



Merry Christmas and Happy Holidays to all Shareholders and their families

### General News

#### Merry Christmas to NOIC's Shareholders

As an extraordinarily eventful year for us all comes to an end, we want to take this opportunity to remember the year, for its high points and low points and to wish you all the very best for the Christmas period and the holiday season.

We started 2020 with several major pieces of work to do – among them the installation and commissioning of two new motors for Pump Station 1, the conclusion of a significant deal with Network Waitaki regarding our high voltage assets, the refinancing of our loan with Waitaki District Council and the roll-out of our new FEP. Our focus was, and remains, the reliable delivery of water to your offtake and so our asset management and maintenance programme, along with necessary capital works was at the forefront of our planning.

And along came Covid 19. It was not a question of whether Covid disrupted a business but how well businesses adapted and coped. By securing “essential business” status, we ensured we were able to continue to operate. Adopting controlled and safe practices, we resolved issues in the scheme or on farm pretty much as normal. Our aim was to provide you with the same level of service that existed outside of a lockdown state. Despite the Covid-limitations, we began our winter maintenance programme to ensure the scheme was ready for the 20/21 irrigation season. Covid did delay the manufacture and shipping of the two new PS1 motors, and in tandem with the incredibly dry year it has been (with unprecedented early demand for irrigation water in September), we could not meet that demand and had to implement a roster – and we thank everyone for their patience and participation in this. The motors arrived, were duly installed and are running beautifully.

During the year we completed a deal with Network Waitaki to sell them our high voltage assets. NWL are experts in power distribution. NOIC is an expert in water distribution. We had no business owning assets that received 110kV of power, stepping that to 11kV and bringing that into our pump stations. As part of the deal, NWL has ordered a second 110/11kV transformer that will be a backup in the event the primary transformer was to fail. A transformer is critical to operating the scheme and the consequences of weeks without one mid-season would be catastrophic for shareholders. That risk was unacceptable and has been resolved.

Finally, we have completed the refinancing of our \$17M loan

with the WDC, due for full repayment in 2022 – paying off \$2M and resetting the balance (now \$15M) for a further 10 years. The goodwill and sense of “partnership” between NOIC and the Council enabled this very good outcome.

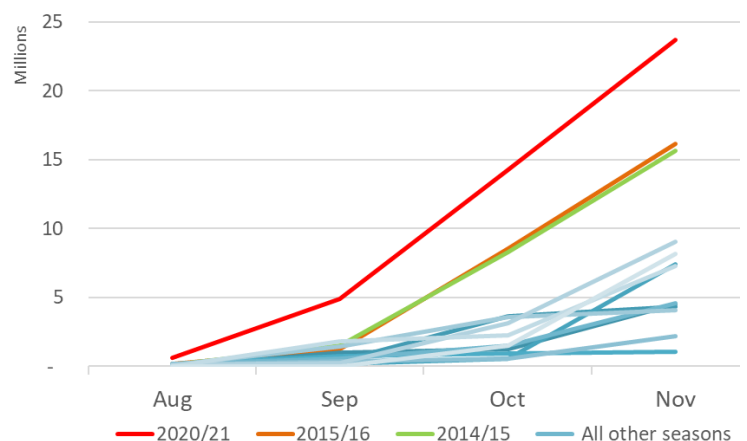
Many of you will have visited the NOIC offices and, if you were able to find a park, will have been transported back in time as you entered the building. Staff were located in three separate areas which simply didn't make for good teamwork. And so we have moved to new offices at 277 Thames Street, where there is good off-street parking down the drive to the north side of the building – so please drop by and visit.

Looking ahead to 2021 - the first major project is the release of an Information Memorandum supporting the sale of the balance of the NOIC shares. This IM will be released on 1 February and includes terms for share purchase that will make the decision to buy shares easy and attractive.

### Water Use and Supply Charges

November's supply charge of \$0.05 per m<sup>3</sup> was the lowest in the Company's history - made possible by a low contracted power price and the efficiency of pumping continuous high volumes. This season NOIC has already delivered 24 million m<sup>3</sup> of water, 50% more than the two previous record seasons (2014-15, and 2015-16), and 2.5x more all other previous seasons.

#### Cumulative water delivered (m<sup>3</sup> irrigation)



### Your Admin

The NOIC office will close on Thursday 24 December 2020 and re-open on Tuesday 5 January 2021.

## Environmental Update – ORC Flyovers to Monitor Land Disturbance

ORC conducted flyovers last week to monitor land disturbance. Flyovers are conducted from time to time throughout the year and for various reasons. On this occasion the objective was to look for work near or in waterways or wet areas and assess the risk of sediment and nutrient run-off. This is a timely reminder to always seek advice on any consenting requirements before undertaking excavation works. ORC can be contacted on 0800 474 082 or [customerservices@orc.govt.nz](mailto:customerservices@orc.govt.nz)

## Operations Update

This season has seen one of the more sustained periods of high irrigation demand in the history of NOIC. Since the installation of the new motors at PS1 we have repeatedly needed to triple pump, shifting approximately 6,500 L/s into North Otago. Overall, the scheme is performing very well, with only a few offtakes slightly down on expected pressure. We are putting in place both short term fixes for these, whilst looking at longer-term solutions. Weed has been a particular issue this season and we are doing the best we can to keep it out of the pipeline network. Unfortunately, at the flow rates we pump it is both impractical and cost prohibitive to screen further at source. Individual farmers are welcome to consider installing a self-cleaning screen immediately after the offtake to prevent on-farm sprinkler blockages. We're happy to discuss this with you.

*It is important that our team get to spend time with their family over the holidays so unless it's an emergency, please avoid call outs after hours or on public holidays. The best contact for NOIC response through the holidays is 03 433 1201.*

## Position – Casual Summer Operator

We are looking for a student/casual worker for general tasks, such as weed spraying and mowing around the scheme for the summer months.

If you know anyone with their full driver's license who may be interested, please get them to contact Ben on 029 355 1381 to discuss.

## Shares Available

### Shares to Lease

Brenda McLeod - 100-130 shares. Please call 027 513 1100

Kieran McNamara – 5 shares. Please call +61 4385 00117 or email [kandkmac@yahoo.com.au](mailto:kandkmac@yahoo.com.au)

### Shares for Sale

Vicki Hewson - 2 Shares. Please call 027 261 7242

### Wanted to Purchase

Two k-lines with 8-10 pods each. Contact John Hore, 021 148 8887

## NOIC Scholarship – 2020 Recipient Sophie Hawkins



**Above from L-R: Emily Anderson (Environmental Manager), Sophie Hawkins and Andrew Rodwell (CEO)**  
Congratulations, Sophie and good luck next year.

## Intensive Grazing Photo Competition - \$500 Farmlands Voucher

As most of you know, when sowing fodder crop around risk areas (Critical Source Areas) - see photo **1 below** - it is best practice to leave a buffer of rank grass. It is generally not best practice to sow through, and then eventually graze, these risk areas - see photo **2 below**.

Many great examples of the use of buffer zones can be seen around the scheme and so, to celebrate this adoption of best practice, NOIC would like to start a competition.

Send in a photo of a paddock showing a buffer around a risk area or a photo of best practice grazing of a fodder crop paddock (e.g photo **3 below**) and you will be in to win a **\$500 Farmlands voucher**.



Photo One



Photo Two

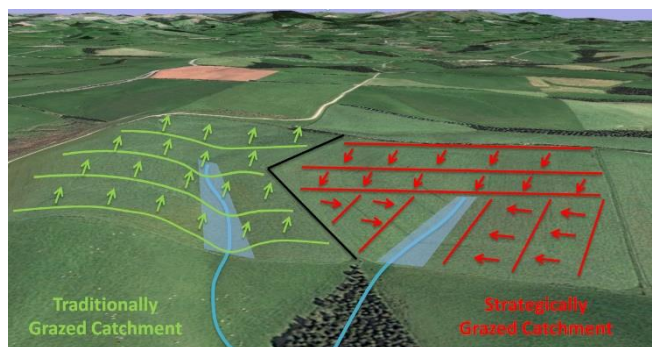


Photo Three

Send to [eanderson@noic.co.nz](mailto:eanderson@noic.co.nz) by Monday 1<sup>st</sup> February 2021. Draw will be that week.