

# NEWSLETTER

February 2013

## WELCOME

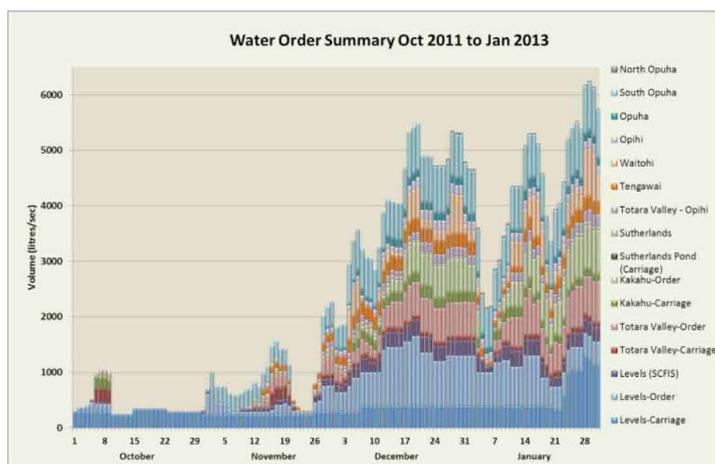
This is the first newsletter since the irrigation season got underway and also the first for what looks like a big year for us and in fact everyone in the water 'game' in Canterbury especially.

In this edition, I'll update on our season so far and how we are tracking with storage and operations and then overview some of our bigger issues such as the restructure and the new Regional Plan.

## ACTIVITY ROUNDUP

### Irrigation

It was late November before we really got underway with irrigation but it ramped up quickly and by mid-December we were receiving orders for over 5 cumecs. The big rain just after New Year knocked things back for a few days and then demand grew steadily from there to peak at about 6.2 cumecs just before the end of January. We are currently supplying about 4.2 cumecs. The chart below shows the pattern of the season's water orders to the end of January.

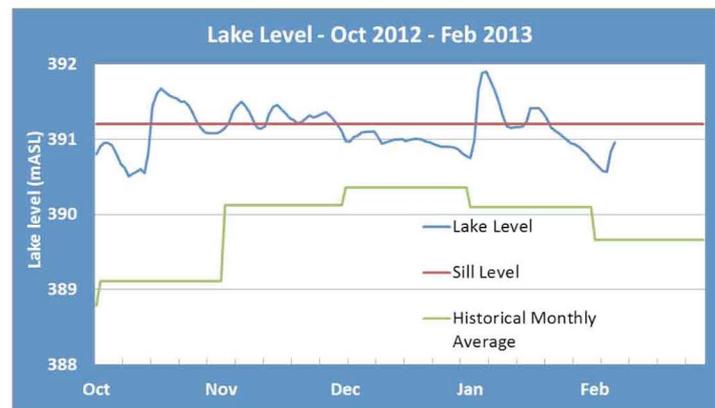


The relatively high irrigation demand has seen some of the schemes near full capacity and has shown up a few areas where additional maintenance or modifications have been necessary but, overall, water supplies have been able to be reliably maintained by Steve, Chris and our new staff member Kerry. We have been able to successfully complete five flood flow rounds in the Levels scheme this season – something we struggled with in last year's stop-go season.

Looking ahead already to winter maintenance, there are a couple of major items on our list already. One is the repair of the pipeline under the Tengawai River that supplies Sutherlands – this pipe was dislodged during the August floods and while it has remained operational we do need to reinstate it in the riverbed. The other area we will have to consider is the communications and control systems we have for the intakes at each of the schemes – these systems have become unreliable and outdated and we will be assessing options to replace or upgrade certain aspects of these.

## Lake Storage, Dam and Power Station Operation

The lake was filled in August and was able to be maintained near full right through to Xmas. The heavy nor'west rains just after New Year delivered more than we anticipated and raised the lake well above the sill level. With a similar pattern forecast for the following week, we decided we needed to spill only to get a meagre 3mm of rain actually arrive our side of the Divide.



We have been able to generate at higher levels than planned every month since the start of the financial year so we are doing well with generation income this year. Our generation contract has worked well for us this summer maintaining good contract prices when Spot Prices have been very low. The power station has been very reliable with our only major issue being the reliability of the communications link for several months up until January.

We completed some substantial work down on the embankment of the downstream weir including upgrading the access track down the right-hand side of the regulating pond. We have carried out several investigation activities at the downstream weir as part of our plans to upgrade the structure.

We are moving ahead with the detailed design phase for the downstream weir upgrade which will entail the construction of a new separate spillway structure located towards the right-hand side of the main embankment. We are still investigating whether it is viable to installation a small hydro generator in the new structure.

## REMINDERS

### Water Ordering and Irrigating

Even though we have had good lake storage levels this season, we still endeavour to only release what is required for irrigation and environmental flows. To do this well, we need to have accurate water orders that reflect what is actually happening and going to happen with irrigation demands.

Please ensure that you keep your water order information up to date with both orders and cancellations.

We have been really pleased with the number of irrigators now using the website for their water orders. This makes it so much

easier for us to consolidate the daily orders. Thank you to those 37 new web site users!

Please avoid relying on phone calls to the operations staff for your water orders. By all means call them if something unforeseen arises with your irrigation needs but please back this up with a revised order or cancellation.

Please ensure that your irrigators don't end up watering the roads! We have had a number of incidents where this has occurred repeatedly this season – it is wasteful, is not a good look for the general public and can be very dangerous to road users (an unexpected windscreen full of water at night can be extremely dangerous). It might also be illegal for this reason.

### Shares for Sale and Lease

A reminder that we still have significant parcels of both SCFIS and Kakahu shares for sale and for lease. Contact Christine for details.

We have also had a request for the purchase of two LPIC shares if any are available please.

### RIVER FLUSHING FLOW TRIALS

We are planning to conduct a flushing flow trial on **WEDNESDAY 13<sup>TH</sup> FEBRUARY**. The objective of the trials is to test if we can release a flow sufficient to dislodge the algal growth (mainly didymo and some phormidium) that has flourished again this season in the Opuha River. The tests follow on from some river survey and modelling work conducted for us by NIWA last year and will also provide some additional information for the design of the downstream weir modifications.

We are planning to release 40 cumecs for a two hour period beginning at the dam at 8am. This higher flow will result in a bit of a surge in the river flow that will travel downstream and that could catch out unsuspecting river users in the Opuha River. We expect that by the time it gets to the confluence at Raincliff (approx. four hours later) that the level change will be relatively small. We will have warning signs out at Skiptons Bridge and Raincliff to warn of the likely river level changes.



It is likely that the higher flow will bring a bit of a flush of algae and weed down the river. The screens on the scheme intakes should handle this extra material **but those of you with offtakes directly off the Opuha and Opihi (especially higher up the catchment) are requested to monitor your pump intakes for potential blockages on Wednesday and Thursday.**

### LAND & WATER REGIONAL PLAN

There was a very good turnout for the workshop in October at Pleasant Point on the new Land and Water Regional Plan that was notified by ECan in August. The implications of the Plan are very significant for all rural landowners and the important aspects of these got a good airing at the workshop. Probably the most contentious issue is the potential restrictions on land use change and the requirements for a land use consent if water is applied to new land or the proposed activity increases estimated nitrogen discharge by more than 10%.

An important response to this new Plan is a re-focus on the need for an integrated Audited Self Management (ASM) system across our business. The implementation of ASM is a very big undertaking for us and we completed some good planning and preparation work last year which we now need to finalise and plan for a roll-out at the conclusion of this irrigation season. ASM will require all our irrigators to have Farm Plans that covers the important aspects of the farming operation relating to the use of water and potential risks to the environment. More on this initiative to follow in the next few months.

### COMPANY RESTRUCTURE

At the end of last year I presented to each of the sub-scheme Boards and to SCFIS Board, an outline of the proposal to restructure Opuha Water Ltd into a much simpler structure that provides for a much more direct relationship between OWL and all the water users. The discussions after the presentation identified a number of common and some unique issues across the various groups. We are now reviewing how those issues can be addressed in a more detailed planning of the restructure process. All shareholders will be required to consider and vote on the restructuring implementation plan once we have a detailed process to present.

### EMAILED ACCOUNTS

We have had a good response to our offer to email monthly accounts instead of posting them. This move provides a cost and time saving to us and, we hope, is convenient to those of you who have requested this. To push this along further, this month we will be emailing the monthly accounts to all of those shareholders we have email addresses for. Accounts will still be posted to everyone who hasn't specifically asked for email only but we are hoping that more of you will advise us of your willingness to change to email copies.

### OPUHA BOOKS AVAILABLE

We have received a new consignment of the book on the story of the Opuha Dam "A Dream Fulfilled". This book has proven to be extremely popular - hence the reprint.

We would like to make one free copy of the book available to every shareholder. Additional copies are available for purchase at \$30 each.

Please contact Christine, preferably by email (or call in), to arrange your free copy and additional orders.

Regards

A handwritten signature in blue ink, appearing to be "Tony McCormick".

Tony McCormick  
Ph 027 233 0412  
[tony@opuha.co.nz](mailto:tony@opuha.co.nz)