

# NEWSLETTER

November 2013

## WELCOME

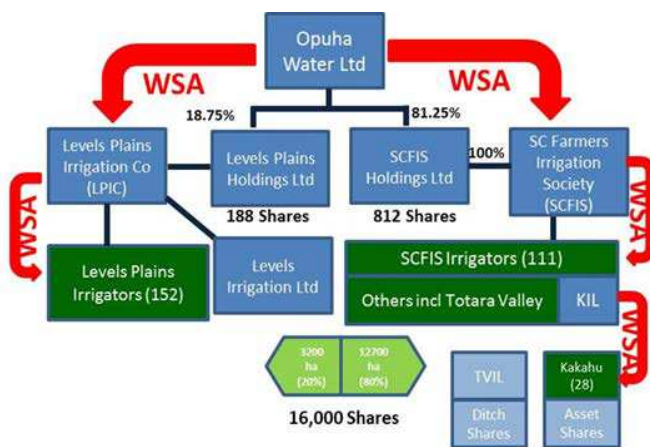
This newsletter is focussed mainly on the restructure process in which we are intending to combine all the entities with the Opuha group of companies into one entity. The newsletter is intended to provide you all with an update of the key period ahead where you will be receiving some detailed information packs and also invitations to Special General Meetings to approve the resolutions required for the restructure.

The irrigation season has certainly begun in earnest and we are well placed at the moment with lake storage levels – more details to follow below.

I have also included some information on a new position we have established and are currently advertising for applicants.

## COMPANY RESTRUCTURING

By now you should have either seen, heard or read about the proposed restructure. In particular a Restructure Memorandum detailing the restructure was posted out with the Annual Accounts at the start of the month. A cover letter was also included in the mail out.



**Current Structure of Opuha Group**

The cover letter indicated that we would be holding the AGMs and SGMs for each of the current entities in the week beginning the 25<sup>th</sup> November. We have reviewed that proposal and have decided instead to separate these processes and hold the AGMs during that week and then we expect the SGMs will be held just a couple of weeks later. This change is to ensure we have all the information available for shareholders and also provides an opportunity within the AGM programme, to present to shareholders of each entity what is being proposed at the SGMs.

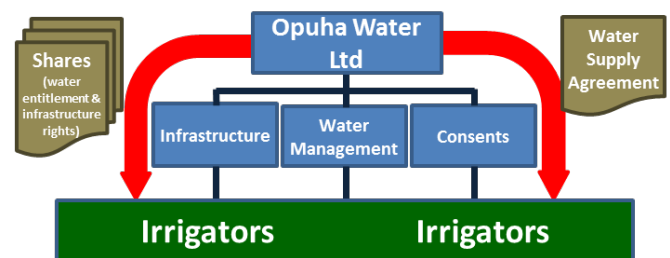
This newsletter accompanies the Notice of Meetings for the AGMs which are scheduled as follows:

At the conclusion of each AGM (just one after the OWL AGM on Friday 29<sup>th</sup>) I will be giving a presentation on the restructure process as it relates to the specific shareholder group.

### AGM Dates and Venues

Totara Valley Irrigation	Mon 25 <sup>th</sup> Nov	8pm	Opuha House, Pleasant Point
Kakahu Irrigation	Thu 28 <sup>th</sup> Nov	7.30pm	St Johns Hall, 124 Talbot St, Geraldine
SCFIS	Fri 29 <sup>th</sup> Nov	1.30pm	Pleasant Point Rugby Clubrooms
Opuha Water Ltd	Fri 29 <sup>th</sup> Nov	2.00pm	Pleasant Point Rugby Clubrooms
(Note: A Restructure Presentation will follow the OWL AGM and then a light afternoon tea before the LPIC AGM. All welcome)			
Levels Plain Irrigation	Fri 29 <sup>th</sup> Nov	3pm	Pleasant Point Rugby Clubrooms

We expect to hold the Special General Meetings during the week beginning 9<sup>th</sup> December and notices of these meetings will be going out two weeks beforehand. Included with these notices will be an extensive Information Pack that will include the resolutions required to be passed by each entity/shareholder as we step through the restructure process. The Information Pack will also include a detailed explanation of the resolutions and the reasons for each of the steps. We will also include a “what does it mean for me?” style of explanation so you can each be assured that your existing rights and entitlements are retained after the restructure.



**Proposed Structure**

Also included with the notices and Information Packs will be the new Water Supply Agreements. As explained in the recent Memorandum, the Water Supply Agreements (WSA) are in two parts – a Short Form Agreement that each shareholder is required to sign that will include the details relating to that shareholder, and then the Terms that apply to everyone for the supply of water.

The new Constitution is the final key document that will be presented to shareholders. We will include the key aspects of the Constitution in the mail out and copies of the document can be mailed on request. It will be available on the Opuha website (as will the water supply Terms).

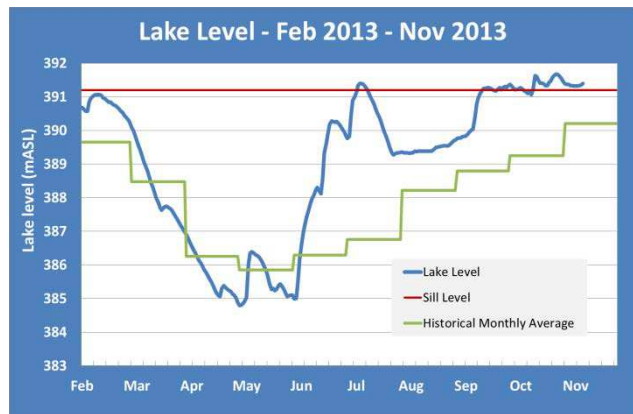
This process is quite complex and I have had cause (as many of you may have also!) to pause and think “why are we doing this?” but I am convinced that it is essential to set up our new cooperative company so that we can respond to the challenges of the new water management legislation and enable our shareholder irrigators to maintain and grow their businesses. The new structure will also bring some efficiencies in the overall management and operation.

I would ask you all please to help make this restructure successful by taking time to review the information and to

participate in the approval process at the Special General Meetings.

I would like to thank those of you that have supported the process so far and in particular the members of the respective Boards and the Steering Group who have provided excellent suggestions and feedback that has influenced the way we have gone about the restructure as well as the content of the key documents that are fundamental to the new organisation.

## OPERATIONS



After the heavy rains and snow in June/July, the winter was actually quite dry and by mid-September we were starting to be a little concerned about lake level heading into the season. There was very little snow in the upper catchment after the nor'westers in July dealt to that, so we were reliant on rain to bolster our storage. As you are all aware we have had a series of nor' west systems since mid-September that have brought in rain to the catchment for the dam (as well as its share of destruction of trees, shelter belts and power lines). We also had reasonably regular rain through October that have maintained lake inflows. As a result we reached full storage in late September and have been operating the power station nearly full time through October to control the high lake level. We did spill for four days in the middle of the month.

So we are currently full and operating the power station about 15 hours a day (10 cumecs average release) which is a great situation to be in at this time of the year.

Irrigation demand has risen very rapidly in November and has had Stephen, Richard and Chris very busy ramping up all the schemes to match demand.

Just a note to those with pivots to check their end guns and corner arms (we've noticed a fair bit of asphalt being watered!)

## IRRIGATION ORDERING

A reminder please of the importance of ordering your water with sufficient lead time to enable the Operations team to ensure the water is available and that everybody gets what they expect and are entitled to. With the sudden increase in demand has also come an increase in phonecalls and requests for water "as soon as possible". Our requirements for notice (24 and 48 hours) are clear and are there for a reason so please respect these and plan your water use accordingly.

## NEW WEBSITE AND ON-LINE WATER ORDERING SYSTEM

We are about to go live with our new website which will have a new on-line water ordering system incorporated within it. We

have had a really pleasing increase in the number of irrigators who have been ordering via our existing website and we would like to see this trend continue. The new system is intended to be much easier to use – both placing orders and also editing and cancelling orders and will also significantly simplify the order processing at our end. The website will also provide up to date account of total individual water usage for the season (based on your orders for each water take) We will update the information to include your use to date for this season as we prepare to launch the website.

We plan to go live by 25<sup>th</sup> November.

## NEW POSITION – ENVIRONMENTAL MANAGER

We are currently advertising for a new position of Environmental Manager within our staff. This is a critical role for us as we move ahead with a more integrated approach to water management and use across our operation and especially under the new Land and Water Regional Plan. The Environmental Manager's primary objective will be to improve the environmental outcomes of our activities including on farm water use. One of the key responsibilities will be the roll out of our Audited Self Management (ASM) programme which we intend will eventually include all our irrigators. The person will have a good knowledge of farm irrigation practices and interaction directly with irrigators will be a large part of the role.

We have already had a lot of interest in the new role and I expect to complete the selection process before Xmas.

## HAWKES BAY IRRIGATORS VISIT OPUHA

We hosted a group of 23 farmers from Hawkes Bay in October who are within the irrigation area of the proposed Ruataniwha scheme. The farmers were interested to see and hear from farmers within our own scheme what the impacts of irrigation have been on their farming businesses. Many thanks are due to Tony Howey, Nicky Hyslop and Dermott O'Sullivan for their time in demonstrating to our visitors the significant improvement that is made possible by reliable irrigation and that making the most of new irrigation doesn't automatically mean converting to dairy.



The group were also able to see first hand the scale of our dam and lake storage which is very similar to that proposed by for the Ruataniwha scheme.

Regards

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### FOR SALE

We have a 20ft Storage Container for sale at Opuha House. \$2,500 Please contact Steve or Christine if you are interested.