

Spring Newsletter

Waimakariri Irrigation Limited

September 2011



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Hi Everyone...

It is just over two months since shareholders voted 91% in favour of accelerating the storage proposal to the next stage. Since that meeting a lot has been happening behind the scenes and not all of it has to do with the storage project.

2011/2012 Water Charge

In line with previous years the water charge is increased by the annual CPI index movement. This year the charge will increase 4.5% from \$14.65 (2010/2011) per share to \$15.31 per share (2011/2012).

ENC Rural Technology Transfer Project

Enterprise North Canterbury has established the Rural Technology Transfer Project (RTTP) to facilitate and promote a step change in the rate of adoption of on farm best practices. This will be achieved by utilising a combination of new and existing technologies to promote the efficient use of water management.

In August a letter was mailed out to shareholders seeking expressions of interest for participation in the benchmarking of irrigation water use efficiency – the response from farmers was outstanding and surveying on a cross section of dairying and cropping farmers is underway. The results of the research should be available in mid-2012.

Communication

We have identified a need to improve our communication with shareholders by providing more detailed and timely updates, to achieve this we are undertaking a couple of initiatives. First of all we are 'freshening' the look of the website, it has the potential to be a great resource and source of information so over the next coming months you should start to see some changes to the site.

At the moment the most reliable way of communicating with shareholders is by conventional mail, this is slow, inflexible and expensive. Emailing would make messaging almost instantaneous and is the preferred option; however we understand that not every household has access to the internet making faxing the next preferred option. The company currently operates two databases, the shareholder register and the efax system hosted through the website. Unfortunately neither database matches so it would be great if you could complete the attached form and send back to us your most up to date contact details.

Operations Report

Council Bylaw

Through previous newsletters we have reminded that shareholders need to adhere to the Council bylaw regarding stock in water races.

It seems to have had very little effect. This is not just something that the operations staff have made up, but a bylaw that the Council, along with ECAN and DOC, deem absolutely necessary. The bylaw states that stock must not be able to linger in the water race.

Some of you have put a hot wire along the race, which is very good, but then make a drinking station that allows stock to stand in the race. Please make these stations so that stock can only drink from the race by just bending the fence in a bit. Do not make them just above culverts, as this only causes blockages.

I have been told that we must enforce this bylaw more strictly, so from now on we will issue infringement notices to anyone who is not complying with this bylaw.

River Flows

This season could prove to be a challenging one with the river on restrictions already. We hope that the flows will improve once the snow starts to melt in the back country but our staff will endeavour to keep the water flowing to everyone as much as possible.

If everyone can remember to order their water 48 hours before it is required, this will mean that everyone will get the water they need without interruption.

Please don't start irrigating before you have been given the approval to start as this is taking someone else's water and causing them un-necessary problems and shut-downs.

Phill



Water Metering & Telemetry

Complimentary to the storage project but independent at this stage is a proposal to add telemetry to the 80 flow meters currently installed on the scheme. It is likely that we will also install additional flow meters on to takes smaller than 40 litres per second. This is part of the process to ensure we improve water use efficiencies and the initiative will also form the basis whereby we can measure, bank and distribute stored water when required.

The next step in this process is to complete an audit of all WIL meters and then survey where additional meters will be required, enter into a tendering process for the supply of meters and telemetry services to host and model the data.

Storage Project

The project is gathering momentum with the final design and layout being signed off by the Board a fortnight ago. A huge amount of work was carried out by Rooney's engineer Steve Agnew to come up with a design that will distribute water equitably across the scheme during periods of restriction. Two ponds will be constructed and filled using a combination of gravity feed and pumps, the challenge has always been to provide an equal share of water along Main Race 4 despite the natural ground contour.

With the design completed we then had enough information to start consent applications. In a break away from tradition we invited all the immediate parties involved in the consenting process to attend a site visit at Wrights Road last Monday. Attending the meeting were representatives from Ecan and WDC, Rooney's, DamWatch, Waimakariri Zone Committee, PDP, Chapman Tripp, DoC, iwi, the immediate neighbouring farmers and the WIL Board and operations team. The purpose of the exercise was to familiarise everyone with the project and to identify the various elements and issues that each party would require through the consenting stage.

PDP will coordinate and submit the consent application. DamWatch an engineering company from Wellington are in the process of completing a dam break analysis and this report will form the basis through which the RMA process will initiate consultation with neighbouring farmers.

For those of you interested in finding out more detail about the project, pond design and other issues we invite shareholders to attend a site meeting (cnr Wrights and Dixons Road) next Monday, 3rd October at 5.00pm.

Despite involving a number of people and organisations the consenting for this project is quite a straight forward process and planning is still scheduled to see the consenting process completed by late November.

Along with finalising the detailed engineering design and consenting we have completed preliminary talks with a number of banks. In this coming week we will engage a company to complete detailed financial models and to assist us through the capital raising phase.

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Water Trading and Share Transferring

A number of you have raised the question whether water trading could become more seamless and flexible. At the moment trading/leasing really only exists on a season by season arrangement but with the installation of storage ponds and our proposal to better measure and control the stored water the opportunity to trade on a monthly even weekly basis exists in theory. Obviously there are operational and administrative considerations but investment in technology should overcome some of those issues.

We plan to form a Focus Group of shareholders to investigate ways how share trading might practically work, and at the end of the sessions come up with recommendations to present to the Board. We are aware that some shareholders with on farm storage and access to ground water might see an opportunity whereby they can trade excess water, we are also equally aware there are farmers who at various stages in the season could do with additional water. If you fall into the category of either of these parties and are interested in helping devise a trading scheme please let me know.

Reminders

1. Return your updated details form
2. Review the Stockwater Bylaws and act where required
3. Wrights Road site meeting 3 October 5.00pm
4. Zone Committee Meetings (refer to advert)
5. Water Trading Focus Group

Option 5B Schematic Plan



Adverts

Wanted to Buy

W.I.L. Shares
 Any size parcel considered
 Phone 027 486 4023

Have your say on water management

The Waimakariri Zone Committee has put together a draft programme for water management which is now ready for your input. Community Engagement meetings:

Monday 3 October
 7-9pm Rossburn Function Centre
 Sparks Lane (off Northbrook Rd)
 Rangiora

Wednesday 5 October
 7-9pm Kaiapoi Club
 113 Raven Quay, Kaiapoi

Monday 10 October
 7-9pm Jaycee Rooms
 56 Main Street
 Oxford Memorial Hall

Written comments are also very welcome and will be accepted until October 21. Visit the website to download the draft ZIP and an online feedback form.
www.ecan.govt.nz/canterburywater

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