

# **Welcome to Opuha Water Limited**

## **Information Pack for New Water Users**



**Within this information pack, you will find a combination of information in relation to your affiliation and entitlements**

## Contents

Welcome to Opuha Water Limited.....	1
Information Pack for New Water Users .....	1
Company Overview.....	1
Introduction.....	1
Scheme Operation .....	1
Shareholding.....	1
Water Shares .....	1
Infrastructure Shares.....	1
Company Requirements .....	2
Sale & Purchase of Shares.....	2
License Agreements.....	2
Water Supply Agreements.....	2
Water and Infrastructure Charges.....	2
Farm Environment Plans (FEP).....	3
Water Metering and Telemetry .....	3
On Farm Water Storage .....	3
Water Ordering.....	3
Water Entitlements .....	4
Notice Periods .....	4
Placing Orders and Cancellations .....	4
Good Irrigation Scheme Practice .....	5
Pre-Season Checks.....	5
Operations during the Season .....	5
Spray Irrigators .....	5
Water Ordered.....	5
Disregard of Rules.....	5
Contact Information.....	8
Office Location.....	8
Personnel.....	8
Company History.....	9
The Dam Project .....	9
The Success of the Dam .....	9

# Company Overview

## Introduction

Opuha Water Ltd (OWL) was the instrumental company in obtaining all of the resource consents and resources to construct a dam west of Fairlie in South Canterbury. The dam forms the storage facility known as Lake Opuha that stores water for release into the Opuha River for environmental flows, to provide for irrigation and commercial water supply and for the generation of electricity.

The principal assets of OWL at Lake Opuha are the dam, the power station and the downstream weir where the water release is regulated into the Opuha River. Downstream of the dam facility, OWL owns irrigation distribution infrastructure in four sub-schemes – the Kakahu, Totara Valley, Levels Plain and Sutherlands schemes.

On 1st July 2014, a complex merger was accomplished which created one entity by amalgamating all the main irrigation schemes that take water from the Opuha river systems.

OWL is a cooperative company 100% owned by approximately 240 farmer shareholders. The OWL Board comprises seven Directors - five farmer Directors and two Independents

## Scheme Operation

The Opuha scheme operates by releasing water into the Opuha River which flows into the Opihi River

Irrigation water is supplied to three sub-schemes (Kakahu, Levels and Totara Valley) from these takes water is distributed through to individual landowners. Other irrigators pump from the river either through galleries or adjacent bores.

Irrigators determine their irrigation requirements and order their water on that basis. Water orders are aggregated at Opuha House and enough water is released from the dam to supply the irrigation requirements as well as ensuring the minimum flow is maintained in the river.

OWL has its own management/administration structure and personnel.

The maintenance operation of the Power Station and river control gate is contracted out to TrustPower.

## Shareholding

### Water Shares

All water users are required to hold water shares to be able to take and use water from the Opuha scheme. The company has 16,000 water shares on issue and the scheme is, at this stage, considered to be fully allocated.

Each water share entitles the holder to an allocation of considered enough to irrigate one hectare of land in the scheme area (at 25mm per week). Soil conditions and irrigator efficiency can vary around the scheme which may enable some landowners to irrigate more land area with their share allocation. There is no restriction on the area irrigated for a given shareholding.

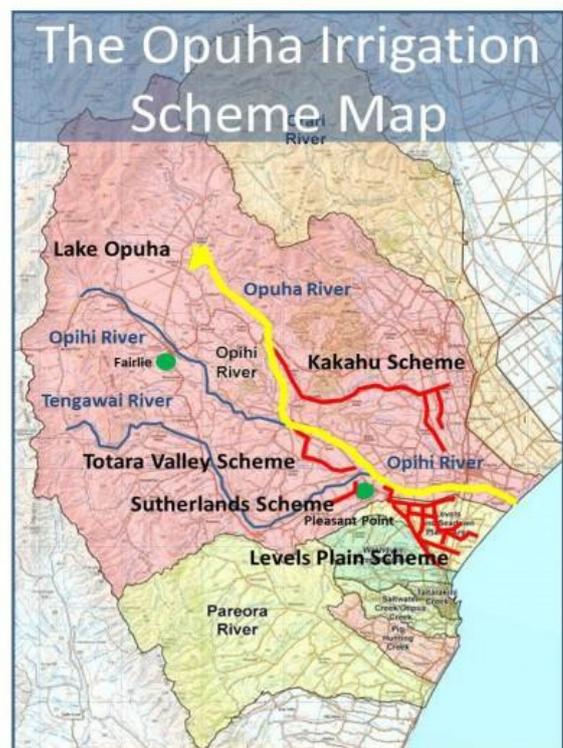
One water share provides the following entitlement:

- 1 share = 25mm x one hectare (250m<sup>3</sup>) per week for 22.5 weeks = **5,625 m<sup>3</sup>** per season
- Delivery rate = **0.41336 litres/per second** (from 250m<sup>3</sup> per week/7 days/24 hours/3600 secs)

### Infrastructure Shares

'Infrastructure shares' are required to be held by those irrigators that are supplied via the sub-schemes. One infrastructure share is required for delivery of each 'water share' entitlement. The infrastructure shares represent the water users' 'portion' of the sub-scheme asset capacity and are used as the mechanism for charging the water users for their fair portion of the sub-scheme ownership, operation and maintenance costs.

Separate infrastructure share classes have been established and issued for each sub-scheme so there are currently 'K', 'T' and 'L' shares issued to the water users on the Kakahu, Totara Valley and Levels Plain sub-schemes.



# Company Requirements

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## Sale & Purchase of Shares

Shares and the right to water may be transferred to a person or entity that owns or farms a property in the scheme area or any other person or entity approved by the Board. Where the shares and the water rights attached to those shares relate to a specified approved property the Board may require that the water continues to be supplied to that property as a precondition to ensure that other water users' reliability is not affected.

Shareholders and prospective purchasers require Board approval for any sale or transfer of shares. Two documents are required to be signed by both parties - 'Share Transfer Record' and 'Application to Sell Shares'. Please contact Opuha House for copies of the required documents for the sale and purchase of shares.

## License Agreements

A shareholder may license the right to water (lease) to a person who farms a property within the scheme area which is serviced by a distribution system (having the capacity and capability of delivering water to the licensed person). A licensing agreement is required to be signed by both parties - an 'Application for Sale or Lease of Shares' form can be obtained from Opuha House. OWL must be notified for prior approval by the Board.

## Water Supply Agreements

Shareholders and water users are required to complete a Water Supply Agreement before scheme water can be taken. The Water Agreement is the formal "contract" for the supply of water. The Water Supply Agreement comprises two documents:

1. Short Form Water Agreement - this is the document that is signed by both parties and contains the information and data relevant to the shareholding (number of shares, the name of the shareholding entity, the water entitlement etc)
2. Terms and Provisions for the Supply of Water – this is the 'terms and conditions' document that contains the detailed information relating to rights and obligations of the respective parties.

All documents are available for download on the OWL website [www.opuhawater.co.nz](http://www.opuhawater.co.nz), or hard copies can be obtained from Opuha House.

## Water and Infrastructure Charges

As a cooperative company OWL endeavours to minimise the cost of water supply to its shareholder farmers and water users.

Charges are levied on a per share basis for both water shares and infrastructure shares. The charges for water shares cover the company's costs of owning and operating the main dam facility and the overhead costs of the company. The charges for infrastructure shares reflect the direct costs of owning, operating and maintaining the specific sub-scheme infrastructure. Under the Water Supply Agreement, all holders of shares are required to meet charges levied. Water and infrastructure charges are reviewed on an annual basis to enable all costs of operating the schemes to be recovered.

OWL also receives revenue from the sale of electricity generated at the power station and this is used to offset operating costs to all shareholders.

### Water Charges

The current water charge is \$206.90 plus GST, per share, per annum for 80% of your water entitlement. We maintain water order records throughout the season and usage over 80% is charged at the end of the season.

### Infrastructure Charges

The infrastructure charges vary across each of the sub-schemes and reflect the different operating, maintenance and financing costs of each scheme. For the 2018/19 season (ending 30 June 2019), the annual charges are as follows:

<b>Levels Plain scheme</b>	<b>Totara Valley scheme</b>	<b>Kakahu scheme</b>
'L' shares - \$45.01 plus GST	'T' shares - \$42.00 plus GST	'K' shares - \$184.55 plus GST

### Other Charges

Sutherlands scheme water users and water users supplied by the State Highway 8 pipeline (within Levels Plain) are also charged for infrastructure costs a share of electricity fixed and variable charges based on water usage.

### Direct Debit Facility

Direct debit is the required method of payment for all new water users. The direct debit facility offers a 2.5% discount on water and infrastructure charges. A direct debit form has been included to complete and return to our office.

## Farm Environment Plans (FEP)

Under the new Land & Water Regional Plan (LWRP), most medium to large shareholders will be required to have a Farm Environment Plan (FEP) for their property by 2017. OWL has developed an on-line system, approved by ECan, and has representatives available to assist landowners to develop a FEP specific to each property.

The FEP development involves a one-on-one process where an OWL representative will visit the landowner on their property to provide some training with the on-line FEP system and to assist with the initial preparation of the FEP. Once the landowner has completed the FEP as far as they can go, the OWL representative will call again to assist with the completion of the FEP.

All FEPs will be audited (OWL arranges this) after 12 months.

Farm Environment Plans (FEPs) are the tool by which OWL will ensure that appropriate management practices are implemented on-farm to avoid or minimise adverse impacts on water quality and quantity of on-farm activities, especially those associated with irrigation. The aim of the system is not only to achieve compliance with resource consent conditions but to operate at a level above compliance and continuously improve what is done as a scheme.

A FEP is a valuable tool for OWL shareholders, helping farmers to develop profitable and sustainable farm management system. The aim of the Farm Environment Plan is to build a farm system that is optimal for the business, while also having the lowest impact on the environment. There are both management benefits and productivity gains to be made by identifying and achieving ongoing improvements in environmental practices on-farm. A Farm Environment Plan, done well, will provide strategic direction for successful and sustainable business performance.

Farm Environment Plans must be developed or, where appropriate, reviewed and updated if:

- A new Water Supply Agreement is signed; or
- A new Licensing Agreement is signed

The website's Environmental Management section has some useful resources, including details about the 'bucket test kit' which we have available to lend shareholders to test the performance of their irrigators.

*For more information about the Farm Environment Plan programme refer to the website*

<http://opuhawater.co.nz/environmental-management/audited-self-management> or contact Julia Crossman at Opuha House.

## Water Metering and Telemetry

In May 2016, OWL issued a new Water Management Policy – Water Metering and Telemetry requiring all water users with water takes above 5 litres/sec to have water metering and telemetry installed. This requirement is consistent with the national regulations – Measurement and Reporting of Water Takes Regulations 2010.

The policy is available on the OWL website <http://opuhawater.co.nz/company-information/company-policies>

## On Farm Water Storage

OWL has a Water Management Policy – On-Farm Storage, that details the requirements for any shareholder wishing to hold scheme water in a storage or buffer pond.

The policy is available on the OWL website <http://opuhawater.co.nz/company-information/company-policies>

## Water Ordering

All water users are required to place a water order before water can be used from the scheme.

Water is released from the dam in response to water orders and cancellations received from water users.

The irrigation season runs from 1<sup>st</sup> September to 31<sup>st</sup> May. Timely and accurate orders and cancellations are essential if we are to ensure water is available when required by water users and to ensure resource consent conditions are met.

No water user is to take water unless it has been ordered as this affects water availability for neighboring properties, and can result in, resource consent infringements which could result in prosecutions by Environment Canterbury.

It is your responsibility to advise us of your resource consent details (or if you have a new consent). Please ensure that we are provided with copies of your resource consent and that you advise us of any changes as they occur.

Water entitlement is based on one share per hectare providing for 25mm per hectare, per week for 22.5 weeks of the year provided at a rate of 0.41336 litres/second per share.

This water entitlement is expected to be spread over the season with a total volumetric allowance of 5,625 m<sup>3</sup> per share (25mm x 1ha x 22.5 weeks). When calculating your volume entitlements 1 hectare = 250 cubic meters per week.

When calculating your flow rate entitlement, use the number of share that your own or lease multiplied by 0.41336 litres/second. For example, 40 shares provide for a flow rate of  $40 \times 0.41336 = 16.53$  l/s.

## Water Entitlements

### Notice Periods

Because there is a substantial travel time for water released from the dam to reach the downstream users, we require water orders with enough notice period to allow timely release to manage stored water efficiently. Notice periods for water ordering and cancellations are listed below. Please plan your water requirements before ordering and we ask that you keep to these times so the appropriate releases can be made.

Water users in the Levels Plain area are differentiated due to the time it takes for the water to reach the scheme.

	<b>Levels Area</b>	<b>All Other Areas</b>	<b>All areas must place orders for: 6.00am start/finish, or 6.00pm start/finish</b>
Placing Orders	48 hrs. notice	24 hrs. notice	
Cancelling Orders	24 hrs. notice	12 hrs. notice	
Editing Current Orders	24 hrs. notice	12 hrs. notice	

### Placing Orders and Cancellations

The following options are offered for ordering your water:

#### Internet/Website Ordering

Internet and website ordering is the preferred method. It is the easiest format for us to get the information from and once you are familiar with its use, we believe is the simplest method for water users as well.

- The website address is [www.opuhawater.co.nz](http://www.opuhawater.co.nz)
- First time users will need to contact the Opuha Office for an invitation to the water portal

If you are having trouble ordering water through the website then please contact the office on 03 614 7801

**Please Note:** Once you have ordered water and the notice period has passed, you are deemed to have taken that water. The onus is on water users to cancel their orders when they intend to stop their water to avoid being "billed" for water they have not used.

The Directors of Opuha Water Limited have applied consistent interpretation to this matter and that is; ***if you order water, you will be charged. It is up to each water user to place and cancel orders.***

Historically for Opuha and its irrigation schemes each scheme race-man stuck to their own scheme primarily; however we now have each member of the operations team is competent for each scheme. This provides us with improved flexibility, and it allows the members of ops team take time away from work during the irrigation season without creating undue issues around who's running 'their scheme'. With this change, we have also implemented an on-call roster for a 'Duty Operator'.

**The Duty Operator will be the first port of call for all ops team enquiries.**

**Please call the main Opuha Water Phone number of 03 614 7801 and follow the prompts to speak to the on-call dutyman after hours for emergencies. Alternatively, you can contact our main number above during business hours to speak to a Scheme representative.**

# Good Irrigation Scheme Practice

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The overview of the good irrigation practices below is a reminder that OWL wants to ensure that the water resource is used efficiently by the farmers who obtain water from within the scheme and to allow the fair, equitable and efficient allocation of water to all water users.

## Pre-Season Checks

While we carry out pre-season checks on the race delivery system prior to commencement of operations, individual water users should also carry out their own checks of the waterways adjacent to their property, as well as their own farm equipment.

Please advise of any potential issues regarding scheme races or scheme equipment so that the operations team can attend to them prior to water being released.

We can provide an equipment checklist for center pivots and linear irrigators. Contact Opuha House for a copy.

## Operations during the Season

Water users are encouraged to note and advise of any evident or potential operational problems with the irrigation schemes so that we can attend to the problems promptly.

Water users should also be making regular checks of their own on farm equipment, including pumps and intake screens, to ensure any potential issues can be addressed before they cause problems that will affect water delivery.

## Spray Irrigators

All those using spray irrigators have an obligation to ensure that **irrigation water does not fall on roads or cause nuisance to adjacent properties**. While there will naturally be some spray drift occurring, particularly from a prevailing wind, farmers are required to carefully plan irrigator run start and stop points and programme pivot end guns to switch off in proximity to roads.

## Water Ordered

It is important that all water to be used is ordered with the required notice periods and similarly cancelled when it is no longer required. Opuha Water is required to maintain river flows and provide records of water usage to Environment Canterbury daily for compliance.

## Disregard of Rules

Water users who choose to disregard the rules by either tampering with set gates or taking water without ordering through the appropriate channels are in breach of their water supply deeds.

There will be penalties applied to any water users who choose to flaunt the rules.

# Contact Information

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## Office Location

Opuha House  
875 Arowhenua Road  
RD 4  
Timaru 7974

Phone: (03) 614 7801

Email

[office@opuha.co.nz](mailto:office@opuha.co.nz)

Website:

[www.opuhawater.co.nz](http://www.opuhawater.co.nz)



## Personnel

### Chief Executive Officer

Andrew Mockford - Phone 021 333 043, Email [andrew@opuha.co.nz](mailto:andrew@opuha.co.nz)

### Asset & Operations Manager

James Cullimore - Phone 027 480 4997, Email [james@opuha.co.nz](mailto:james@opuha.co.nz)

### Environmental Manager

Julia Crossman - Phone 021 535 174, Email [julia@opuha.co.nz](mailto:julia@opuha.co.nz)

### Business Manager

Laura Shaw - Phone 021 227 6377, Email: [laura@opuha.co.nz](mailto:laura@opuha.co.nz)

### Commercial Manager

Aimee Bennett - Phone 021 075 5602, Email [aimee@opuha.co.nz](mailto:aimee@opuha.co.nz)

### Environmental Advisor

Jane Hewitt – Phone 021 409 665, Email [jane@opuha.co.nz](mailto:jane@opuha.co.nz)

### FEP Implementation

Lucy Millar - Phone 027 696 1742, Email [lucy@opuha.co.nz](mailto:lucy@opuha.co.nz)

### Financial & Payroll Officer

Fiona Davies - Email [accounts@opuha.co.nz](mailto:accounts@opuha.co.nz)

### Business Administrator

Christine Walker - Phone 021 535 788, Email [christine@opuha.co.nz](mailto:christine@opuha.co.nz)

### Operator Maintainers

Neil Partridge - Phone 021 0264 6119, Email [neil@opuha.co.nz](mailto:neil@opuha.co.nz)

Bevan Hand - Phone 021 227 9001, Email: [bevan@opuha.co.nz](mailto:bevan@opuha.co.nz)

Jason Smith - Phone 021 227 5554, Email: [jason@opuha.co.nz](mailto:jason@opuha.co.nz)

### Board of Directors

The Board consists of 5 elected farmer Directors and 2 appointed independent Directors:

Ryan O’Sullivan (*Chair, Farmer Director*), Brendan Caird (*Vice-Chair, Farmer Director*), Nicky Hyslop (*Farmer Director*), Rebecca Biggs (*Farmer Director*), Tony Howey (*Farmer Director*) Jeremy Boys (*Independent Director*), Paul Burns (*Independent Director*), Tom Hargreaves (*Associate Director*)

# Company History

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## The Dam Project

The Opuha Dam is situated at the confluence of the North and South Opuha Rivers, 17 km north-east of Fairlie. The scheme consists of a 50-metre-high earth dam and a lake storing a nominal 65.5 million cubic meters of water.

OWL's principal activities are the coordination and supply of water for industrial and domestic consumption, environmental river flows, irrigation supply and electricity generation.

Water is released into the Opuha River and flows into the Opihi River to maintain minimum flows especially in times of drought or low natural flows.

Irrigation water is supplied to approximately 240 irrigators (with 278 consents) covering 16,000 hectares inland from Timaru and Geraldine.

The majority of water released from the Dam generates renewable hydroelectricity through a 7MW single turbine power station and river control gate owned by OWL but operated by Trustpower Limited.

Initially, the concept came out of discussions between the Electricity Corporation of New Zealand (ECNZ) and the Opihi Augmentation Society and resulted in the Opuha Dam Partnership being formed back in 1992 to commercialise the project.

At this time, it enjoyed the support of local Lines Company, Alpine Energy Ltd, Timaru and Mackenzie District Councils, the Opihi River Development Company and two irrigation companies - Levels Plain Irrigation Company Ltd (which existed prior to the dam) and South Canterbury Farmers Irrigation Society (SCFIS) which was established to represent the farmers who would in future be able to access water from the dam.

Construction of the dam began in 1995 and progressed very successfully until Waitangi Day 1997 when three days of solid rain in the upper catchment resulted in the partially completed dam being overwhelmed and breached by the high inflows. While there was extensive damage downstream and to the construction site, the project faced only a temporary setback. Repairs were swiftly completed, and the project was commissioned and officially opened in November 1998. After nearly ten years of initial operation, the scheme was purchased outright by the farmer irrigators who are now 100% shareholders.



## The Success of the Dam

A 2006 study by the Ministry of Economic Development evaluated the economic impact of the Opuha Dam over two "normal" seasons and found the dam added an impressive \$124m million to the South Canterbury economy and \$20 million/year to the district's households. It also created another 500 full-time jobs.

The project has been immensely successful for the economic prosperity of the region and has enabled the development of a robust agricultural sector covering a wide range of land use activities. These include dairying, horticulture and arable cropping, sheep, beef and deer and specialist seed growing. These on-farm activities support significant downstream industries such as the vegetable processing facilities at Washdyke, dairy processing and represent a significant part of the region's export economy and earnings.

The 7MW power station provides a valuable contribution to the local electricity network and the revenue from the electricity sales accounts for approximately half of the company's income.

The lake itself provides excellent amenity value, especially for the local Fairlie community where the lake provides recreational benefits which people from Timaru and Ashburton also come to enjoy. The lake is an increasingly popular destination for the region's schools as part of their rowing and water-based activities and programmes.

The Opihi catchment is experiencing the same challenges as most freshwater catchments in Canterbury with concerns over the reducing water quality of the rivers and streams and the impacts this has had on amenity value and in-stream aspects including the fishery. The Opihi catchment including the Opuha Dam is no different and the company is committed to working with its irrigators and with the wider river community to achieve the goals and targets of the Canterbury Water Management Strategy and ensure a sustainable future for the river environment.

While the dam has resulted in better river flows being maintained throughout the year with positive results such as maintaining the river mouth opening, understanding the impact of the dam on water quality and what improvements may be able to be made continues to be a focus for Opuha Water Limited.