

Summary of the MHV Discharge Consent

June 2021



 **MHVwater**

Introduction

The MHV Discharge Consent CRC185857 was granted on 21 April 2021 and the full consent conditions are available on our website www.mhvwater.nz

This booklet provides a summary and breakdown of what the consent means for you, our farmers, in practical terms and our expectations of you.



We will continue to hold shed meetings to enable a forum for discussion between farmers and if you have any queries or concerns at any stage please give me a call.

Melanie Brooks
CEO
MHV Water Ltd

What land is covered?

CRC185857 is a discharge consent which permits farming on properties that MHV Water delivers water to.

Farming is permitted on the whole property, under the consent, even if only part of the property is irrigated by water delivered by MHV Water.

All land, regardless of when it was first irrigated is held to the same level of Environmental compliance.

For every Community Drinking Water Supply the Regional Plan defines a *Protection Zone*. Those zones have additional restrictions to land use, commensurate with their assessed risk. Shareholders who have a Community Drinking Water Protection Zone (CDWPZ) as part of their property have been engaged in the associated rules.



What the consent requires you to do

- You must have an active, audited Farm Environment Plan (FEP) (the consent includes the provision for MHV to change to a Certified Freshwater Plan should the government regulation evolve) for the property that is permitted under the consent.
- The consent requires nitrogen reductions at a catchment level. To meet the catchment reductions we will require all shareholders to meet minimum practice standards and to maintain an A audit.
- To maintain an A audit farmers will need to adopt a continuous improvement mindset on environmental actions to minimise the impact.
- You will not have a specific nutrient loss number to adhere to, you will have an Authorised Land Use (ALU) and you will be required to meet certain actions and minimum standards relating to that land use.
- The Authorised Land Use for each property is determined using the information you have provided us for the 2014-2019 period or as approved by a FAVA. This 'reference period' is aligned with the timeframes in the Essential Freshwater Package.
- We will require a nutrient budget at least once every four years.

If you are intensifying beyond the parameters of your Authorised Land Use, you must first seek approval by MHV. If you do not seek our approval you put the consent of ALL our shareholders at risk and may be required to 'unwind' your changes.

- * Any increase in irrigation area
- * Any increase in the area of winter grazing in situ or timing
- * Any increase in relative stocking units or types of stock
- * Any intensification of your dairy system
- * Any change in land use.

- When seeking approval from MHV for a Farm Activity Variation Application (FAVA), your application will need to show:
 - * The change will not result in an increase in N loss, or concentration of N drainage
 - * The property is able to meet anticipated reduction targets
 - * The property does not rely on an unauthorised intensification on another property (e.g. move winter grazing somewhere else)
 - * The variation does not have a negative impact on a sensitive receiving area
 - * The proposed variation aligns with the schemes overall objectives, including continuous improvement.
- We continue to operate an Audited Self Management (ASM) programme which means you must have an active Farm Environment Plan which must be regularly audited in line with the ECan Auditors Manual, ie every four years for an A audit result.
- If you change management of your farm or apply for a FAVA, you will trigger an audit the following year, at your cost.

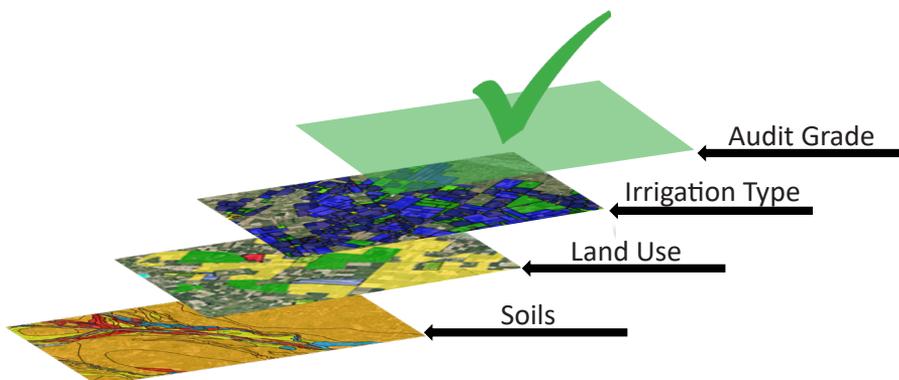
How we calculate the load, and compliance to it

The Matrix is a catchment model, which estimates block N losses based on land use, irrigation type, and soil. N losses from each block are aggregated to estimate the N losses for the catchment.

The Matrix was used to estimate MHV's N losses between 2009-13, to calculate the scheme's N load limit and sets the point from where reductions are applied. We can also use The Matrix to calculate compliance with the consented limit by mapping your current irrigation, land use and FEP audit grade.

Using The Matrix for setting the load limit and determining compliance with it means we know what we need to do to achieve our N loss reduction targets.

Increasing the intensity of your farming operation or increasing your irrigated area will result in a direct increase in N losses reported against our load limits, therefore we require shareholders to seek permission first through a FAVA to ensure we all remain on track with meeting our targets.



Roadmap to Reductions

NOW

- A Audit
- Good Management Practice
- Reducing synthetic nitrogen application
- Optimal crop rotation

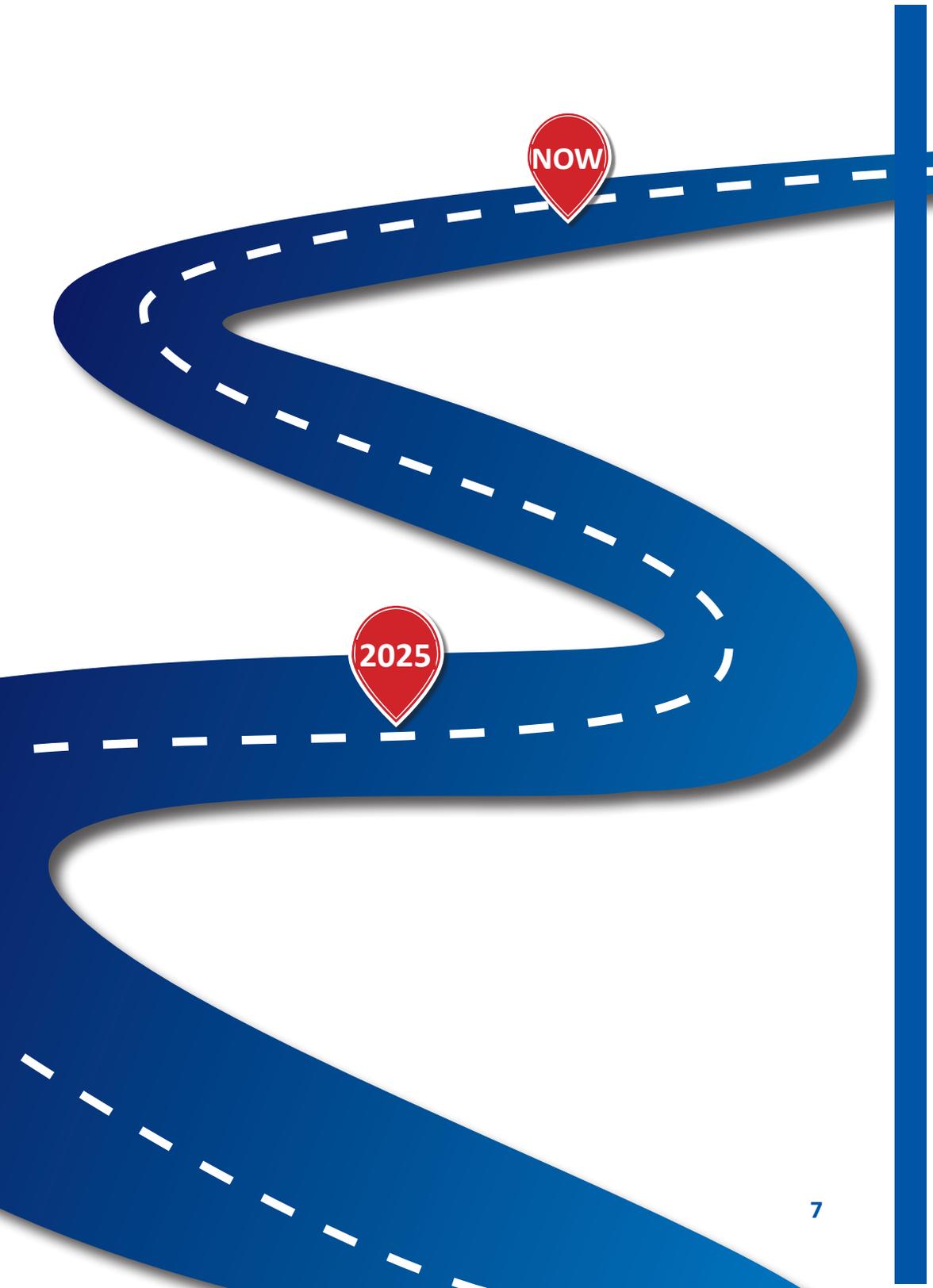
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- A+ Audit
- Precision application of fertiliser and water
- Lower impact farm systems
- Biodiversity planting

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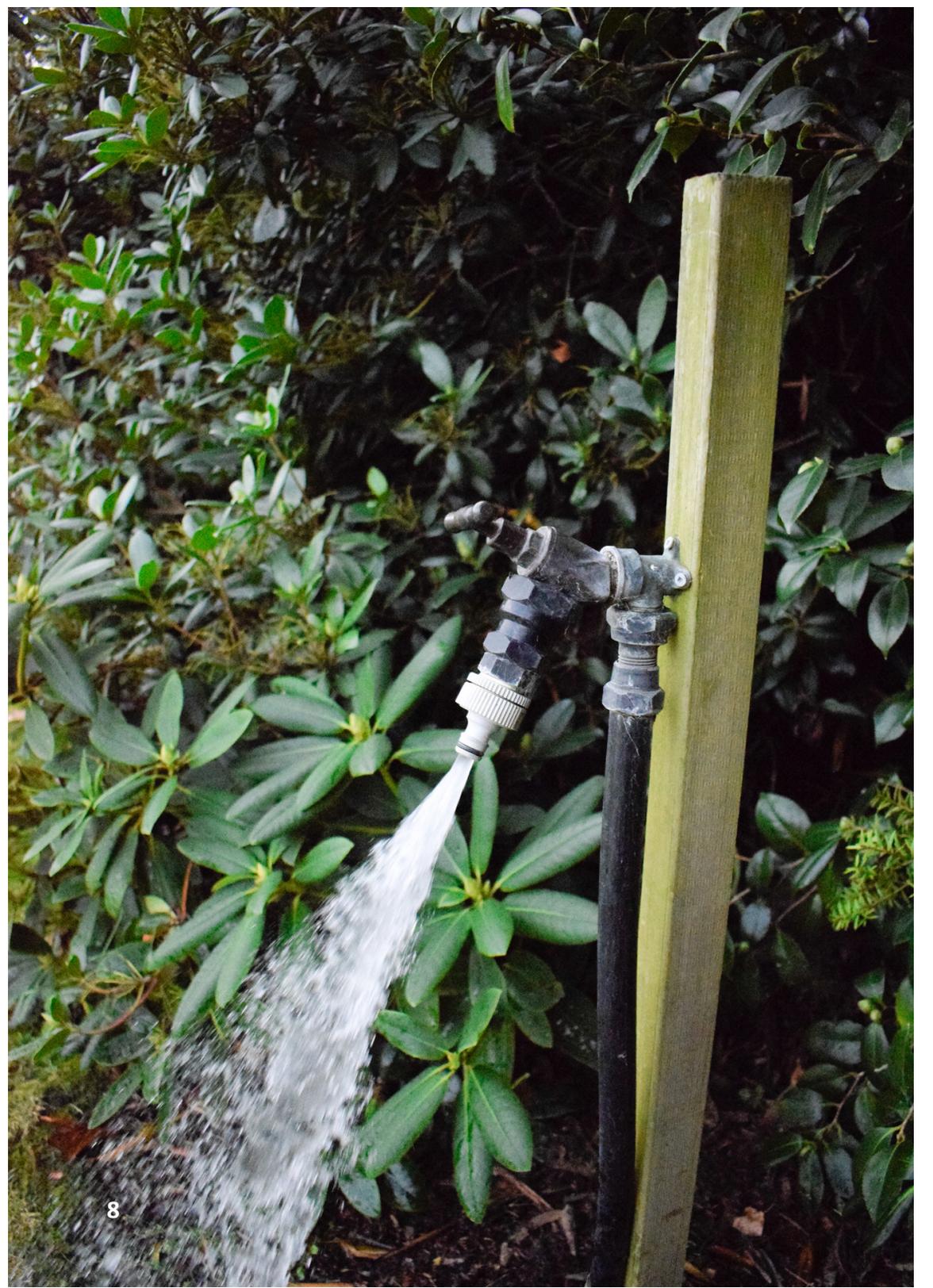
- A++ Audit
- Reduced Stocking rates
- Precision farming
- Continuous improvement





NOW

2025



Groundwater and Surface Water monitoring

We must prepare an Environmental Monitoring Plan within six months of the issuing of the consent. The plan must demonstrate how we will collate information which will assist with better understanding the effects of nutrient discharges from the scheme.

The plan includes a minimum of 10 bores, the sites are to be determined with a further six surface water sites (already determined, Harris and Oakdale Drains and the Hekeao Hinds River).

We are required to monitor; Nitrate Nitrogen toxicity, Dissolved Reactive Phosphorus (DRP), E.coli, Macroinvertebrates, deposited fine sediment, periphyton, and macrophytes in the surface water on a monthly basis.

If a deterioration in the water quality is identified (based on five years of data) a Response and Remediation Plan must be prepared. The plan must include how the Environmental Management Strategy (EMS) and FEPs can be refined to better affect improved outcomes and we must engage with Arowhenua on the Plan.

If the catchment achieves 2.4mg/L Nitrate Nitrogen in the Rivers and 6.9mg/L in the groundwater, further reductions in nitrate leaching are not required.

If deterioration is evident in rivers or groundwater after five years of baseline analysis, further reductions in nutrient leaching as a result of on farm practices, will be required. As such we need to monitor both groundwater and surface water and continually improve our farming practices.

How the Essential Freshwater Package (2020) impacts your actions

The Essential Freshwater Package introduced by the Government in 2020 includes the National Environmental Standards (NES). These standards include restricting further intensification beyond the maximum for any year during the period 2014-2019. We have included these provisions in our consent:-

- An increase in area irrigated by more than 10 ha on dairy farm land
- An increase in the area used for dairy farming by more than 10 ha
- Any increase in the area for intensive winter grazing
- Any increase in the area of dairy support land.

Prior to seeking MHV approval if you intend to trigger one of these intensifications beyond your Authorised Land Use, a shareholder must first seek Regional Council (Environment Canterbury) consent. MHV are working through a resolution for this duplication of consenting BUT at the time of writing **you must seek ECan approval, prior to MHV approval.**



Joining or leaving the scheme

If a property leaves the MHV environmental programme we are required to provide Environment Canterbury a copy of that property's baseline information from the Matrix, which includes the high level land use and irrigation type for each block.

New properties can be added to the scheme consent if they receive MHV delivery of water. Our load would increase or decrease by the Matrix calculated baseline for any properties joining or leaving the scheme.

Plan Change 2 of the Land and Water Regional Plan does not allow for us to include landowners who do not receive delivery of water by MHV in our consent. There must be a separate consent sought for these landowners if required.



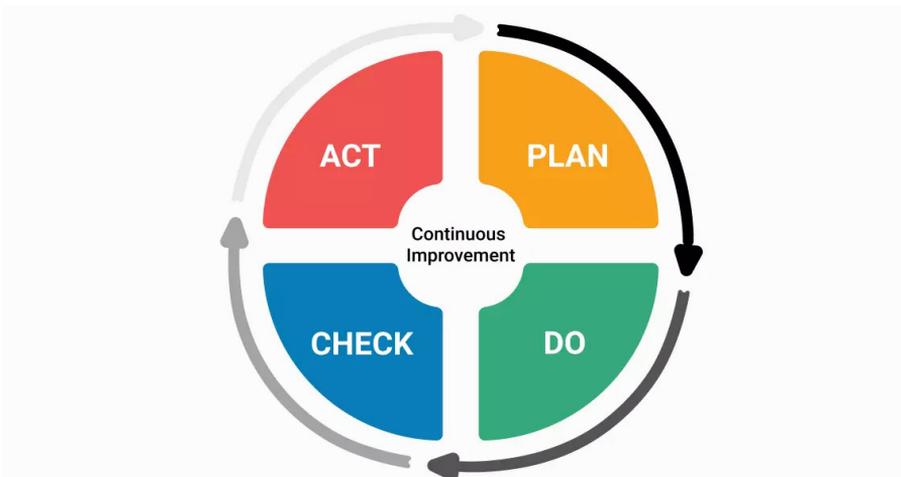
Our reporting to ECan

The Audited Self Management (ASM) programme requires an Environmental Management Strategy (EMS) which was drafted when the consent was applied for and will be finalised over the next 12 months in collaboration with Arowhenua and MHV Farmers.

The EMS must confirm how we will achieve the conditions of our consent and each year a 1/3 of the strategy document will be reviewed/audited to ensure it is fit for purpose, so that over a three year period the full strategy document has been reviewed.

We must report annually on compliance to our consent conditions, including providing commentary on any repeat C or D grades. FEP audits will also be subject to spot checks.

The consent requires MHV to ensure there is a legally binding obligation running with the land to achieve the Plan Change 2 Nutrient Reductions. This will be achieved with a change to the Short Form Water Agreement, and Terms of Water Supply and this must occur within six months of the consent being granted.



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