

IMPORTANT NOTICE

WATER RESTRICTIONS

Our lake storage has reached a critical condition and the OWL Board has agreed that we need to implement water restrictions to conserve our storage and reduce the risk of more severe restrictions or complete cessation of supply within the season.

This notice and the requirement to limit water use applies to all OWL shareholders and water users. Please read this notice carefully as it contains important information regarding the restriction regime and requires careful consideration from all our water users if the restrictions are to be as effective as they can be in preserving our water storage.

It is currently proposed that 25% restrictions will be effective from 1st December 2014.

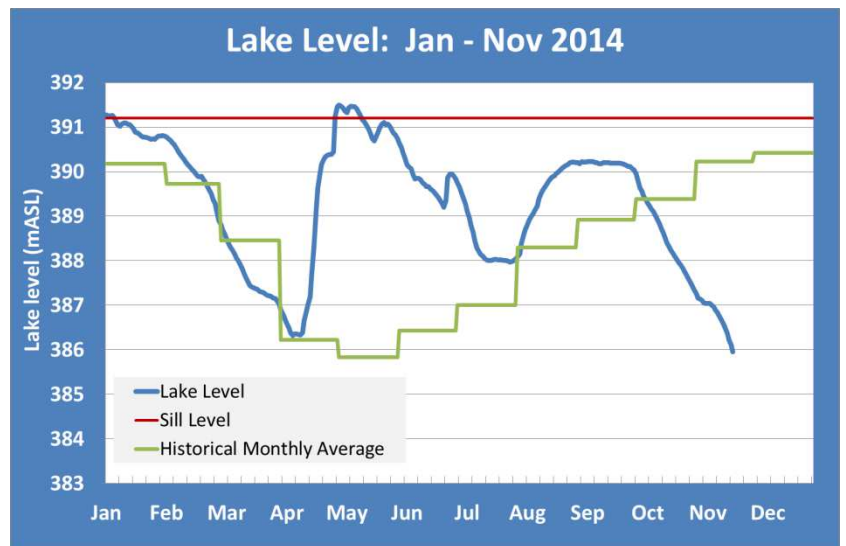
WATER STORAGE SITUATION

The current situation with our lake storage is unprecedented in the history of the Opuha scheme. The lake has never been as low in November as it currently is and the drop in lake level for the month is the largest we have recorded for any previous November.

The situation has arisen primarily through the lack of snow which would normally provide sufficient inflows to support the high demands on lake storage in October and November. Our storage has dropped from 92% at the start of October to 59% at present.

Our current water demand is nearing maximum and, at our current trajectory of storage, we are heading for potentially severe restrictions before Xmas.

The two graphs opposite show the recent lake level history for the year and the predicted level of storage based on current inflows and water demand.



PROPOSED RESTRICTIONS

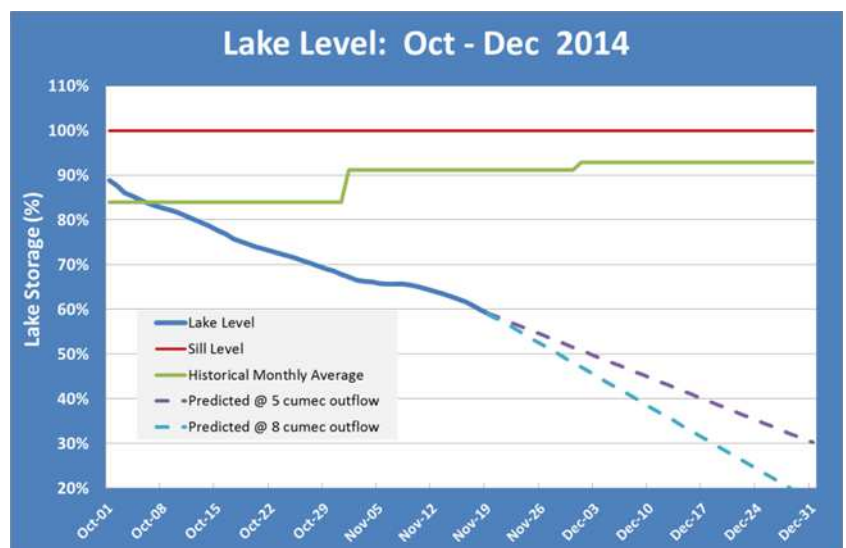
Water Shortage Directive from ECan

As described in our previous newsletter, a process is in place whereby ECan will be requested by the Opuha Environmental Flow Release Advisory Group (OEFrag) to issue a Water Shortage Directive which will require all water consent holders to restrict their water use to 75% of their daily consented volume.

OWL is working with OEFrag and ECan to have this restriction regime implemented when the lake reaches 50% storage. It is currently predicted that we will reach this trigger level around 1st December.

Under this regime, the minimum river flows required to be maintained by OWL will reduce from 6 cumecs to 5.3 cumecs. This will provide some additional relief to water demand from the lake on top of reduced irrigation use.

This notice from the OWL Board is being issued in advance of a Water Shortage Directive (WSD) from ECan and OWL water users should anticipate restrictions to water use from 1st December whether or not ECan have issued the WSD by that date.



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PROPOSED RESTRICTIONS

Preparation for Restrictions

To be as effective as possible in reducing the water releases required from the dam, we are requesting that all water users consider which of two alternative regimes they can operate under to most efficiently reduce their water use by 25%.

What we are seeking to achieve is an overall regime that limits the fluctuations in water demand on a daily basis so that we can maintain steady and accurate releases from the dam.

Regime 1 – reduced continuous rate of take

Some water users may be able to reduce the instantaneous rate at which they take water by 25% and thereby operate for normal or extended periods within the limit of 75% of their water entitlement.

This will apply to large users who operate a number of irrigators and can reduce their instantaneous water use by limiting which irrigators are operating at any one time. It may also apply to smaller operators with K-line systems (or similar) who are able to reduce the number of lines or pods that are operating at any time. Some irrigators may also be able to change the nozzles on their guns or spray irrigators, or alter pump delivery rates.

Note that we still require that irrigators operate within our 12 hour block regime (6am-6pm-6am) to ensure that we can manage the water supply. For instance if someone was to limit their daily water use by only operating at full take rate but only for 18 hours a day, every day, we would most likely still end up releasing their full rate continuously because trying to reduce the release to match the 6 hour shut down period would be impractical and result in no real saving.

Regime 2 – roster waterless days

For some irrigators, it may be more efficient to operate under a regime of irrigating at normal rates for three days and shutting off completely for the fourth day.

This will apply more to users who operate single large travelling irrigators that will not operate efficiently or effectively at lower flow rates and typically operate over several days to cover the irrigated area.

For these irrigators, we propose developing a schedule for their waterless days that, at a scheme level, will result in a reasonably even water demand profile that is at least 25% less than normal demand.

We require water users who will prefer to operate under this regime to please advise us by Wednesday 26th November so that we can develop the best schedule and advise all those involved before the 1st December of their 'waterless days'.

Please contact the Opuha office (phone 03 614 7801 or email office@opuha.co.nz) as soon as possible if you prefer to operate under this regime.

Water Ordering

Another key aspect of being able to conserve stored water is accurate water ordering.

Under the restriction regime, it is critical that irrigators maintain accurate water orders with the office so that we can determine the right amount water that must be released from the dam.

We will be checking all water orders to ensure that they reflect water use limited to 75% of the shared entitlement of each user. This limit may apply on a continuous basis (Regime 1) or over a period of 4 days (Regime 2)

Please ensure that your water orders accurately reflect your intended water use so that we can deliver the right amount of water and limit wastage and/or situations where insufficient water is available to you or other users.

Our preferred method for water ordering is the internet system available through our website. If you are not using this system already, please contact Christine for guidance on how to get set up on the system and help improve the efficiency of our whole operation.

Restrictions under a Water Shortage Direction

When a Water Shortage Direction (WSD) is issued by ECan, the restrictions apply at a consent level and require all consent holders to limit their daily volume to 75% of their consent.

We expect that we will be able to continue to operate under the same regime as we have proposed above, although we will need to have ECan's agreement for those who operate under their own individual water take consents and who want to operate under Regime 2 (waterless days) since they will be technically in breach of their consent on their operational days even though their average daily take will be limited to 75% over each 4 day period. We are currently working with ECan on this issue.

IF CIRCUMSTANCES CHANGE ...

If we are fortunate enough to get sufficient rain to relieve our concerns over our storage, we will defer or cancel the implementation of restrictions.

Conversely, if the situation does not improve and we continue to lower the lake, we will consider a second level of restrictions (50% restriction) most likely as the lake approaches 380m (25%).

FURTHER INFORMATION

Please contact the office (phone or email) if you have any questions or require any further information in preparing for the restriction regime.

Please keep an eye on our website and email for any updates.

We will also be presenting information on the water storage situation at the AGM on Monday 24th November, 5pm at the Pleasant Point Golf Club.

Regards



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