

Water Delivery Policy

1. Purpose

This policy outlines some general provisions pertaining to the delivery of water, which may or may not be covered in other policies or within the terms of the Water Supply Agreement (WSA). This policy is subordinate to the WSA and, in the event of any disagreement between this policy and the WSA, the terms of the WSA shall apply.

2. Scope

This policy applies to all MHV shareholders, to anyone who places orders and receives water on behalf of shareholders, and to MHV employees and board.

3. Policy Details

3.1 General Irrigation Policy

1. Reference shall be made to the MHV Water Limited Terms of Water Supply and Short Form Water Agreement for details of the contract held between the Company and the Shareholder. The document describes the rights and obligations of both parties.
2. Allocation for each shareholder is specified within the WSA.
3. The scheme requires that all water obtained by farmers in terms of their contract with MHV is used efficiently and remains within the boundaries of their FEP.
4. If any faults in the farmer's delivery system result in water being wasted or spraying outside the intended delivery area, the Scheme Operator must be notified, and the farmer must remedy the fault as a matter of urgency.
5. Shareholders should refer to the MHV EMS (Environmental Management Strategy) for comprehensive requirements around environmental compliance. The principles of industry agreed Good Management Practice (GMP) are supported by MHV and two key considerations which must be top of mind on a daily basis are:
 - a. The application of water, effluent and nutrient should be carefully managed in accordance with the following principles:
 - i. The right amount should be applied
 - ii. At the right time
 - iii. Every time
 - b. When using spray irrigators, farmers must ensure water does not fall on roads or impermeable surfaces. While MHV accepts there will naturally be some spray drift occurring particularly with a prevailing wind, our expectation is that farmers carefully plan irrigator run start and stop points and

programme pivot end guns to switch off in proximity to roads. Non-compliance will be dealt with and sanctions are described in more detail within the MHV Non-Compliant Shareholder Policy.

3.2 Ordering and Delivery

1. MHV's Water Order process will be notified to shareholders, available on the website and may be updated or amended from time to time at MHV's discretion. Water ordering must be actioned within the defined timeframes, and if water on the roster and order programme is not taken up, a shareholder is not entitled to a greater amount of water on the following delivery.
2. Water delivered is based on measured and estimated flows. MHV is not responsible for any inconsistencies in these deliveries. Water delivery is subject always to availability and the terms of the WSA:
 - a. Where practical, continuous delivery will be undertaken, this includes within the piped infrastructure and automated open race infrastructure.
 - b. For spray irrigators, MHV undertakes to deliver their allocation over a week, on a reasonable endeavours basis.
 - c. For border dyke irrigators, a fortnightly roster will apply.
3. It is the responsibility of the Scheme to deliver water fairly to all users, while having regard to different share classes and rights attached to those classes. Turnouts/Offtakes are usually controlled by Scheme Operators but the assistance of farmers/water managers (opening/closing etc) may be required where this is mutually beneficial. This should only be undertaken with specific permission from the Scheme Operator. Tampering with set gates or taking water outside of agreed times is a breach of the WSA and any non-adherence will be subject to the discipline and sanctions described in the Non-Complaint Shareholder Policy.
4. Direct takes from open race infrastructure are not permitted. Any exceptions to this policy require written Board approval.

3.3 Growth and Normal Shares – Allocation Principles

1. When water supply available from the RDR exceeds demand, all Normal (V and M) and Growth (G) Shareholders shall be allocated water on an equitable basis.
2. When water demand exceeds supply available from the RDR, Normal Shareholders shall receive water in priority to Growth shares.
3. When water demand by Normal Shareholders has been met and where Storage is not full, Scheme Storage shall be filled in priority to delivering water to Growth Shareholders.
4. Any top-up of supply from Storage shall be made under the Allocation of Stored Water Policy.

3.4 Water in Excess of Allocation

1. Under the WSA, MHV has the discretion to allocate Excess Water on the terms it considers appropriate.
2. All Excess Water delivered to a shareholder above that shareholder's contracted allocation shall be charged at a rate to be advised at the start of the Irrigation Season.
3. At times during the irrigation season, water that is not taken by a shareholder may be reallocated to other shareholders over and above their entitlement.
4. There is no right to or guarantee of the availability of water, nor to the availability of water in excess of allocation. Excess Water is only available when supply exceeds demand and must be able to be delivered without any negative impact to other shareholders as determined by management.
5. Priority will be given to refilling scheme storage and growth share allocation prior to allocating Excess Water to shareholders, in accordance with the Merger Protocol Document and adherence to prudent irrigation management.
6. Water in excess of allocation may only be taken when it has been demonstrated to MHV's satisfaction that the total depth applied on the area being irrigated does not exceed the Regional Authority limits. This includes the simultaneous application of scheme, on farm stored and groundwater water sources.
7. To receive an Excess Water allocation from MHV, the land that the water is being delivered to must have MHV shares attached to it (via owned or leased shares) or be contiguous and be included in the same FEP.
8. There is no credit available to farmers who order Excess Water but do not subsequently take their allocation.
9. Shareholders may choose to opt out of receiving Excess Water that will incur the charge.
10. There may be times when Management will not charge for Excess Water. However, this is a matter of Management discretion e.g. for an emergency shutdown.
11. In the open race infrastructure farmers will be notified of when they will be utilising Excess Water and that charges will apply. They will be offered the chance to take or turn down Excess Water and receive confirmation of any Excess Water ordered.
12. In the piped infrastructure all ordering is online and the stored water option must be 'checked' to order Excess Water if it is available.

4. Review and Sign Off

Revision	Status	Date	Prepared by	Checked	Approved
001	Draft	25/10/18	FM	MB SA	
	Approved	Nov 18		Legal (TP), Board reviewed but want to revisit at Nov meeting before ratifying	Board Nov 2018

5. Related Documents

- MHV SOP – Water Ordering and Delivery (still to document)
- WSA, EMS and other relevant MHV Policies