LOWER WAITAKI IRRIGATION COMPANY LTD

AUTUMN NEWS LETTER

April 2017

• From the Race Manager

The 2016-2017 irrigation season would be one for the record books with total volume used for the season being down by 30% for the same time last year. The scheme has run smoothly over the summer months without any major problems. We will be shutting down races to carry out routine maintenance inspections as per normal over the winter months, we will send out TXT notification prior to shut downs. Anyone wanting to take advantage of race shutdowns to carry out maintenance on irrigation screens contact the race manager 027 455 1123.

• Farm Environmental Plans (FEP's)

Irricon have completed the FEP audits for the 2016 period and everyone should have received a report and current level of confidence rating (LOL) for their farm(s). The rating you received will reflect on the frequency of future audits.

Grade	Timeframe between audits
Α	3 years. A change of manager and/or significant farm system will trigger re-audit within 1 year.
В	2 years. A change of manager and/or significant farm system will trigger re-audit within 1 year.
С	1 years. A change of manager and/or significant farm system will trigger re-audit within 1 year.
D	6 months. A change of manager and/or significant farm system will trigger re-audit within 1 year.

The timing of future audits has been adjusted to better fit in with different farming practices. It is very important that there is a good line of communication between sharemilkers/managers/farm staff and the farm owner/LWIC shareholder to make sure the relevant information is passed on to person(s) responsible for the day to day on farm management.

• MOU update

The MOU with ORC has been progressing well with monthly water samples being tested to determine the ground water quality. There are 4 new and 1 long term State of the Environment bores being tested to determine the water quality within the aquifer under the plains. The results from the monitoring bores shows that the water quality is of a good standard with the average at present point of time being at just under 5 g/m³-N of NNN and Nitrate Nitrogen. The drinking water standard is 11 g/m³-N so the water within the aquifer is well below drinking water standard, but the challenge that lays ahead for us all is to ensure that the ground water does not deteriorate. History has shown in other areas where flood irrigation has all been replaced by spray irrigation the ground water quality has deteriorated. There is a place for efficient border dykes on the plains.

This is where the importance of the Farm Environmental Plans comes into play. By making changes to key areas that have been identified through the FEMP process, positive results

for the environment will be the outcome. This is something I would like to think that everyone is striving for in today's negative environment towards farmers. You as shareholders have to take responsibility of your actions.

A Water Plan change is scheduled for 2018 to insert a ground water quality limit and associated rules around N leaching on the plains. This is an important step in the process for you as shareholders, which will hopefully lead to a fantastic result in the final regulations. <u>A meeting with ORC representatives will be held on the evening of Monday</u> 26th June at 7pm at the Lower Waitaki Golf club. I urge all Shareholders to attend as any questions you may have will be answered.

• Fish Barrier

Plans to construct a fish barrier at Borton's Pond this winter are temporarily on hold until we get some clarification from ECAN as to the suitability of the proposed structure. Questions have been raised as to whether the proposed structure will effectively screen all fish including native species as required. A team led by RDR (Rangatata Diversion race) Management are travelling to USA to look at alternative screening methods in hope of finding an effective solution that could be adopted by other irrigation schemes.

• Scheme development

As part of ongoing scheme development and improvement we have a busy winter ahead with several projects on the books. A third scheme balancing pond with a capacity of 16000m3 is to be constructed at the end of the Hilderthorpe race on Steward Road to counter act the ongoing effects of farms converting from borderdyke to spray irrigation. The Hilderthorpe pond will provide security of supply for those farms in the immediate area and greatly reduce losses to by-wash, the pond will be completed and in operation for the start of the 2017-2018 season.

After several years of discussion plans have been drawn up for a new office block that is to be constructed at the Papakaio depot. This will replace the two prefab site offices that were never intended to be anything other than temporary which have ended up being the centre of scheme operations for almost 40 years. The new office will lift the profile of the Companies presence in the area, and provide a better working environment for the staff and provide a more suitable meeting space going into the future.

The Company are continuing to invest in technology with Buchanan Projects whom we have been working closely with for the past 14 years developing our race automation network Buchanan's are working on a SCADA system (supervisory control and data acquisition) that will link all of the existing gate control sites into a network, this will allow real time monitoring and collection of data and greatly increase the control of water distribution when and where it is required.