{s}$ (2000.1~2012.12). Removing the social and economic water use of the basin, there remains about 109 m³/s runoff volumes to satisfy the operation of the canal ship locks. In dry season from January to April, the average flow rate is only 25.8 m³/s, so the available storage of Lake Nicaragua and Camilo reservoir need to be used to satisfy the water demand of the ship locks.

$$\mathbf{W}_{T2} = \mathbf{W}_{T1} + \mathbf{W}_{NLin} + \mathbf{W}_{PGin} - \mathbf{W}_{NLout} - \mathbf{W}_{NC} - \mathbf{W}_{Env} - \mathbf{W}_{Eco} - \mathbf{W}_{ET}$$



Lake & Rio San Juan water levels



With Canal, water levels & fluctuations will mirror current conditions

3) 尼加拉瓜湖影响分析/Influence Analysis of Lake Nicaragua

尼加拉瓜湖水位(m) Water level of Lake Nicaragua (m)

	无运河 original	有运河 With canal	有无对比 comparison
最大 max	32.69	32.8	+0.11
最小 min	30.21	30.38	+0.17
平均 avg	31.26	31.42	+0.16

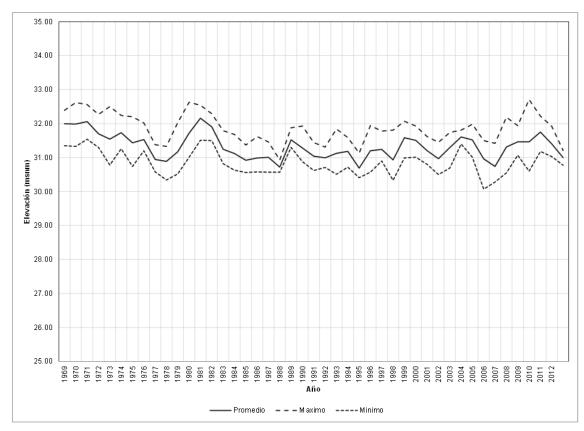
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圣胡安河流量(m^s/s) Runoff of San Juan River(m^s/s)

	无运河 original	有运河 With canal	有无对比 comparison
最大 max	822	874	+52
最小 min	105	128	+23
平均 avg	319	363	+44



Historical Lake water levels



- Historical maximums not to be exceeded in high rainfall events so that Rio San Juan water levels are not increased
- Water levels adjusted by releasing water for salt flushing and river environmental flows

Source: Data from INETER

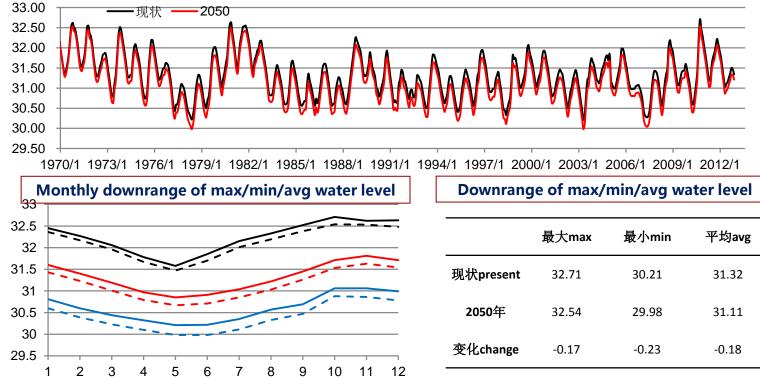
Figure 5.7-46: Lago de Nicaragua Water Surface Elevation (1969-2013)



Social Water Demand impact on water levels – without Canal

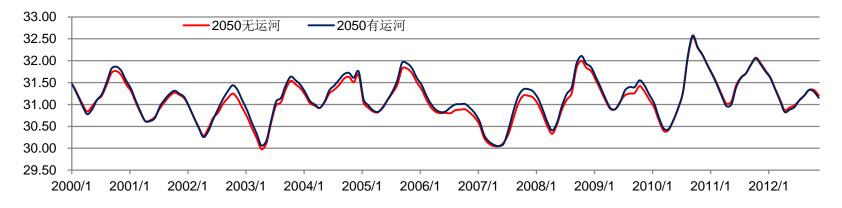
	单位/units	2012年	2050年	增加需水量/water requirement increment
人口population	万人(10 thousands)	309	394	
用水指标	m³/人.年(per person per) year	300	600	
需水量water requirement	亿(0.1 billion m³)	9.27	23.64	14.37

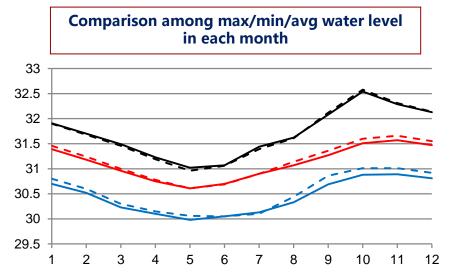




Social Water Demand impact on water levels – with Canal

Based on the result of water balance calculation of Lake Nicaragua(from 2000.1~2012.12, taken increment of social and economic water consumption into consideration), the influence that canal would have on Lake Nicaragua' s water level is analyzed as follows.





Comparison among max/min/avg water level

	最大max	最小min	平均avg
无运河 With canal	32.54	29.98	31.11
有运河 Without canal	32.58	30.05	31.17
增加 increment	+0.04	+0.07	+0.05

Water Saving Basin Design



3 water saving basins per lock chamber required

60 % less water consumption then without WSBs



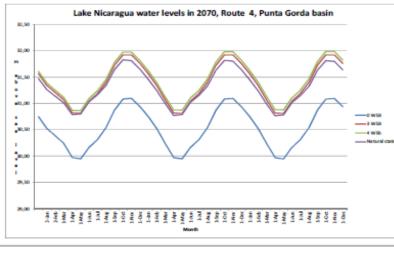
El Nino Events

Extreme event (El Niño) with canal with full gravity-driven natural inflow from Atlantic basins

• Balance model, Route 4

	Equilibrium levels	2070		
Lock configuration	0 WSB	3 WSB	4 WSB	Natural State
Water use [m ³ /s]	190.3	76.1	63.4	0
Eq. level [masl]	30.54	31.38	31.44	31.31
Min. level [masl]	29.95	30.81	30.88	30.76
Ave. delta level [m]	-0.77	0.07	0.13	0.00
Max. delta level [m]	-1.36	-0.50	-0.43	- 0.54
Ave. surface area [km ²]	6717	8447	8581	8274
Q average San Juan [m ³ /s]	160	339	357	319

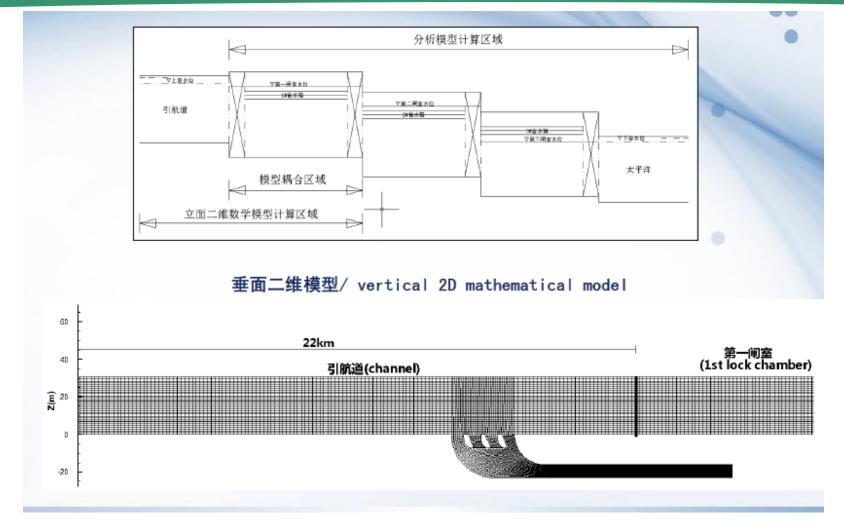
08 October 2014



3 Water Saving Basins
 SBE study shows no significant water level impact from one El Nino event

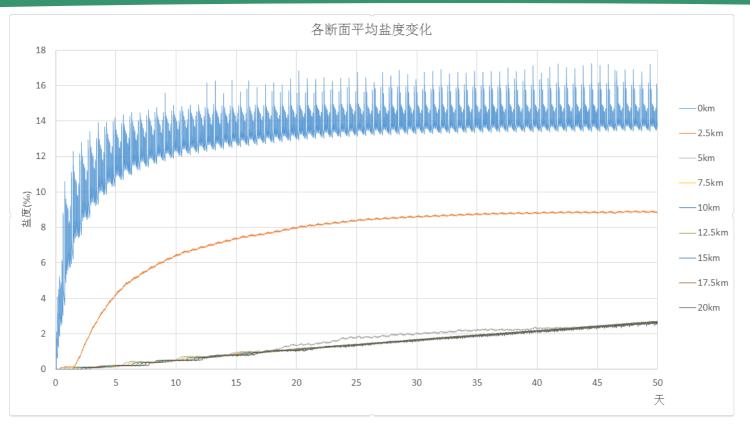


Salt Intrusion Modelling – Calculation Model





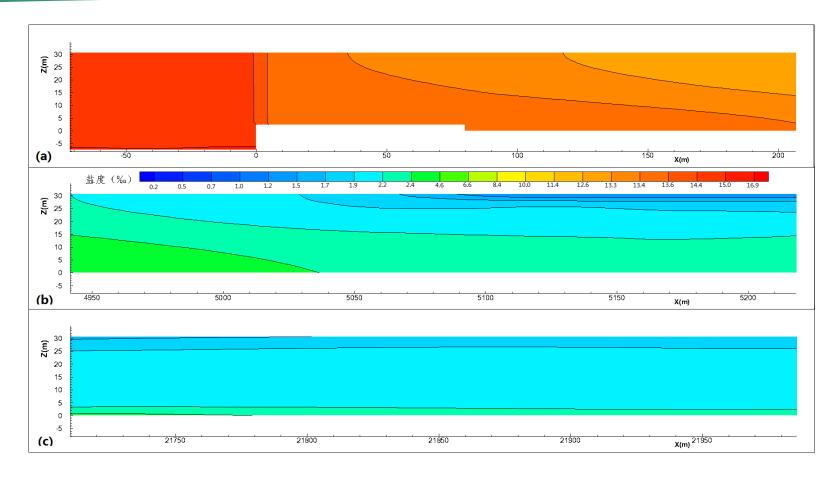
Salt Intrusion Modelling – without mitigation



- ChangJiang Simulations shows significant salinity increases for first 10 days
- Salinity stabilizes from 40 days
- At 5 km upstream salinity increase is minimal
- At 5 km upstream salinity stabilizes at 2.0‰ after 37 days



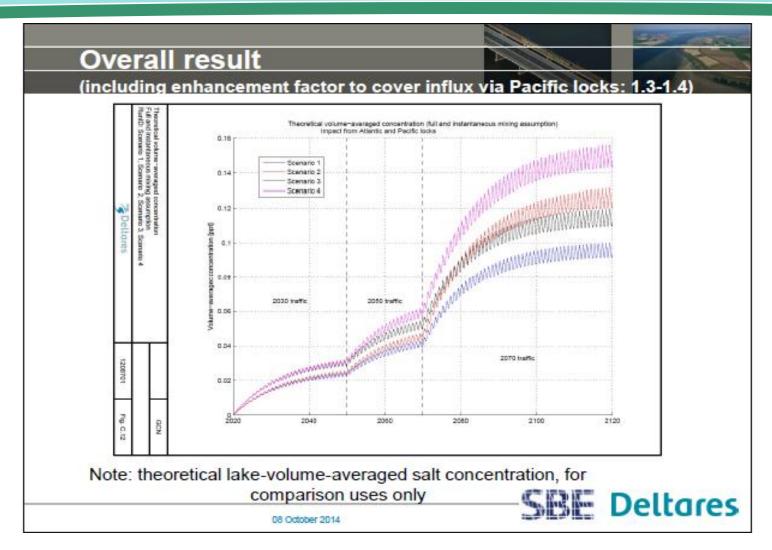
Salt Intrusion Modelling - distribution



5 km upstream salt settles to bottom

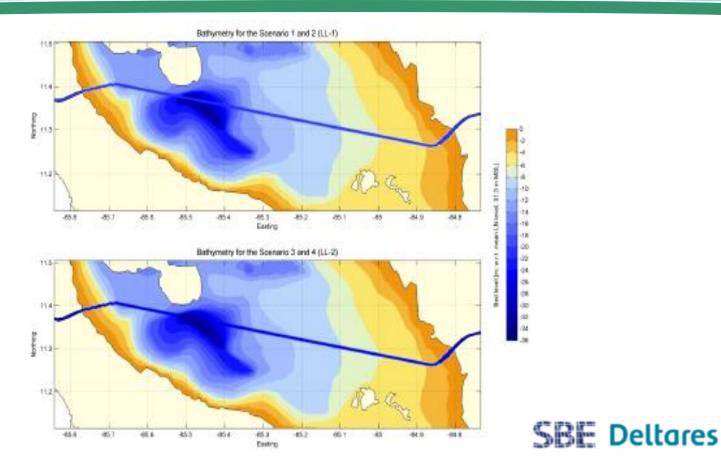


Salt Intrusion Modelling – without mitigation



Impact of increased traffic volume (2030, 2050, 2070)

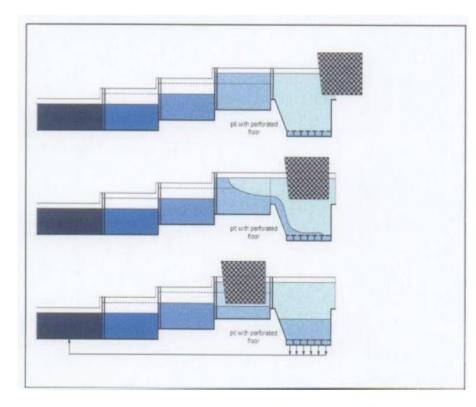
Salt Intrusion Modelling



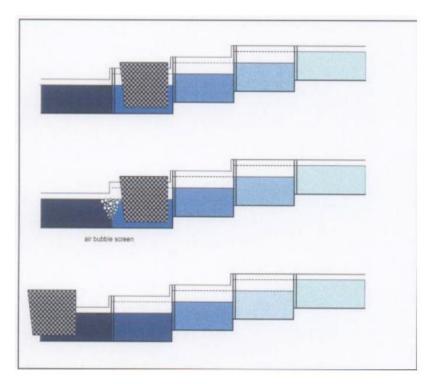
- Higher concentrations around inflow areas
- Deeper sections will collect more of the heavier salt water
- Salt "hotspots" (in both Canal and Lake)



Salinity Mitigation Measures - Alternatives



Flushing of salt water from pit with perforated floor



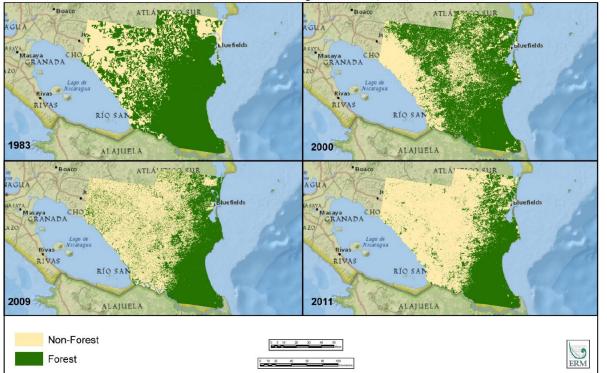
Pneumatic barrier at the entrance to lower and upper lock chamber



Salinity Mitigation Measures - Alternatives

measure	Effectiveness of prevention of salt intrusion	range	remarks	q _Q +
Flushing collected water, selective withdrawal	Good effectiveness	Salt intrusion max 20 – 30% of upper lock chamber content above the level of the upward step in the bottom (1008 kg/m ³ , brackish water)	Probably no time loss. Result very much depends on a well-designed and well-	$q_{g} = \frac{1}{1+q_{g}}$ $q_{g} = (1,2-1,5)q_{g} + effect ships$
withdrawar		Freshwater loss = 180 - 220% of lock chamber content. idem	operated flushing system.	
		If combined with pneumatic barrier: salt intrusion max 15– 20%; about same freshwater loss.		
Retaining wall concept	High effectiveness	Salt intrusion 5 – 15% of (double head) lock chamber content (1024 kg/m ³ , salt water)	Probably no additional time loss for a single passing vessel, but the frequency of lockages of lower lock will	
		Freshwater loss = 10 – 20% of (double head) lock chamber content.	be lower. Forces on vessels need	freshwater
			attention (pneumatic barriers are advised)	saltwate
			Still requires significant efforts in development and for verification of feasibility.	
			(SEE Deltares
		20 November 2014	25	

Sedimentation – Forest lost issues



Historic Forest Cover and Degradation 1983, 2000, 2009, and 2011

- > Without Canal, sedimentation will increase because of land clearing
- Over the past 30 years, the Lake Nicaragua watershed has lost much of its forest cover due to cattle farming and agriculture.
- > This and the slope gradients of the watershed increase the runoff and soil erosion.
- World Bank (2013a) estimates 13.3 tons of sediment generated per hectar
- Increased erosion and runoff cause increased nutrient loading in Lake



Sedimentation – River sediment loads



Currently rivers flowing into Lake all carry large sediment loads
 Without Canal, sedimentation of Lake will continue



Sedimentation – issues



- Lake currently has serious sediment issue
- Sediment destroys animal life and vegetation
- Sediment reduces sunlight penetration



Sedimentation – Lake Nicaragua water circulation

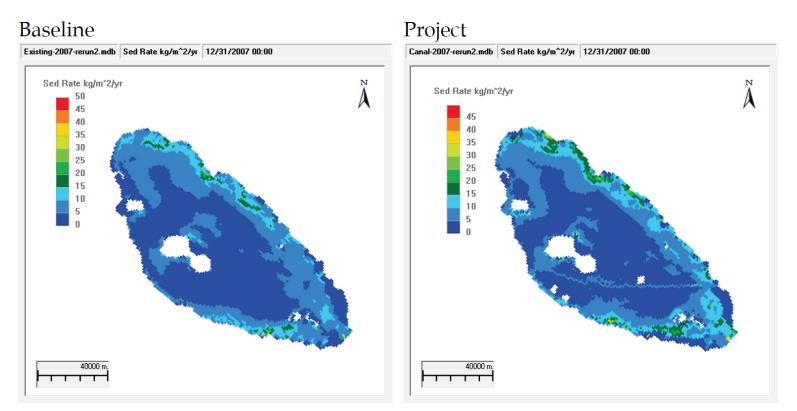


Natural north–south circulation pattern pushes sediment towards the southern part of the Lake



Sedimentation – with Canal

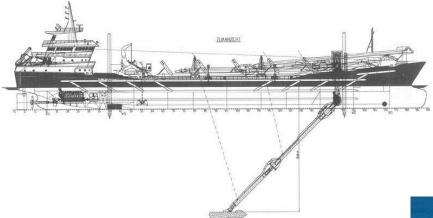
Figure 4-12 Net sedimentation rate on Dec 31, existing and with project



- Canal will not increase sedimentation of Lake
- With Canal, sedimentation will reduce because of reforestation program



Excavation in Lake – equipment



- Modern trailer hopper suction dredge
- Sucks material hydraulically into ship for transport

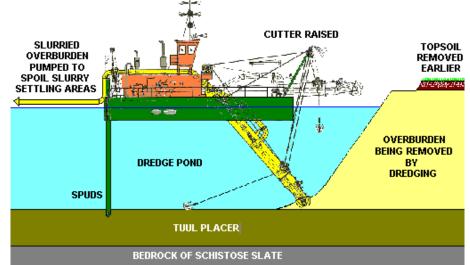
Ship offloads material to form island





Excavation in Lake - No blasting

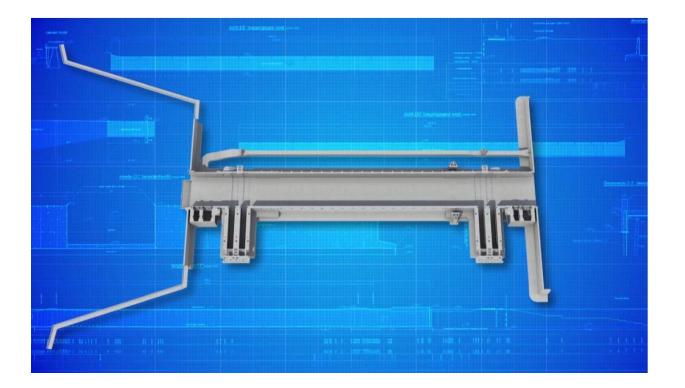
Modern Cutter Suction Dredgers can excavate soft rock to hardness of 40.







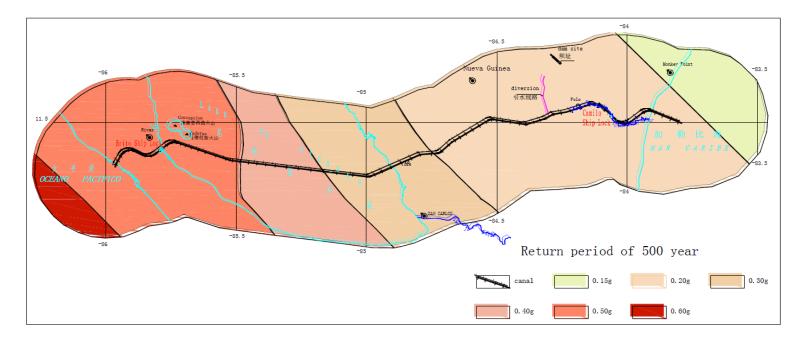
Lock Risks – Design



- Locks designed for 1 in 10,000 year catastrophic risk event
- Seismic design to World's Best Practice
- Proven technology



Lock Risks – Earthquake



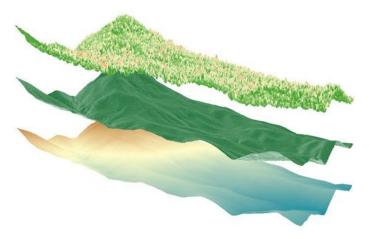
Zoning map of horizontal ground peak acceleration at the exceeding probability of 10% in 50 years along the Canal.

- Seismic events are the major risk
- West Canal is in worst seismic zone



Topographic Survey – LiDAR

- LiDAR radar scanning "sees" through yegetation
 - Very accurate surface levels
 - Can map vegetation type
 - Can do Lake bathymetry in shallow water
 - Can indicate subsurface water



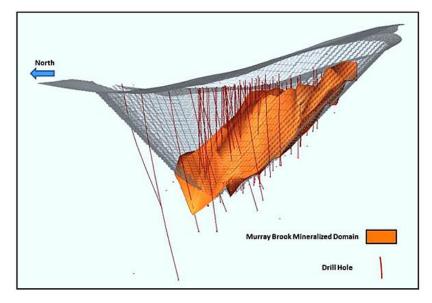


Survey – Geophysical Magnetic



- Can describe material to be excavated
- Will locate hard material
- Can identify areas of high liquefaction risk

Magnetic survey will detect different ground material conditions





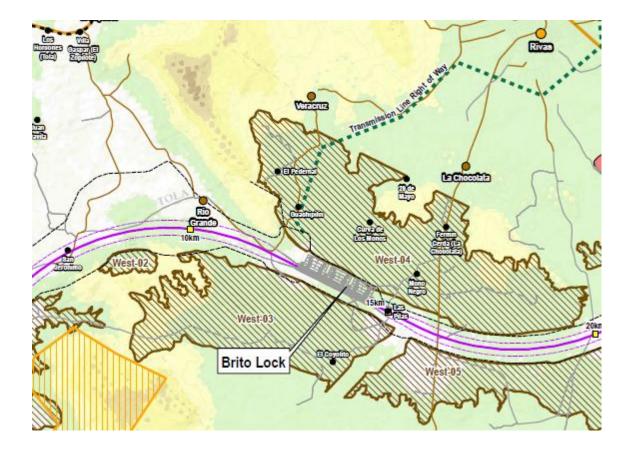
Field Investigation – Borehole drilling



- Borehole data is most accurate
- Drilling program to be undertaken for full length of the project



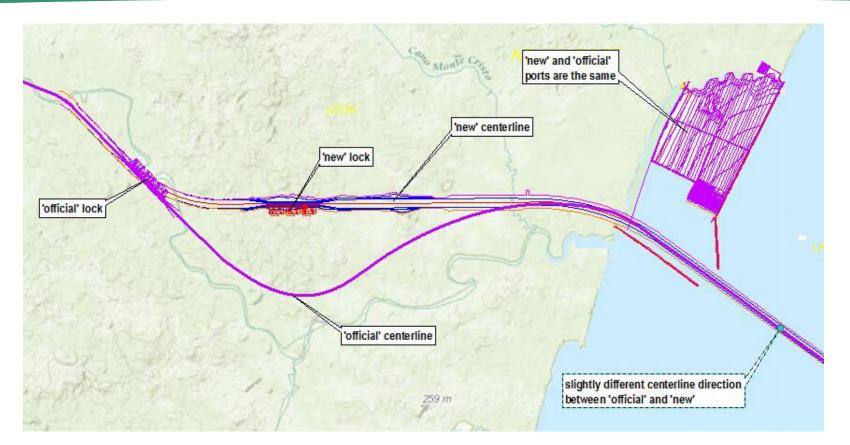
Locks – Brito Lock



- Lock is located 13 km inland to minimize Seismic & Tsunami risks
- Best foundation conditions
- Reduced land inundation by poundage



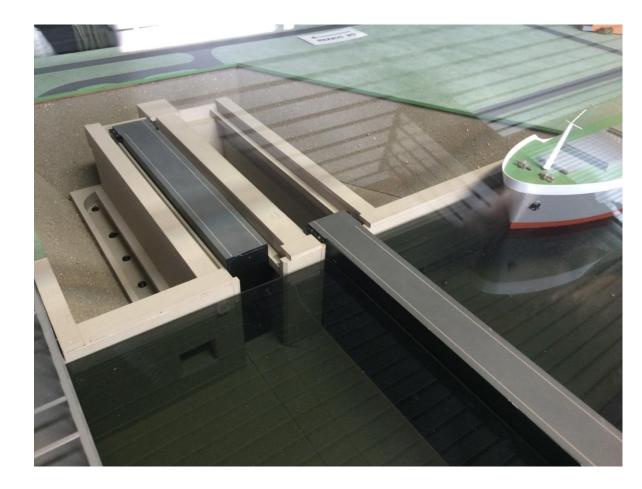
Locks – Camilo Lock



- Two alternative locations being investigated
- Aiming to minimize environmental impact and increase safety



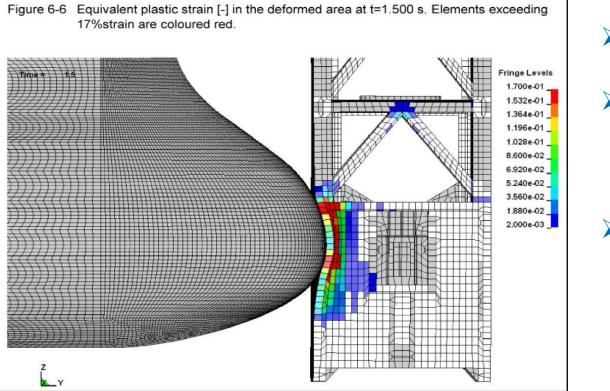
Locks – Gate Design



- "Rolling Gates" selected for best security
- Double gates provide backup in event of ship collision
- Lock can be empty to allow maintenance



Locks – Gate Design



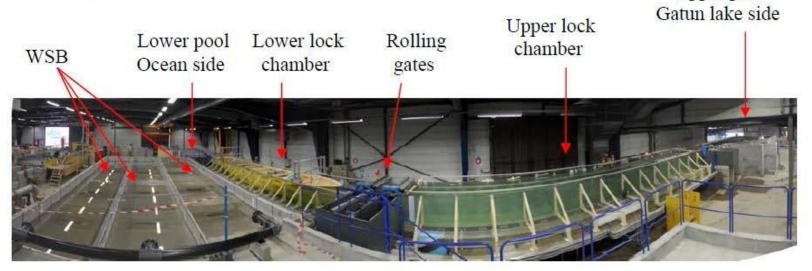
Bulb-bow collision

- Gates designed to withstand ship impact
- But still have double gates for additional safety and availability



Locks – Physical Modelling

Figure 1 gives an overview of the physical model:



- two (2) lock chambers, identified as upper & lower chambers,
- three (3) WSBs associated with the lower lock chamber,
- one (1) 250 m long fore bay (Gatun lake side),
- one (1) 400 m long tail bay (ocean side).
- all the elements (culverts, conduits, ports, valves, etc.) of the F/E system as proposed in the tender design,
- the double set of rolling gates and their recesses on every lock chamber.

Physical modelling used to confirm/support mathematical simulations



Upper pool

Hazardous Material Spill Risk



> Oil and toxic material leakage in the Lake requires contingency planning

Predicable current flow in Lake Nicaragua assists containment and clean up

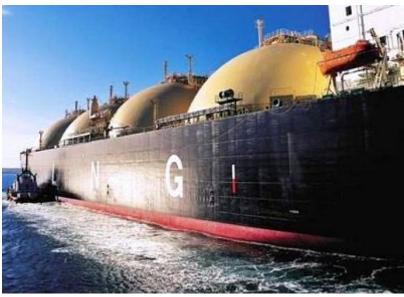


Hazardous Material Spill – Risk Mitigation by Management

- Identify operation hazards
- Reduce hazard by inherent design
- Emergency stations at both sides of Lake to speed up recovery
- Well trained and equipped rescue teams
- Crises Management Plan with constant drills
- Enhance control and monitoring of high risk ships
- Right to reject ships not meeting our safety standards



Hazardous Material Spill – Risk Mitigation by Operation





- Quarantine Areas
- Buffer Zones
- Rapid Response Units
- Emergency Access Points
- Oil Leak Control
- Fire Fighting
- Special Security Force
- Disaster Warning System
- Safety Management System

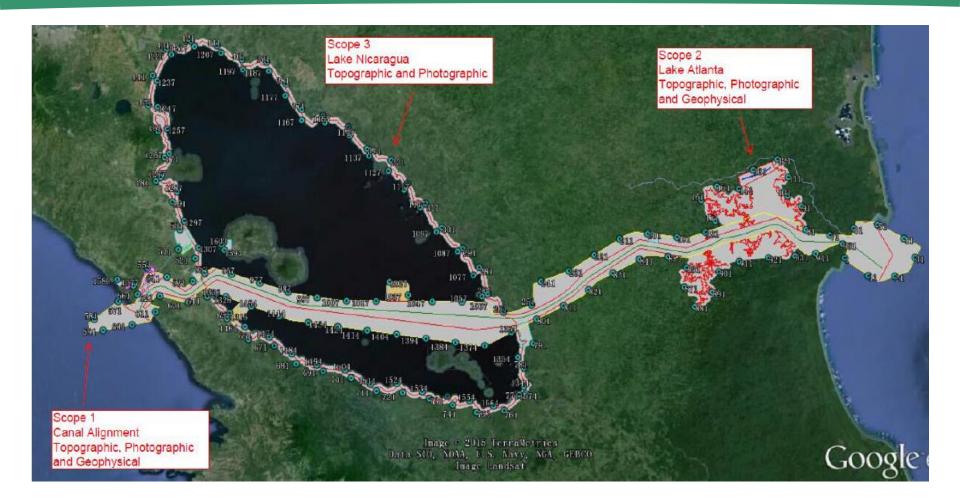


Risk Based Asset Management System

- ISO55000 Asset Assurance Management Systems used
- Risk assessments applied from operation to design and construction to mitigate risks
- Most risks mitigated by inherent design with residual risks controlled by operation procedures
- Independent Verification & Validation process employed to ensure asset commission as designed
- Failsafe designs adopted for safety critical items
- Safety Case required for safety critical asset like the Lock
- Reliability Centred Maintenance adopted

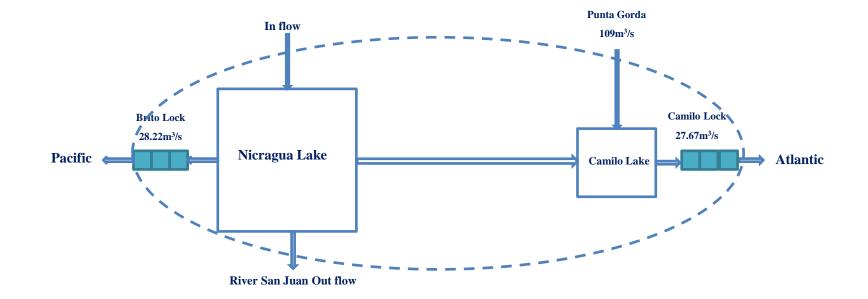


Further Studies – Aerial Survey





Further Studies – Water Balance





Further Studies – Salinity Management

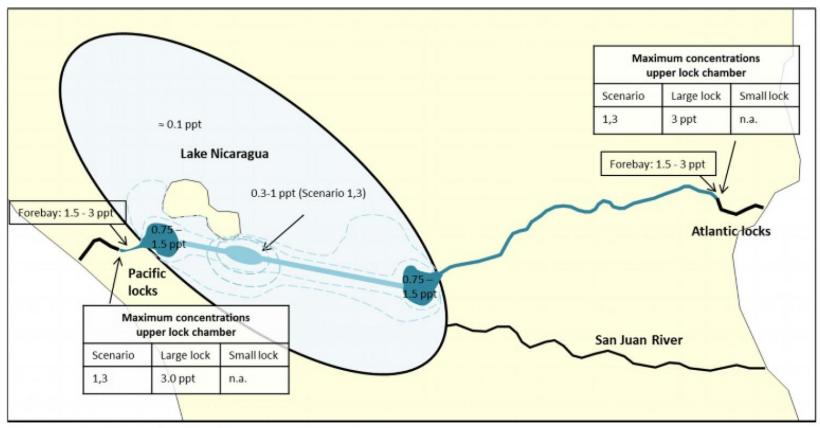
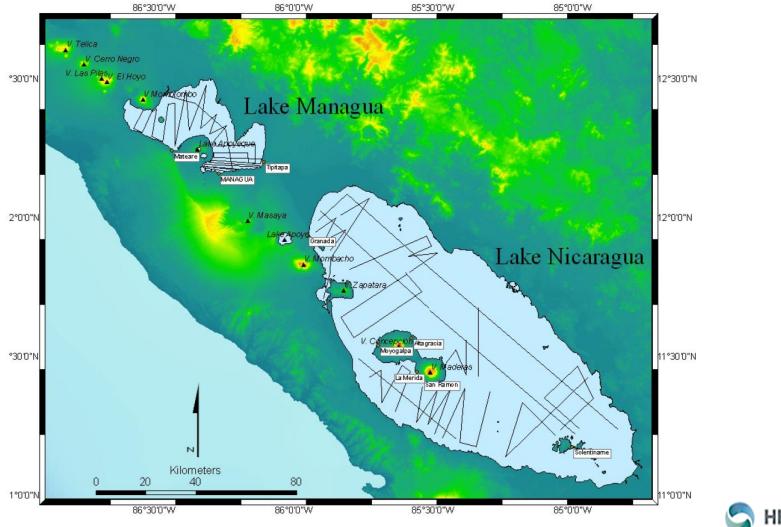


Figure 2: sketch of indicative salt concentrations in LN.

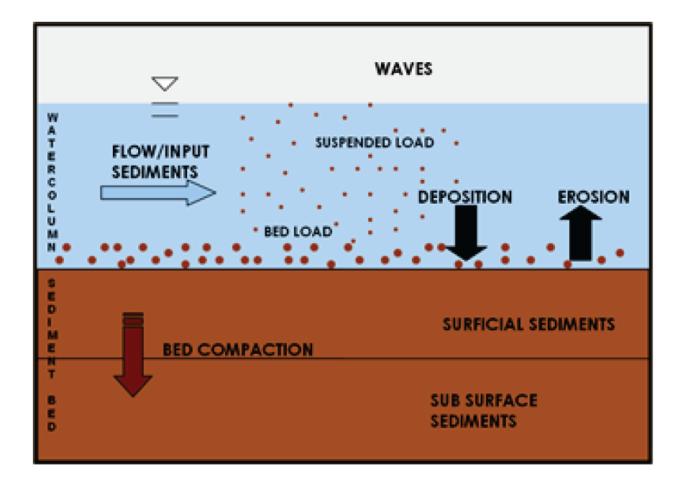


Further Studies – Seismic



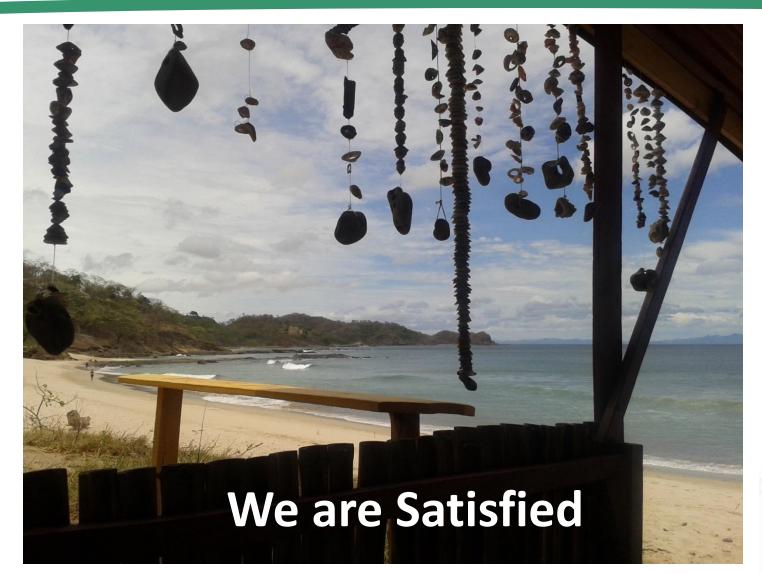
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Further Studies – Sedimentation





Thank You !



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