



CEO UPDATE

Since our last newsletter, we have raced through the bulk of winter and to be fair, it has been a very mild and dry season so far. This is great for winter farming conditions but it is not conducive to putting snow on the hills or water in the lake. We have been watching the situation closely for a number of weeks now. The lake level is presently at 86% full, which is reasonable in isolation, but when combined with the low snow pack at present and lower than normal lake inflows, the combined water picture is behind where we would ideally like to be. The rain gauge at the lake has recorded only 16.5mm of rain since the 1st July this year. The lake level is being actively increased, albeit at a modest rate. Optimistically however, weather forecasts presently available, look to have a bit of rain (maybe snow) coming through in the next couple of weeks. Time will tell if the forecasting proves to be accurate or not.

On a slightly different note, we entered the 2018 South Canterbury Chamber of Commerce, Business Excellence Awards and we have been very fortunate to be one of the finalists in our category (medium sized business). The awards evening is on 24th August where we will find out how we stack up against our fellow finalists. As a part of the awards, there is an additional peoples choice award too. If you feel inclined to give us your vote in this category then please go to <https://www.southcanterbury.org.nz/PeoplesChoice>.

HEALTHY CATCHMENTS PROJECT (HCP)

Work on the Healthy Catchments Project (HCP) has not let up, with current work focussed on the flow regimes of both the mainstem and the tributaries. There are a couple of matters we will take this opportunity to update you on:

Adaptive Management Regime: Tim Kerr from Aqualinc has been doing a great deal of work looking at what the appropriate triggers should be to prompt action (irrigation restrictions and reduced minimum flow requirements) in low flow situations. There are three key drivers which determine the water available for a season – lake level, lake inflows and snow storage. For each of these drivers, specific levels have been identified (for every day of the year) which would trigger a conversation about whether a water shortage regime should be implemented. This is work in progress and will be discussed with ECan and the ZC over the next few months. It is anticipated that this will replace the need for Water Shortage Directions once the plan is in place.

Tributary Flow and Allocation: The Flow and Allocation Working Party continue to work through the minimum flow and allocation regimes for the four ‘above dam’ tributaries. Current work is focussed on BN allocation and partial restrictions. It is anticipated that this will be presented to the OTOP ZC in mid/late August.

Stream depletion: The OTOP Zone Committee and ECan are currently working through how to deal with the ‘new stream depleters’ who are now – due to changes in the stream depletion methodology - considered to be hydraulically connected to the river. These new stream depleters, who were previously unrestricted, are likely to be tied to minimum flows on the mainstem and where relevant the tributaries, in some cases significantly impacting their reliability. While this does not directly impact OWL, we are aware that some of our shareholders hold these ‘new stream depleting’ consents outside of the scheme. If you are one of these, we would encourage you to get engaged with the OTOP process so you can start to understand the potential implications to your consents of any changes.

We anticipate that the ZIPA will be finalised in late October, with the notification of the OTOP sub-region plan due in mid 2019. The Hearing dates are still to be confirmed but are likely to be late in 2019. We will continue to keep you updated as the process develops.

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Shares - Buy/Sell/Lease

Shares For Sale

2 Water shares and 2 “L” Infrastructure shares available to purchase now

14 Water shares and “14” Infrastructure shares

Available to Lease

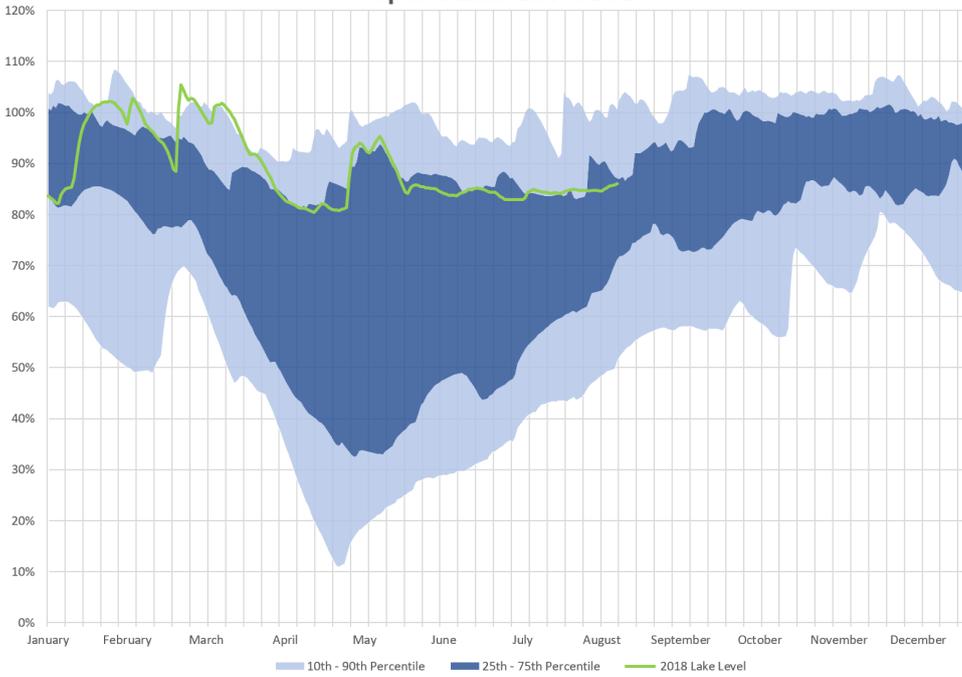
5 Water shares and 5 “L” Infrastructure shares available to lease (would prefer long-term)

Wanted to Lease

20 Water shares long-term

Please contact Christine at the Opuha office on 03 614 7801 for more details

Opuha Lake Level 2018



Call for expressions of interest for Director Internship

Expressions of interest are being called for an intern director to join the OWL board. Expressions of interest will be reviewed by the Board of Directors post the AGM in Nov, with the intention for the internship to start in the new year.

As a guide towards skills and attributes sought, the following would be considered advantageous:

- Commercial/Financial Acumen
- Active interest/involvement with local water management framework
- Environmental best practices in farming operations

Please email your Registration of Interest to andrew@opuha.co.nz with an attached summary of the perceived benefits this internship would provide you and the wider community.

FEPS & CONSENTS TO FARM



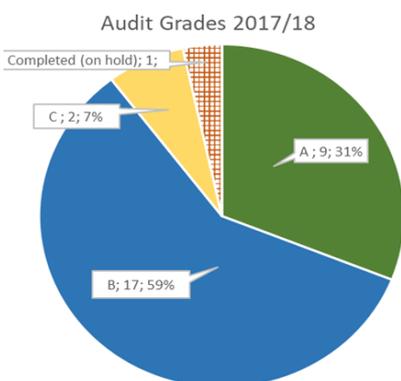
There are still approximately 34 properties who should already have a consent to farm (>20kgN/ha/yr), expect to receive a warning letter from ECan with regard to your progress.

PC5 is now all but operative so if you irrigate >50ha or winter crop >10%, you should be ready with a completed baseline (2009-13) to apply for a consent to farm.

Contact Lucy if you still need help, and to organise a time to update your FEP.

NUTRIENT BUDGETS

Make sure you are in the process of completing your 17/18 actual nutrient budgets to comply with ECan & OWL rules, this is an annual requirement. Remember to get the provider to update your baseline files into Overseer 6.3.0 at the same time.



AUDITS

9 Shareholders have now received 'A' grades, well done! 59% have received 'B' grades which shows they are on track to meet their objectives and are progressing well.

We understand there have been approaches made by other auditors to complete your consent to farm Audit, please be assured you do not need to respond to these, OWL has these organised for you.

IRRIGATION MANAGER TRAINING WORKSHOP

OWL is running an Irrigation Manager training day Sept 28th 10-4.30pm. Places are very limited, please contact Lucy to register lucy@opuha.co.nz 027 696 1742