



NEWSLETTER



What a difference 12 months can make? The common view around our farming region appears to be “it’s never looked better” and we are sitting on maximum storage in the lake as we approach Xmas. In 2014 we were at 41% storage and last year 66% and irrigating flat out. Current water orders equate to around 40% demand and that has only just kicked up after a quiet October and November (11% and 7% respectively). The commissioning of the upgrade to the downstream weir has had a significant impact on our lake storage regime with the additional confidence in maintaining the lake level at or above 100%.

In this newsletter I’ll update on our water storage with an optimistic outlook for the season ahead, and then provide updates on a number of current issues and initiatives including outcomes from our recent AGM, the downstream weir upgrade, our work programme around the Sub-Regional Plan process (ECan’s ‘Healthy Catchments Project’), water metering, water ordering, Board membership and staffing. There is also a notice and attached letter relating to use of private information.

NOTE: THIS NEWSLETTER HAS NO WATER RESTRICTIONS ASSOCIATED WITH IT! 😊

WATER STORAGE SITUATION

As the graph below illustrates, the lake was full by the end of September and, with the downstream weir upgrade commissioned, we were more confident in allowing the lake to increase above 100%. To do this, we raise the flap gates on the main spillway which allows the lake level to be held up to one metre above the spillway sill level. This extra metre of lake fill provides an additional 10% of storage. We have established a new ‘normal full operating level’ with the lake half a metre up on the flap gates. Since the start of October we have been generating quite hard to maintain the lake level at or around the new full level. There have been several occasions where we have lowered the spillway gates for a short period to assist with the lake level control. One of these periods was during the week that we were unable to generate because of transmission line work that Transpower were undertaking that took us off-line. A little frustrating for us as it cost us nearly five days generation revenue.

OPERATIONS

While the irrigation demand has been quiet, Craig and Chris have had a challenging time trying to keep ahead of the rapid and lush vegetation growth around the irrigation schemes.

Work was required at the river intakes of all three schemes to rebuild the diversion groins which had been washed out with the high river flows in mid-November.

Craig has also been busy recruiting a new Operator-Maintainer after Richard Wallace resigned at the start of November. Our new start is Sam Harper who will be with us in the New Year. Sam is relocating from Oamaru where he has, most recently, been doing contract forestry work.

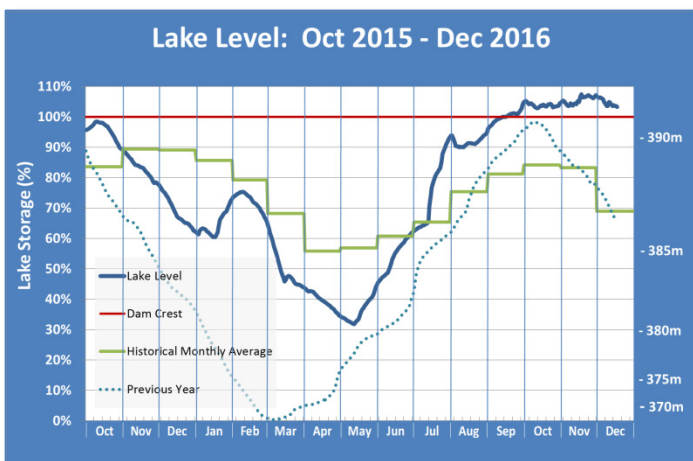
It will be just Craig and Chris to cover the scheme operations over the Xmas break and until Sam gets fully up to speed. As it looks like there may be a reasonable amount of irrigation starting up again over that period, I would request please that you ensure your water orders are in in good time so that the operations side can run as smoothly as possible.

With the relative abundance of water in the lake we have been generating well ahead of recent years and also ahead of the budget for this season. The higher lake level also means that the generator output is higher for each cumec of water (higher operating head) which adds to the good news story. Our contract with Pulse Energy is providing good returns for our generation and much better than if we were on a spot price based arrangement.

DOWNSTREAM WEIR UPGRADE

Many of you may have seen the media article in the Timaru Herald in October and a similar article in the current issue of IrrigationNZ’s quarterly magazine that you should all receive regularly.

The upgrade of the downstream weir was successfully completed by the end of September. The works have seen the removal (lowering) of the spillway crest and the installation of the set of 1.8m tall flap gates on top of the modified spillway. This gives us the ability, with the gates lowered to their ‘lay flat’ position of passing significantly more water over the spillway and thereby reducing the likelihood of the overflow fusible embankment operating. We have



We have also taken the opportunity with the high water levels, to carry out an artificial fresh (flushing flow) on the 3rd November and on the 5th December we hosted a large contingent from the Zone Committee, OEFRAG, ECan and MDC at the dam to demonstrate the new capability with the downstream weir upgrade.

Although the catchment inflows are dropping off now and the recent nor’ westerlies have prompted an increase in irrigation orders, it seems highly likely now that we will be able to maintain full supply for irrigation and the river for the remainder of the season.

effectively reduced the likelihood of this occurrence from 20% (one in five years) to around 3% (one in thirty years).

Another benefit of the upgrade is the ability to release a higher flow as part of an artificial fresh (flushing flow) and therefore, we anticipate, increase the effectiveness of these freshes. We tested this on 3rd November and achieved over 70 cumecs peak flow compared with our previous maximum capability of around 35 cumecs without the flap gates. We are continuing to work with NIWA and other stakeholders in determining how best to use this improved capability for the benefit of the river.

As part of the upgrade, we have installed a walkway across the spillway which now allows safe access for our staff and contractors over to the equipment buildings on the other side. Up until now, this access was only possible by walking across the spillway crest or down and up the spillway face – both tricky and unnecessarily hazardous, and impossible if the spillway was operating. We have also installed new security fence to restrict entry



Artificial Fresh (Flushing Flow) Trial – November 2016

ANNUAL GENERAL MEETING

Our AGM was held on 8th November. The key outcomes were as follows:

- Ryan O'Sullivan appointed as a new OWL Director and Nicky Hyslop re-appointed.
- The meeting approved an increase in Directors' fees

Milne Horne (Chairman) acknowledged the contribution of Tom Lambie as Chair of the organisation since 2006 and his long involvement via SCFIS and in the development of Totara Valley. A presentation was made to Tom.

Milne acknowledged the contribution and long service of Alvin Reid to Opuha Water and also to each of the three subschemes – especially Kakahu and Totara Valley.

Milne outlined how the Board had run an internship process this year whereby Ryan O'Sullivan was brought on to attend the Board meetings and forums to provide some exposure and experience in the governance of OWL. This was in an effort to develop more experience within our shareholder base and provide better options for succession of current Board members. This programme would be run again in 2017.

In response to a question from the floor, I indicated that I was anticipating some likelihood of an increase in water charges for next season but that we were currently working

on a five year forecast budget to determine whether this was the case. Shareholders would be advised of the outcome of this exercise in the New Year.

DIRECTOR VACANCY

Nigel Gormack resigned from the OWL Board in early November and the Directors are intending to appoint a new Independent Director in 2017.

In accepting Nigel's resignation, Milne Horne acknowledged Nigel's very significant contribution to Opuha Water since its inception in the early 1990s.

HEALTHY CATCHMENTS PROJECT

ECan is running the sub-regional plan process for our OTOP zone under the banner of "Healthy Catchments Project"



This project is the 'sharp end' for our region of the Canterbury Water Management Strategy (CWMS) that has seen the establishment of the OTOP Zone Committee in 2011 and subsequent establishment of catchment groups around our region – most of which have some Opuha shareholder membership.

The Healthy Catchments Project is now focussed on a very busy twelve month period in which the Zone Committee is to complete their proposal for a new sub-regional plan (that will replace the current Opihi River Regional Plan). Because of the significance of this process to OWL and our shareholders, we have reshuffled our staff resources so that Julia Crossman can work full time on our participation in the Healthy Catchments Project. We have established a regular monthly forum with ECan where, in the first instance, we are working on the development of an adaptive flow regime for the Opuha and Opihi Rivers. We have established an Advisory Group which includes participants from NIWA, Fish & Game and other stakeholder groups including most of the OEFRAG participants.

Part of our work on this flow regime will include reviewing how an irrigation restriction regime might work under the new plan. We are considering establishing a reference group amongst our shareholders to contribute to this and we would like to hear from anyone who may like to assist with this. Please contact Julia – julia@opuha.co.nz or Ph 021 535 174.

There have already been two rounds of public meetings facilitated by ECan and the Zone Committee. There will be at least two more as they work through the process of presenting the outcomes of their investigations, modelling and deliberations to date and seeking feedback from the public on future directions. I would strongly encourage you to attend these forums as they are rolled out in the New Year. The meetings are expected to be in Feb/March and will be advertised on ECan's website in January.

<https://www.ecan.govt.nz/your-region/your-environment/water/whats-happening-in-my-water-zone/orari-temuka-opihi-pareora-water-zone/>

WATER METERING

Earlier this year we rolled out a new Water Management Policy on water metering and telemetry. The new policy requires all water takes over 5 l/s to be metered and telemetered. The policy had an initial implementation date of 1st November 2016. We are aware that there are still shareholders who have not completed the upgrade of their systems to meet this date. There are a variety of reasons for this, of which some are valid, and we are mindful that the cost of installing this equipment is an issue for smaller irrigators. We invited smaller irrigators to a meeting in November to discuss the issues and will be following up on this in the New Year.

The Directors have discussed the implementation of the water metering policy and remain committed to its purpose and objectives. They have agreed to roll the implementation through to the start of next season but will be firm on a "no meter, no water" position for the 2017/18 season. We feel this notice gives ample opportunity for all irrigators to plan for the implementation on their properties.

A reminder that the policy included provision for assistance with the financing of the upgrades through provision of a loan of up to five years with repayment via your monthly water charges invoicing.

WATER ORDERING

It has been a very quiet start to the irrigation season but we anticipate that it will get busy again as we move in to the summer season proper.

Timely then to remind you all of the importance and proper process for ordering your water.

Our preferred method (by far!) is to use the internet/on-line water ordering system accessible via the OWL website. Using this system ensures we get all the information we need and in the right timeframe to ensure we can efficiently provide your water and ensure that we don't waste water from the lake or that others miss out because you're using water that hasn't been ordered.

Our second option is to use the Water Phone - Ph 021 433522.

You can text this phone or, if you call, it directs you to voicemail to leave your irrigation order. If you are using this service, it is important that you provide ALL the details of your order – your name, which of your water takes you are planning to use (if you have more than one), the amount of water and your start time and (if you know) your planned finish time. This phone is checked several times a day by office or Ops staff including at weekends.

We do still have email to water@opuha.co.nz available but there has historically been very low utilisation of this and we will likely discontinue this at the end of this season.

The best system by far is the on-line system – it is more reliable and allows you to see your water order(s) so you can be certain that they are current and accurate.

As mentioned earlier, we are a bit light on operational staff until mid-January when our new Operator-Maintainer starts so I do ask that you please ensure your orders are in well ahead of time.

FARM ENVIRONMENT PLANS

We now have 100 Farm Environment Plans in place covering nearly 14,000 of our 16,000 shares. Pre-audit checks have been completed on 76 properties and plans.

Our plans for 2017 are to complete the pre-audit checks, begin the full audit process and to develop a small farm FEP suitable for farms with less than (typically) 50ha of irrigation including lifestyle blocks.

As well as simply facilitating the development of the FEPs with our farmers and coordinating the audit process, we are currently considering lifting our involvement and engaging more actively with our farmers who have FEPs to assist in tackling common areas where audit scores are indicating shortfalls in compliance and environmental performance.

With Julia shifting her efforts to the Healthy Catchments Project work specifically, I have asked Lucy Millar to take on this new role as well as continuing with her current FEP rollout/audit facilitation work.

This shift in emphasis has arisen, in part, from the realisation from the recent presentations from ECan on the current state and their 'status quo' model that there is a need for change. Without some changes to the overall water management within the region, it appears unlikely that we can expect to see any improvement in water quality outcomes.

PRIVACY NOTICE

Attached to this newsletter is a letter regarding privacy and use of personal information by Irrigation New Zealand (INZ)

The letter explains that, as shareholders of OWL, you are automatically members of INZ through OWL's scheme membership. We provide sufficient information to INZ for them to be able to communicate directly with you via email and post. The letter provides information to you regarding INZ's obligations and use of this personal information and your rights to know what information they hold or to request changes or deletion of that information.

NEW ECAN COUNCILLORS

I expect most of you will be aware that Peter Scott was elected to the Canterbury Regional Council (ECan) as South Canterbury's representative and Tom Lambie was confirmed as one of the government appointed councillors.

Congratulations to both Tom and Peter.

Also of note is the appointment of Lan Pham, one of the new ECan councillors, to the OTOP Zone Committee. Lan replaces David Caygill in this important role on our Zone Committee.

Peter has been appointed to the Lower Waitaki Zone Committee and also is active in urban development and transport portfolios.

Tom has been appointed to the Christchurch West Melton Zone Committee and is active in biosecurity, biodiversity and planning, consents and compliance portfolios.

On behalf of the Opuha Water team, best wishes to you all for a safe and happy Xmas and New Year

Regards



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tony@opuha.co.nz



PRIVACY NOTICE – IRRIGATION NEW ZEALAND INCORPORATED

Collection and Use of Member Data

Dear Shareholder

As you are aware, Opuha Water Ltd is a member of Irrigation New Zealand Incorporated (INZ). By virtue of being a shareholder of the Scheme, you also automatically become a member of INZ.

In order to maintain accurate records and communicate to its Members, INZ collects and stores information about its Members. The personal information we collect and hold includes the following:

- Physical Addresses;
- Telephone Contacts;
- Email Addresses.

In many cases the Scheme will provide your Personal Information directly to INZ.

Pursuant the Privacy Act 1993 (the *Act*), INZ is obligated to ensure that the Personal Information is securely held, that it is kept confidential (except to the extent that is publically available information) and only used as permitted by the Act and for the following purposes:

- Distribution of INZ e-newsletters;
- Distribution of INZ's quarterly magazine
- Member access to INZ's website.

Please be aware that you are entitled to know what Personal Information INZ holds about you and you may request a copy of all Personal Information held by INZ free of charge. You also have the right to request that Personal Information be corrected or deleted. Enquiries and requests in respect to your Personal Information can be made to:

admin@irrigationnz.co.nz

In the event you do not agree to INZ's collection and use of your Personal Information as detailed above, please advise us immediately.

Yours faithfully,

Irrigation New Zealand Incorporated