

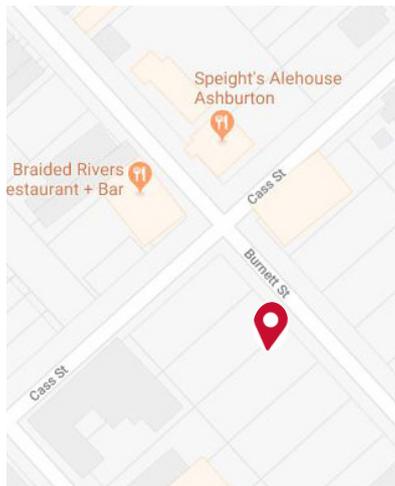
MHVwater

Shareholder Update

We have moved..

On 1 June, the Irrigo Centre moved into new offices in the Tavendale and Partners building on the corner of Cass and Burnett Streets. Our entrance is at 326 Burnett St.

We look forward to welcoming you there.



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Message from the CEO

As we approach the end of our first financial year as MHV Water I am reflecting on the progress that we have made since the merger, the traction we are making on our strategy and delivering you and our community with sustainable solutions. I am really proud of what we have achieved. The great stuff that is happening is massively tempered by the challenges and uncertainty we are all facing with Mycoplasma Bovis becoming more wide spread. There are some more details in the newsletter how we are responding and we know this is a difficult time. If there is any support that we can provide please let me or one of our team know.



I spent a morning last month at the Naturetech conference at Lincoln which was part of Tech week. There were some interesting speakers and recurring themes around the importance of innovation and pace of change. Rather than regurgitate those messages I thought I'd share a couple of interesting high level points:-

- We need to understand the difference between tradition and legacy. Often we hold onto things because we see them as tradition- where they are in fact legacies that are holding us back from achieving.
- There is plenty of talk about what we need to achieve. We need to make sure we know 'how exactly' we intend on achieving it and make it happen.
- The report by beef and lamb on "future of meat" is apparently well worth a read a couple of speakers referenced it as an excellent and informative read: <https://beeflambnz.com/news-views/alternative-proteins-research-published>
- Whilst price, taste and convenience remain important to consumers, they are effectively tickets to the game. Enviro and social values, health and wellness and safety of food are what consumers are now demanding.

We also have Left Field Innovation coming out to the scheme next month to share what they are doing in the research and development space for diversification on farm. There is a great opportunity for us to understand the co-investing model they are looking at, so be sure to check out the details online or on Facebook.

Finally, thank you for your support and feedback during the first year of MHV Water. We are very proud of our 80 plus year history and look forward to working with you over the year ahead.

Mel

Mycoplasma Bovis

M.Bovis is becoming more of a concern for us locally.

At this time of year MHV Water are often on farm working on maintenance of offtakes and outlets and as such we have escalated our Bio Security Policy to Level 3. Up until recently we have been operating at Level 2 of this policy.



What moving to Bio Security Level 3 means for you as an MHV Shareholder

- No MHV vehicle access to any MHV farming property where cattle are present, or have been present in the last 60 days.
- We may walk onto properties that have cattle, but boots will be scrubbed and disinfected before and after any entrance onto a property.

What we need from you

- If you have been contacted by MPI and are under Notice of Direction (NOD), under consideration of a NOD, have a Restricted Place Notice (RPN) or have been identified as at risk please contact us. It is essential our team are aware. If you have an updated bio-security policy of your own, please send this through to us so that we can update our register.
- We request to shareholders on open races who wish to graze the races to please temporarily fence with a hot wire along the race edge. It is essential that cattle are kept out of the races. We appreciate that putting up a hot wire along the race edge may be problematic and that presently M.Bovis is not considered to be water borne, however, it is crucial that we are not party to spreading this disease and we do not want to carry this risk.

The escalation to Level 3 is a temporary move to ensure that we are protecting all of our shareholders and we will review this as the situation continues to evolve over the next few weeks.

We have put a call into ECan to discuss our concerns over a possible increase in Nutrient Loading for our consent this year if farmers are under RPN or have been identified as at risk. We have an expectation that there will be an acknowledgement of the extenuating circumstances and we will keep you informed of our discussions with ECan in this regard.

We are at a time when stock movement is at its' highest. [Winter Grazing Guidelines](#) have been developed to reduce the risk of infection. Double fencing between different mobs on a winter grazing property would be considered good practice to reduce the risk of infection. Learn more at mhvwater.nz/our-environment/mycoplasma-bovis

We know that it is a difficult time for you and that all farmers have concerns. If there is any way we can provide support, please let one of our team know.

NB. Please note that the Bio Security Policy remains as a draft. It was drafted and circulated in January and has had Board feedback to provide the necessary level of guidance pending the wider bio security policy framework being addressed outside M.Bovis.

AGRI INNOVATION

MID CANTERBURY

The inaugural Agri Innovation Mid Canterbury seminar was held at the Ashburton Trust Event Centre on 2 May and was attended by 300 people.

The event was free to attend and was jointly presented by MHV Water, Ashburton Lyndhurst Irrigation and Barrhill Chertsey Irrigation.

Events like this could not be possible without sponsors and we are grateful for the support of Tavendale and Partners, KPMG, BNZ and Federated Farmers.

Key speakers, Roger Dennis and Kaila Colbin challenged our thinking about rapidly changing technology, and how the future will look. How will we be farming? What will we be farming? Their presentations are available to view on our [MHV YouTube channel](#).

We are hoping to hold another event next year, so keep an eye out and make sure you reserve your seat.

Ashburton
Lyndhurst
Irrigation
Limited



MHVwater



MID CANTERBURY



Irrigo Centre
326 Burnett St
Ashburton 7700
03 307 8389
info@mhvwater.nz

Valetta Operations

Giles Pinfold has accepted a different contract with MHV Water for the new season.

He will no longer be operating solely on the Valetta Line.

Giles will be leading our Managed Aquifer Recharge Operations, Mentoring the new Valetta Operator and providing Projects Support.

Giles has an excellent foundation of knowledge and it will be great for him to be involved with the wider scheme.

For any Valetta Line enquiries in the winter please call:

Keith Hyslop on 027 535 9912; or

Sam Anderson, Operations Manager on 027 435 6251.

Valetta Wells Required

We are on the lookout for volunteers for water quality sampling within the Valetta Line area.

Wells need to be easily accessible, and have a water collection point close by. We will consider all depths.

Information collected, will be reported back to well owners and used by MHV for quarterly reporting.



Coming Up

Borderdyke Information Session

Wednesday 20 June 2018
3pm
Hinds Community Centre

How do we increase the value of farming?

Left Field Innovation are an exciting new enterprise who are aiming to increase the value of farming in NZ for farmers.

Please rsvp to info@mhvwater.nz

Thursday 5 July 2018
1pm
Hinds Community Centre

New Manager Induction

If you are a new farm manager or a new shareholder, you are strongly encouraged to attend this training day to learn about our scheme.

October 2018
Details to be confirmed.

Annual General Meeting

Thursday 18 October 2018
7.30pm
Hinds Community Centre

Register your interest for any of our workshops by contacting the office on 03 307 8389 or info@mhvwater.nz or learn more on our [website](#).

How do we increase the value of farming?

Left Field Innovation are an exciting new enterprise who are aiming to increase the value of farming in NZ for farmers.

They aim to :

- Link producers with consumers
- Co-invest in new food options
- Have sustainable development goals

Susan Goodfellow and Nick Pyke (ex FAR CEO) are co founders and they will be joining us to discuss the opportunities available to farmers for sustainable diversification. Other founders are John Morgan (Food South), Ed Bulter and Patrice Feary who each bring skills around alternative proteins, international markets and consumer trends.

Thursday 5 July 2018

1pm

Hinds Community Centre

Please RSVP to info@mhvwater.nz

2018/19 Annual Water Charges

Share prices for the new season have been confirmed and will begin from 1 June 2018.

You will receive formal confirmation, with the full costings for your shareholding and how the pricing will be applied on a monthly basis.

The first charge will be invoiced on 30 June for payment 20 July and your Direct Debit will adjust accordingly.

They are as follows:

\$2.10 per share MH Open Race
\$8.52 per share Ruapuna Line
\$2.95 per share Valetta Line

Land Use and Nutrient Discharge Consent Update

Our mirror consents with ECan to replace the RDRML Land Use and Nutrient Discharge Consent have been issued.

The new consents provide us with surety of continuance under our old consent even if our new consent is not agreed prior to the expiry of the old consent.

The new replacement consents were lodged last month and we are seeking a 35 year term.

If anyone would like further details on the consents or process please call Mel.

FEP Audits

Did you know it can take up to 6 months to complete nutrient budgets for MHV Shareholders?

This is because many irrigation schemes and milk suppliers need compliance nutrient budgets at the same time and there are a limited number of people who can complete this work.

The FEP Auditing season is rapidly sneaking up on us again and we want to help you get everything you need to get a good grade. Your nutrient budget is an essential component of your FEP Audit, so we have arranged for Ballance and Ravensdown consultants to take appointments out of our office to make it cheaper, faster and more convenient for you to complete your nutrient budget.



Not sure why you are being audited?

You will be audited between October and May if you:

- Haven't been audited before; or
- Received a "B" audit grade in the 2016-17 season; or
- Completed a FAVA; or
- Had a change of manager or ownership.

If you haven't been in touch with us already to book in your nutrient budget, please make time for the helpful and handy Irrigo team when we give you a call.

Facebook Group

Join our MHV Shareholder group and receive updates and useful information about the scheme.

This is a "secret" group on Facebook so is not searchable or accessible to anyone that is not a member.

On this page we post snippets of information about upcoming events, health and safety, weather events and general news or projects of interest within our scheme. It is simply another avenue of communication in addition to text, newsletters, email, shed meetings and phone calls.



If you or your senior staff would like to join this group, please email mel@mhvwater.nz or jo@mhvwater.nz and we can join you up.

Do you have a new farm manager?

Please advise your Scheme Operator or the office of your new farm manager's contact details so that we can update our records.