

WELCOME TO OPUHA WATER

INFORMATION FOR NEW WATER USERS



THIS DOCUMENT CONTAINS INFORMATION ABOUT YOUR AFFILIATION
AND ENTITLEMENTS AS A WATER USER WITHIN OPUHA WATER LIMITED

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Company Overview

Introduction

Opuha Water Ltd (OWL) is the company that obtained all the resource consents and resources to construct the Opuha dam west of Fairlie in South Canterbury. The dam allowed the creation of Lake Opuha, which stores water for release into the Opuha River for environmental flows, water for irrigation, commercial water supply, and generates electricity.

The principal assets of OWL at Lake Opuha are the dam, power station, and the downstream weir, which regulates the release of water into the Opuha River. Downstream of the dam facility, OWL owns irrigation distribution infrastructure in four sub-schemes: Kakahu, Totara Valley, Levels Plain and Sutherlands. On 1 July 2014, the main irrigation schemes taking water from the Opuha River systems were merged into one entity, Opuha Water Ltd. OWL is a cooperative company. It is 100% owned by approximately 240 shareholders. The cooperative is governed by a board of seven directors: comprising five farmer directors and two independents.

Scheme Operation

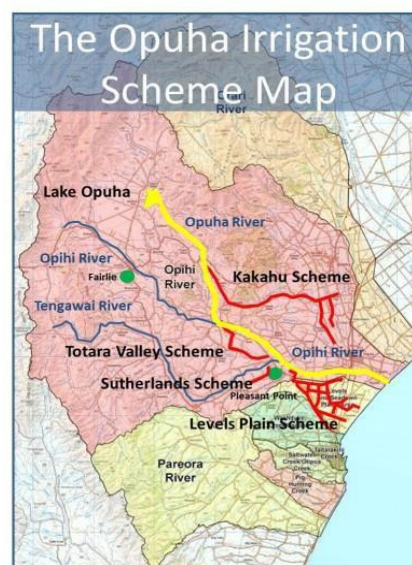
The Opuha scheme operates by releasing stored water from the lake into the Opuha River, which flows into the Opihi River.

Irrigation water is supplied to the Kakahu, Levels and Totara Valley sub-schemes, which then distribute water to individual landowners. Other irrigators pump from the river or are hydraulically connected through ground water.

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

OWL has its own management/administration structure and personnel to manage the scheme.

The maintenance operation of the Power Station and river control gate is contracted to Manawa Energy Limited.



Shareholding

Water Shares

All water users are required to hold water shares to take and use water from the Opuha scheme. The company has 16,000 water shares on issue and the scheme is, currently, fully allocated.

One water share provides the following entitlement:

- 1 share = 25mm x one hectare (250m³) per week for 22.5 weeks = **5,625 m³** per season
- Delivery rate = **0.41336 litres/per second** (from 250m³ per week/7 days/24 hours/3600 secs)

Infrastructure Shares

'Infrastructure shares' are required to be held by those irrigators 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 water users for their portion of sub-scheme ownership, operation, and maintenance costs.

Separate infrastructure share classes are issued for each sub-scheme; currently 'K,' 'T,' 'L' and 'S' shares for water users on the Kakahu, Totara Valley, Levels Plain and Sutherlands sub-schemes.

Company Requirements

Sale and 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 Company where the shares, and the water rights attached to those shares, relate to a specified approved property

Shareholders and prospective purchasers require Company approval for any sale or transfer of shares. Two documents are required to be signed by both parties - 'Share Transfer Record' and 'Application to Transfer Shares.' Please contact our office for copies of the required documents for the sale and purchase of shares (office@opuha.co.nz).

[Terms & Provisions for Supply of Water](#) and the [Share Allocation and Trading Policy](#) documents are available for download via the OWL website www.opuhawater.co.nz,

License Agreements

A shareholder may license (lease) the right to water to a person who farms a property within the scheme area that is serviced by a distribution system that has the capacity and capability of delivering water to the licensed person. A licensing agreement is required to be signed by both parties - an 'Application to License Shares' form. All license agreements require Company approval.

The Application to License Shares is available for download via the OWL website www.opuhawater.co.nz/shareinformation.

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 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 via the OWL website www.opuhawater.co.nz/companydocuments,

Water and Infrastructure Charges

As a co-operative 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 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 pay the 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 (for 2023/24 season onwards) is \$280.00 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

Infrastructure charges vary for each sub-scheme to reflect their different operating, maintenance, and financing costs.

<i>Levels Plain Scheme</i>	<i>Totara Valley Scheme</i>	<i>Kakahu Scheme</i>	<i>Sutherlands Scheme</i>
'L' shares - \$88.63 plus GST	'T' shares - \$83.25 plus GST	'K' shares - \$262.43 plus GST	'S' shares - \$132.66 plus GST

Other Charges

Sutherlands Scheme and State Highway 8 pipeline water users are also charged for infrastructure costs and a share of electricity costs.

Direct Debit Facility

From 1 July 2022, Opuha Water Ltd requires all invoices to shareholders are paid via direct debit. Failure to pay via direct debit will result in a 5% penalty being added to each invoice.

The Direct Debit Authority is available for download via the OWL website www.opuhawater.co.nz/directdebit.

Farm Environment Plans (FEP)

Under the new Land & Water Regional Plan (LWRP), all shareholders who trigger the requirement to hold a Farming Land Use (FLU) consent are required to develop a Farm Environment Plan (FEP) for their property. OWL has an FEP template for shareholder use, which is approved by ECan. The FEP development involves a process where an OWL representative visits the landowner on their property to provide training in the FEP system and assist the initial preparation of an FEP for each specific property. When the landowner has completed an FEP as far as they can go, the OWL representative will assist with its completion. All FEPs are audited as required by the FLU consent. The process is facilitated by OWL on behalf of the shareholder.

Farm Environment Plans (FEPs) are the tool that allows OWL to ensure 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.

An FEP is a valuable tool for OWL shareholders, helping farmers develop a 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. Management benefits and productivity gains can be made by identifying and achieving ongoing improvements in environmental practices on-farm.

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; or
- There is a change of person in charge of managing the property.

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

OWL regularly hosts shareholder training, workshops on environmental management, and provides new information as it comes to hand from external bodies. OWL rewards shareholders who go above and beyond the required minimum standards

in their implementation of Good Management Practices on-farm, as assessed by an OWL audit, and financially incentivises environmental performance by subsidising the cost of the audit based on the grade achieved.

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

<http://opuhawater.co.nz/environmental-management/audited-self-management> or contact the Environmental team at Opuha House.

Water Metering and Telemetry

OWL has a Water Management Policy – Water Metering and Telemetry, which requires all water users with takes above 5 litres/sec to have water metering and telemetry installed. This requirement is consistent with 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, which 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>

Resource Consents

All water users who take or use water supplied by OWL must comply with the conditions outlined in OWL's regional resource consents. Water users can contact the OWL office for clarity on which consents are relevant to them.

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 September to 31 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. Water orders are to be made through your portal login on our website.

Water Entitlements

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. When calculating your volume entitlements 1 hectare = 250 cubic meters per week. This water entitlement is expected to be spread over the season. When calculating your flow rate entitlement, use the number of shares you 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.

Notice Periods

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

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

	Levels Area	All Other Areas	All areas must place orders for: 6.00am start/finish, or 6.00pm start/finish
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 water:

Internet/Website Ordering

Internet and website ordering is required. It is the easiest format for us to get the information from you. 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
- First time users will need to contact Opuha House for an invitation to the water portal.

Emergency Phone Ordering

Phone orders can be made to 03 614 7801 in the event that the water ordering portal is down, or you need assistance.

To talk to an Operator-Maintainer during work hours (8am – 5 pm)

Please phone 03 614 7801, and follow the prompt to talk to an Operator-Maintainer for assistance, the system will ask which scheme operator you wish to speak to

- Press '1' for Levels Plain
- Press '2' For Kakahu
- Press '3' For Totara Valley/Sutherlands
- Press '4' for All other schemes and enquiries

After Hours – For urgent issues please ring 03 614 7801 - follow the prompt to be connected to the afterhours duty operator

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 invoiced 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.***

Good Irrigation Scheme Practice

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

Pre-Season Checks

OWL does do pre-season checks on the race delivery system prior to commencement of operations. However individual water users should also conduct their own checks of waterways adjacent to their property, and of their own farm equipment.

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

Operations during the Season

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

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

Spray Irrigators

All water users that use spray irrigators have an obligation to ensure that **irrigation water does not fall on nonproductive areas, i.e., roads or cause nuisance to adjacent properties**. While some spray drift will naturally occur, particularly during windy conditions, farmers are required to carefully plan irrigator run, start and stop points, and programme pivot end guns to switch off in proximity to roads.

Disregard of Rules

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

Penalties will apply against any water users who flaunt the rules.

Contact Information

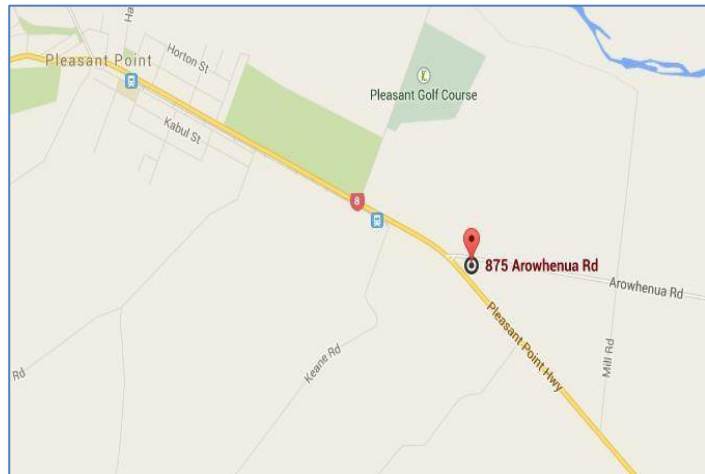
Office Location

Opuha House
875 Arowhenua Road
RD 4
Timaru 7974

Phone: (03) 614 7801

Email office@opuha.co.nz

Website: www.opuhawater.co.nz



Personnel

Chief Executive Officer

Bjorn Triplow – Email bjorn@opuha.co.nz

Asset and Operations Manager

James Cullimore - Email james@opuha.co.nz

Environmental Manager

Julia Crossman – Email julia@opuha.co.nz

Commercial Manager

Aimee Bennett - Email aimee@opuha.co.nz

Management Accountant

Rachael Harrison – Email rachael@opuha.co.nz

Office Manager

Lynne Hope – Email lynne@opuha.co.nz

Accounts Receivable/Payable

Email – accounts@opuha.co.nz

Operator Maintainers

Bevan Hand – Email bevan@opuha.co.nz

Craig McLachlan – Email craig@opuha.co.nz

Jason Smith – Email jason@opuha.co.nz

FEP Implementation

Lucy Millar – Email lucy@opuha.co.nz

Fresh Water Specialist

Dr Jared Panther – Email jared@opuha.co.nz

Environmental Advisor

Hannah Duncum – Email hannah@opuha.co.nz

Board of Directors

The Board consists of five elected farmer directors and two appointed independent directors:

Ryan O'Sullivan (*Chair, Farmer Director*)
Brendan Caird (*Vice-Chair, Farmer Director*)
Rebecca Biggs (*Farmer Director*)
Tony Howey (*Farmer Director*)
Richard Green (*Farmer Director*)
Paul Burns (*Independent Director*)
Elena Trout (*Independent Director*)
Brent Schridder (*Associate Director*)

Company History

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 throughout the season.



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

Most 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 Manawa Energy Limited.

The original concept for the dam came out of discussions between the Electricity Corporation of New Zealand (ECNZ) and the Opihi Augmentation Society. This resulted in the formation of Opuha Dam Partnership in 1992 to commercialise the project.

At this time, the project 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 breached by 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 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 vegetable processing facilities at Washdyke, and dairy processing, representing a significant part of the region's export economy and earnings.

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

The lake provides an excellent amenity value, especially for the Fairlie community, with recreational users (fishing, boating, picnicking etc.) coming from throughout South Canterbury and as far north as Ashburton. The lake is an increasingly popular destination for the region's schools as part of their rowing and water-based activities.

The Opihi catchment is experiencing the same challenges as most freshwater catchments in Canterbury, with concerns about reducing water quality in rivers and streams, and the impacts this has 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 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 might be able to be made continues to be a focus for Opuha Water Limited.