

# MHVwater Scheme News

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## Message from the CEO

Welcome to our autumn edition of the MHV newsletter.

The offseason maintenance and winter projects are well underway, including the automation of the remaining manual offtakes in the Open Race and installation of pond sensors. The automation will support us being able to deliver water in the open races fairly, equitably and efficiently. Closer to the start of the new season we will have shed meetings to discuss the technology, the benefits and answer any questions.



Melanie Brooks, Chief Executive

On Friday 7th June we are running an Irrigation Scheduling Trade Show. Being able to demonstrate that the amount of water applied is appropriate for the crop and conditions is one of the keys metrics in your Farm Environment Plan audit. This is a great opportunity to learn more about your existing soil moisture monitoring systems or different options. I would highly recommend attendance.

As part of building our consent application we appreciate the feedback we have had from you at the Enviro Shed Meetings. Next month we are replicating the most recent shed meetings to provide an overview of our application for landowners in the Hinds/Hekeao Plains who are outside of the scheme. This meeting will be an opportunity for us to connect, share the process, gain feedback and assess any concerns. Engaging with all of the Hinds/Hekeao Plains is one of our objectives. We will be holding further Shareholder updates as we progress with ECan.

Finally, as we finish our second season as MHV Water I reflect on our progress, especially on our strategic initiatives, and I would like to thank you for your support and feedback. I would also like to take this opportunity to recognise the great job that our team have done and continue to do, day in and out, to deliver for our Shareholders.

I look forward to seeing many of you in the office for your FEP updates and if you have any feedback on how we can be sharing our news or other ways we could be communicating with you I would welcome a call or visit.

Nga mihi, *Mel*

## Key Dates

**7 June**

### Irrigation Scheduling Tradeshow

One stop shop for identifying your soil moisture monitoring needs and comparing industry providers.

Hotel Ashburton

11am - 2pm

**June to October**

### **FEP Updates and Audits**

**Early July - Date to be confirmed**

### Dairy Effluent Update

New rules are now in place with high expectations that your effluent system and storage will meet Good Management Practice. Find out what this means for you and how you can access one on one support to guide you through these changes.

**17 October**

### **Annual General Meeting**

Hinds Community Centre

7.30pm

# Our Environment

## Consent Update

We continue to work with ECan on the renewal of our Nutrient Discharge Consent.

There is largely support of the proposed methodology and our discussions with Arowhenua have been positive and constructive.

When we receive our new consent, we will provide an update and a roadmap and provide guidance to what needs to be achieved by 2025. Presently we are operating under continuance of our existing consent which means that those shareholders who are getting audited this season will require a Nutrient Budget.

All of the letters detailing your FEP and Audit requirements for this year have been sent out, if you have any queries or have not received a letter please contact our team.

## 2019 FEP Updates

The FEP update provides you with the opportunity to check in on your progress to achieving Good Management Practices (GMP) and learn what actions may be appropriate for your business to achieve further Nutrient reductions in future. It is also an opportunity to discuss any concerns or queries you may have with regard to your Environmental management.

During the FEP Update we will:

- Review and discuss your progress towards meeting GMP
- Revise and discuss your FEP and Audit actions to ensure that the property is continuing towards meeting future Nutrient reductions
- Help you prepare for your next FEP audit, if necessary
- Verify the information you provided last year is still correct
- Check and update the maps we have
- Provide high level options that will assist in achieving Nutrient reductions.

Every shareholder will be contacted to complete their 2019 FEP update and we can visit you or you can pop in to see us. It is helpful for all people responsible for the FEP to attend the update, e.g. managers, 2ICs and sharemilkers.



**FREE**

## Irrigation Scheduling Tradeshow

Friday 7 June 2019  
11am - 2pm  
Hotel Ashburton

*Irrigation Scheduling is required!*

One stop shop for identifying your soil moisture monitoring needs and comparing industry providers.

- Expert independent advice
- What are your options?
- Trouble shooting

Secure your place today on 03 975 8547 or [claudia@irriqo.co.nz](mailto:claudia@irriqo.co.nz)

# Our Environment

## 2019 Nutrient Budgets and FEP Audits

Overseer nutrient budgets are a critical component of your FEP Audit and we currently use this information to determine annual compliance with our resource consent.

To ensure we meet our reporting deadlines, we need all nutrient budgeting providers to have your information by 19 July 2019.

You are able to use nutrient budgets prepared by your milk processor or any other suitably-qualified consultant. If you would like to use Ravensdown or Ballance, they will be in our offices to streamline the process and make it as easy as possible for you.

We will contact all shareholders needing a nutrient budget over the next couple weeks to explain these requirements.

## Dairy Effluent Storage

Good Management Practice (GMP) requires all dairy effluent systems to have “sufficient, suitable storage available to enable farm effluent and wastewater to be stored when soil conditions are unsuitable for application”.

A lack of effluent storage makes it challenging to achieve GMP effluent spreading, so the auditors will place a high weighting on this target in your audit.

You can meet effluent GMP in your audits by:

1. Demonstrating you have enough storage by using the Dairy Effluent Storage Calculator (DESC);
2. Demonstrating assumptions used in the DESC are valid (e.g. dairy shed water use, constructed pond size);
3. Spreading effluent whenever conditions are suitable;
4. Regularly cleaning out stone traps and ponds;
5. Having soil moisture records to show conditions were suitable to spread effluent and solids, particularly in the cooler months.



*An example of a good effluent pond*

If your effluent storage does not meet the DESC recommended volume and you don't have a plan to upgrade, then you will receive a “C” or “D” grade for your audit. If you are unsure of your obligations, please contact the Irrigo Environmental team for more information.

## Upcoming Workshop

### Dairy Effluent Update

New rules are now in place with high expectations for your effluent system and storage to meet Good Management Practice.

Find out what this means for you and how you can access one on one support to guide you through these changes.

The date of this workshop is yet to be confirmed but will be held **early July**. Date and location to be confirmed.

Keep an eye on your email for further details.



# Our People

## Sam Anderson - Operations Manager

A familiar face to most on the Mayfield Hinds side of the scheme, Sam is the longest serving staff member at MHV having begun working for MHIL as a raceman in 2008.

After climbing the hierarchy to Head Racemen, Sam was appointed to the position of Operations Manager in early 2017 and has spent the last two years learning the intricacies of the Valetta line and getting to know V line shareholders.

As Operations Manager, Sam has oversight of the operations of the entire scheme, input into strategic direction of MHV and management of the operations team. While there have been challenges along the way, these have strengthened Sam's knowledge and skillset.

Sam particularly enjoys the diversity of the scheme and the role.

Outside of work, you will likely find Sam hunting, fishing, cycling, flying his drone, filming his adventures and spending time with his wife Rebecca and two children.



## Irrigo Staff Changes

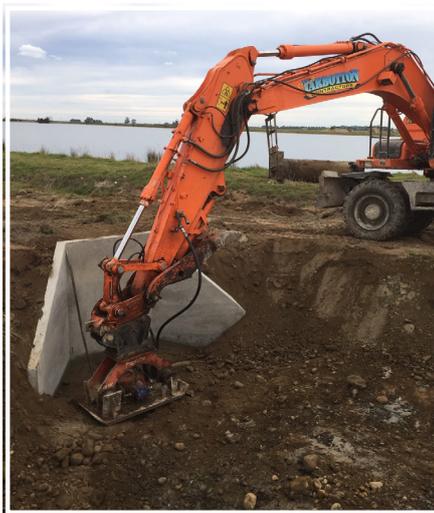
Irrigo Centre has a highly experienced team, providing environmental and administrative support to our scheme and is soon to add engineering support to their portfolio.

Nick Houghton joins the Irrigo team on Tuesday 4 June as Infrastructure Manager. He will split his time between MHV and BCI, providing infrastructure advice and support to both schemes. We will profile Nick in the next newsletter.

Sadly the Environmental team has farewelled Belinda Meares as she has moved to a new position with PDP in Christchurch. This is a wonderful opportunity for Belinda to further her career, and we are extremely grateful for the support she has provided to our shareholders during her time with Irrigo.

Claudia Thomas has also announced her resignation from the Environmental team. Claudia will leave the team in July to help family with calving before heading overseas for her OE. We thank Claudia for her work for MHV and wish her well on her travels.

Irrigo is in the process of recruiting two new Environmental Advisors and we will introduce them in the next newsletter.



Automation and Telemetry installation on open race



# Our Scheme

## Valetta Winter Maintenance

Over the last two winter seasons we have been working through a programme to optimise the Valetta Line infrastructure.

Work streams have included replacement of a number of nodes and PRVs where the flow was being choked, the addition of air valves, and managing the MAR, excess water delivery and water more closely.

There is a fine balance to ensuring any investments in the infrastructure are cost effective solutions for known issues and that they are a necessity as opposed to 'nice to haves'. Our aim is to ensure all shareholders receive a minimum (and consistent) 4 bar delivery to their properties and to make the line more resilient.

Pleasingly, from our initial workstreams we have noticed a material improvement in targeted delivery pressures by comparing the pressures across those lines before and after the changes.

We have seen the most noticeable improvements where we have removed both the choking points and air blockages from the lines, and as such this winter we are focusing on air valves which are a very cost effective solution.

## Open Race Automation Update

The installation of automation infrastructure and telemetry is under way on the open races.

The operations team has made the most of the good weather to date and installation has been progressing at a steady rate. Once the infrastructure is in place, Rubicon will be installing the telemetry required at each site.

For the initial seasons following the installation of the automation we will be trialling the most efficient way to operate. Under the trial, any water identified as a result of the automation will be available to shareholders under the existing excess water policy. Should we need to review this, we will do so and would appreciate any feedback as we navigate through the 19-20 season.



# Our Scheme

## Moratorium on Movement of Water on the Valetta Line

To be able to fully understand the effectiveness of our optimisation workstreams, and the opportunities for potential increases in flow in the future, we need to do comprehensive modelling and comparison to actual results over the 17/18 – 19/20 seasons. As such the Board has agreed to place a temporary moratorium on any further movement of water between offtakes over and above the shared flows and/or agreed excess water flows on the Valetta Line for the 19/20 season until further notice.

## 2019 - 20 Water Charges

The Water Charges have been reviewed and set for the 19-20 season.

Environmental charges have historically been included in the shared overheads however this year a decision has been made to split these out and allocate the costs based on the number of hectares in your Farm Environmental Plan (FEP).

This more fairly reflects the value you are getting as the FEP covers the full area of your farm, not just the shared area.

The 2019-20 water charges are as follows:

Line	Charge per share	Charge per ha		
		3.5mm	4.2mm	5.0mm
MH Open Race*	\$1.83 plus an environmental charge of \$8.50 per hectare of FEP area.	\$74 plus Enviro charge	\$89 plus Enviro charge	
Valetta	\$2.97 plus an environmental charge of \$8.50 per hectare of FEP area.	\$121 plus Enviro charge	\$145 plus Enviro charge	\$172 plus Enviro charge
Ruapuna	\$8.25 plus an environmental charge of \$8.50 per hectare of FEP area.	\$335 plus Enviro charge	\$402 plus Enviro charge	

The charges per ha show the different costs based on the standard application rates. Letters detailing your individual charges will be sent shortly. These new season charges are effective from 1 June with the first payment due 20 July.

\*Harris Drain has additional infrastructure charges.

## Recent and Upcoming Share Sales

Shares have recently been sold with more becoming available for sale shortly.

Earlier this year we advised shareholders that an additional 31.5 lps of water had become available to the scheme. The additional water came from efficiencies in the RDR due to race lining. RDRML allocated the additional water proportionally to MHV and Ashburton Lyndhurst Irrigation Ltd. MHV offered that water for sale by tender as M shares and V shares. The company also offered additional MG shares as part of the share issue including the ability to upgrade existing MG shares to M shares.

Below is a summary of the highest tendered price for each class. Both the M and V share offers were over-subscribed, and we were able to prioritise the issue of shares on price tendered. The MG offer was under-subscribed.

Class	Shares Available	Shares Issued	New Share Value
M Shares	2,450	2,450	\$166.50
V Shares	650	650	\$350.00
MG Shares	104,950	1,820	\$90.00

Two more shareholders have advised that they would like to sell M shares. Information will be circulated shortly so keep an eye on your emails.

As with any transfer of shares, the sale will be dependent on meeting administrative, environmental and operational criteria.

# What's happening?



## Electronic Communications Consent Forms

In the interests of providing shareholders with information in the quickest and most cost effective way, MHV would like to communicate with shareholders on the most part, via email.

While we generally send most of our communications via email, there are some which we still post, mainly AGM papers and in order to be able to email these, legally we must have written consent giving MHV authority to email.

We recently sent out letters and forms and we ask that you complete these as soon as possible and return them to us. Please note the signing portion on the **reverse** of the form. This must be correctly signed to be a legal document. If forms are not signed correctly we will need to return them for correction.

Entity	Required Signatures
Individuals	The consent form should be signed by that person or by the attorney of that person.
Joint holders, Partnerships, Trusts	The consent form must be signed by all partners/trustees/holders.
Companies with <b>one</b> Director	The director must sign and that signature be witnessed.
Companies with <b>more than one</b> Director	Two directors must sign.

If you are not sure, please contact the office for clarification.

**Returning the form will not prevent you from obtaining hard copies of all notices and reports. These will still be available to you on request.**



## Valetta Proxy Forms

Following the merger, existing Valetta permanent proxies did not apply to MHV shares.

Valetta shareholders were recently sent new proxy forms to complete. A permanent proxy allows your entity to authorise one or more persons to vote on your behalf.

Please ensure that the proxy form is signed on the **reverse** side in the same manner as set out above for the electronic communications. Incorrectly signed forms will be returned for correction.

If you have any questions about proxies, please contact Carmen Foster for further information.

## Have you been receiving our emails?

Check your Junk and Spam folders to make sure our emails are getting through.

We have been advised that some people have not been getting our emails. Please check to make sure our emails are not going into your junk or spam folders.

We send regular updates and want to make sure you are receiving the necessary information. Make sure you notify us when your email address changes.

