

MHVwater Scheme News

Carew Ponds at Sunset

Authorised Land Use Policy Review

We would like to provide you with an update regarding our Farm Activity Variation Application (FAVA) process, which requires shareholders to seek approval from MHV in order to increase irrigated areas, winter grazing areas, stocking rates, or change landuse.

MHV is currently reviewing the policy that we use to guide the FAVA process. Thank you to those who have already provided feedback on this.

As part of this review, we are pausing the processing of any new FAVA submissions until the updated policy has been approved. The review includes how or if we can facilitate enterprising nutrients across the scheme by shareholders with multiple properties.

We have held a series of shed meetings, and to achieve sustainable solutions for all our shareholders and a robust policy that is fit for purpose (and continues to be in the future), we will continue to seek input and engagement in this process.

FAVA applications that were already in progress prior to the start of the review, will continue to be processed under the current criteria.

If you were unable to make one of our shed meetings, and would like to discuss this further, please do not hesitate to contact Mel.

ECan Flyover of Intensive Winter Grazing

This month ECan conducted a trial observing intensive winter grazing practices by flying over the farmland.

The trial was undertaken in the Waimakariri district with the aim to support farmers in their decision making for intensive winter grazing practices. As part of the trial no footage was taken, and it was observational only. The outcome of the trial is soon to be released, but initial adhoc feedback is that the majority of farmers were acting in line with good practice expectations. More about the trial is available on the ECan website:- <https://www.ecan.govt.nz/your-region/farmers-hub/essential-freshwater-package-farmers-guide/intensive-winter-grazing/flyovers/>

Those shareholders who have intensive winter grazing are likely to be making your decisions in the next few weeks (if not already) on your planting for next year. It is highly likely that ECan will conduct flyovers next season of all of their catchment, including the MHV area, one pre-grazing and one during/post grazing. Please thoroughly consider the location of your winter grazing, especially its relativity to sensitive receiving areas and if you have any questions about how you can reduce your impact please call Nicole Matheson on 027 205 2355 or nicole@mhvwater.nz

Stockwater Delivery

Discussion with Ashburton District Council are progressing well to work out how we can most efficiently and effectively deliver stockwater to the Hekeao Hinds catchment.

Presently there is considerable duplication of infrastructure and waste of resource and our shareholders are carrying the burden of paying for this service which very few utilise.

You should expect to receive a survey in the next month where we are seeking your feedback on stockwater and whilst we appreciate it is a busy time of year, your attention completing the survey would be very valuable to progressing this project.

In the short term, the objective is to enable duplicated races to be closed and potentially could allow targeted augmentation of those waterbodies which are considered to be ecologically valuable in the future.

Winter Grazing Reminder



As part of the National Environmental Standards for Freshwater that came into effect in 2020, winter grazing is now limited to the maximum area used between 2014 – 2019 of fodder beet, kale, oats etc eaten May to September by an animal with a hoof (including sheep). This area is defined in your Authorised Land Use.

Therefore, if you want to increase the intensive winter grazing area above the area included in your Authorised Land Use – a consent from Environment Canterbury may be required in the first instance as well as a Farm Activity Variation Application with MHV.

Water Quality Report

The largest independent water monitoring program in Aotearoa is increasing understanding of nitrate behaviour.

MHV has been monitoring nitrate concentrations in both ground and surface waters across the Hekeao Hinds Catchment of Mid Canterbury since September 2016.

The programme has evolved and in 2021, with support from Hekeao Hinds Water Enhancement Trust (HHWET) and BCI Irrigation, approx. 150 bores and 40 surface water sites representing an area of 1060 km² were tested regularly.

In addition to the regular sampling the unprecedented rain event in June 2021 brought an invaluable opportunity to understand the migration and retention of nitrate-nitrogen (NO₃-N) levels in freshwater across the Hekeao Hinds Catchment.

At the conclusion of 2021, the results obtained indicated:

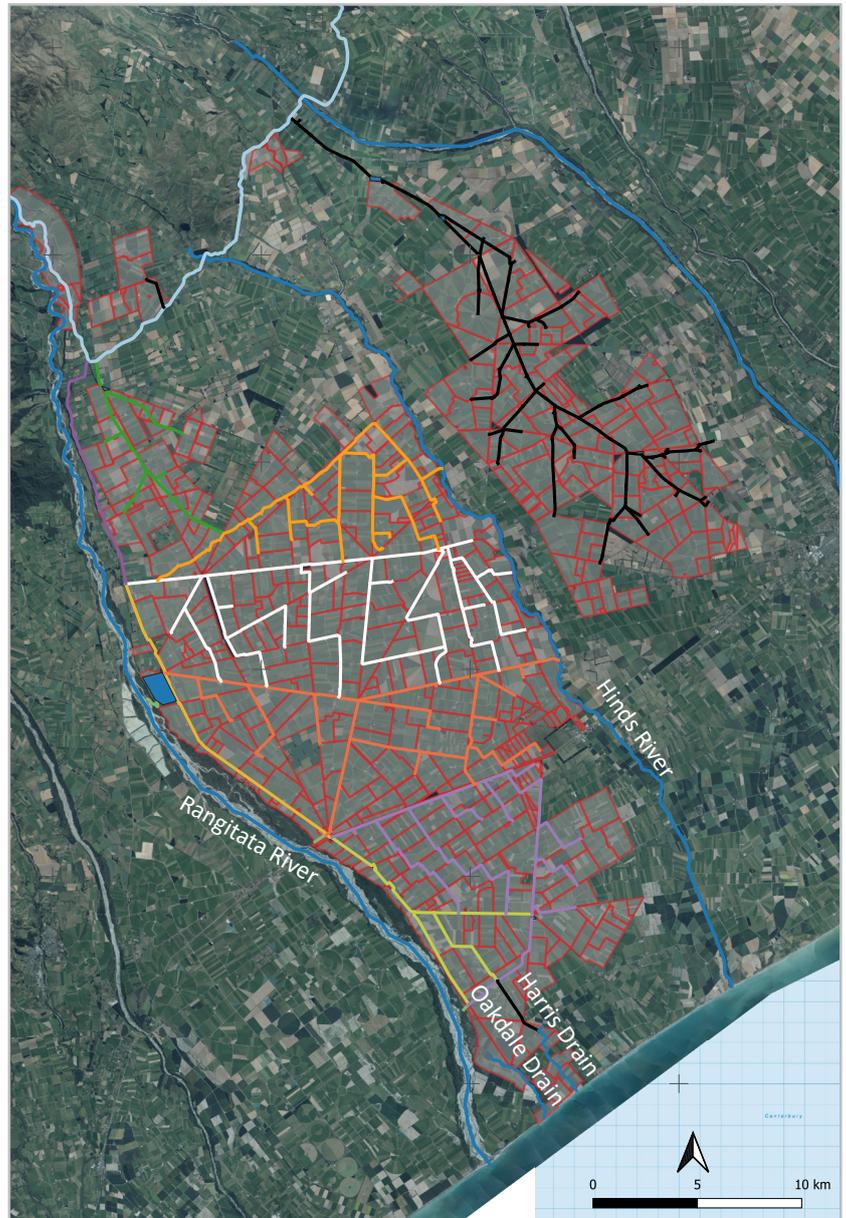
- a clear relationship between soil type, shallow groundwater, and rainfall,
- changes in nitrate concentrations across the catchment were variable both spatially and temporally after the rain, and,
- localised increases in NO₃-N concentrations were typically short lived.

MHV Senior Hydrogeologist, Justin Legg, says these key drivers of nitrate migration and retention, as well as similar observations in previous external reviewed studies has enabled MHV to develop a robust theory with respect to potential mitigation strategies.

“Based on this information, the Hekeao Hinds community are now in a position to better understand where, how and why nitrate levels in groundwater change after a rain event.”

MHV is collaborating with The Hinds Drains Working Party, HHWET, the Mid Canterbury Catchment Collective, Te Rūnanga o Arowhenua, Environment Canterbury, the Universities of Otago and Auckland, DairyNZ, Aqualinc Research and, NIWA to develop research and education opportunities, and deliver science that is relevant to farmers. Work is also underway to raise awareness of the role of the historic tile drains, and to increase understanding of the hydrology as well as nitrate distribution across the catchment.

The full report is available on our [website](#).



Surface water is monitored for our consent at sites on the Oakdale Drain, Harris Drain and Hinds River

Water Delivery Charges 2022/23

As discussed at our recent shed meetings, this year's water delivery charges will be increasing for all of our lines.

The increase reflects increasing costs across our business driven by inflationary pressure and a substantial increase in our RDR charges (the new fish screen costs).

The Valetta line increase has been discussed at length over numerous shed meetings and is a result of the costs for the repairs and maintenance associated with the remediation of the screens at Pond 1 and 2 and we are expecting a further increase for the 2022/23 season.

Share Class	Charge	Increase
V shares	\$3.70 per share \$370 per lps	\$60 increase (FY21 \$2.97, FY22 \$3.10)
M shares	\$1.75 per share \$175 per lps	\$30 increase (FY21 \$1.75 FY22 \$1.45)*
M (R) shares	\$7.30 per share \$730 per lps	\$30 increase (FY21 \$8.25 FY22 \$7.00)*
Environmental Charge	\$9.50 per ha	\$1.00 per ha increase (\$8.50 FY21)

These annual charges are split equally across 11 months of the year, with a balancing payment in May, ie the charges for Valetta will be \$0.30 per share per month (June – April) and \$0.40 per share invoiced in May 2023.

**The charges for FY21 were prior to the share split*

Valetta Capacity Charges 2022/23

Within the Valetta Line we have a number of shareholders who purchased additional capacity in their lines when the piping of the scheme was being completed. The capital cost for these enhancements was largely met by the shareholders.

Where this capacity has not been subsequently filled with the purchase of additional shares (water delivery) there is an obligation for those shareholders to contribute to the repairs and maintenance associated with holding that capacity on an ongoing basis, as we are not able to recover this from their water delivery charges.

The charges for the 2022/2023 season have been confirmed (as below), and are a decrease from the 2021/2022 charges. The decrease is primarily a result of the work in progress for the Valetta Line being excluded from the calculations until such time as it is complete.

Line	Charge	2022/23 charge
V Capacity Charge	\$101.91 per lps	\$7.73 decrease (\$109.64 FY22)

For clarity, for shareholders with unutilised capacity in the line who wish to order surplus water (when available), those shareholders will have the same priority of delivery as any other water available for delivery, ie pressure issues will not disproportionately impact those who have capacity available to be utilised.

M Share Finance Payment Interest Charge 2022/23

We wish to advise for the 2022/23 year the interest will be 2.14%p.a.

This is based on the average interest cost to MHV over the previous 24 months, and is a decrease from the rate charged last year of 2.43%p.a. The rate reflects the hedging that we had/have in place. As per the agreement the interest has been recalculated and advised.

Do you have shares to sell or lease?

We have received an expression of interest to purchase M shares.

If you find you have excess water, you may wish to consider selling some shares.

Please note:

- M share water must remain in the MH or Ruapuna infrastructure, and V share water within Valetta infrastructure, and is subject to the restrictions of the infrastructure.
- All transferring of shares is subject to approval by MHV and there must be no net increase in nutrient leaching as a result.
- Any financial arrangements around the selling of shares shall be the responsibility of the seller and purchaser to determine and enforce.

The same conditions apply for leasing water. Please contact us if you would like to discuss buying, selling or leasing further.

Have you booked in your FEP update?

FEP updates occur every year.

We understand that certain times of the year are better than others for different land uses and hence we have prioritised dairy farmers to date and continue to provide times through until September.

Contact Nicole on 027 205 2355 or nicole@mhwwater.nz to book your FEP time.

Do you have a new Manager?



Please let us know if you have a new manager on your property.

It is important to keep us updated on key contacts on your property.

We will also be offering new manager training again early in the irrigation season.

Contact Nicole on 027 205 2355 or nicole@mhwwater.nz

Annual General Meeting

Tuesday 18 October 2022

7.30pm

Hinds Community Centre

Update to Water Supply Agreements

Some small formatting changes have been made to the schedule of the Short Form Water Supply Agreement (WSA).

The updated document is available on our website.

All shareholders will receive an updated short form water agreement over the course of 2022 to sign and return. The updated schedule will align with the Authorised Land Use.



Valetta Pond Outlet Works Update

During a review of our infrastructure, it was identified that the outlet screens on Valetta Pond 1 and Valetta Pond 2 were failing, and posed a health and safety risk to the team whenever they repaired them. The risk of failure resulting in significant scheme shutdown was high, therefore imminent response was required.

Options were extensively investigated all the while mindful of the objective to improve infrastructure resilience, delivery performance, and reliability while keeping the costs as low as possible.

Grant Hood Contracting Ltd was contracted to complete the earthworks/civil structures and assist with screen installations, with work commencing in May.

Old screens have been removed and civil works undertaken to place the concrete structure that will support the new Andar screens. The HDPE Connection to the new structures is well underway with completion of the project on target for season start on 10 September 2022.



Concrete panels being craned into place for the concrete structure that will support the Andar screens.

RDRML Fish Screen

The replacement fish screen was ‘watered up’ on the 16 May 2022, after the three-week shutdown to complete the canal cut-over. It was an exciting time to see the first ‘guaranteed fish-free’ water flow into the RDR after 78 years of operation.

RDRML CEO, Tony McCormack said “We’ve had a typical bedding-in experience for a unique design of facility such as this. We’ve adapted the control system and our operating procedures as we gain experience of how it performs under different flow conditions.

Our biggest challenge so far has come when the Rangitata River gets up and dirty, and the screens have to cope with high debris loads. When you’re screening 30,000 litres a second of water through 2mm slots, and that water is laced with grass, leaves, twigs and the odd 100mm thick branch, the cleaning system is going to be sorely tested. The recent flood over July 19th and 20th has been a real challenge, but another learning experience from which we have made further improvements to the system and our procedures. Our Ops team have done a tremendous job applying their vast experience of the river and canal behaviour to this new facility.

We still have the hydraulic testing and the live fish testing to complete, and these are scheduled for the irrigation season when we have enough demand to achieve full flow through the system. Both tests involve a huge amount of planning and design to be able to measure and quantify what is required by our resource consents”.



Above: The flat-screen cleaner dealing with a heavy workload during the 19 July 2022 floods.

Below: The fish screen infrastructure pre-watering.



Hydrogeology Registration

About a year ago, Justin Legg submitted an application to Australian Institute of Geoscientists (AIG) to be admitted as a Registered Professional Geologist in the field of Hydrogeology.

AIG's RPGeo program is Australia's most rigorous recognition program for continuous professional development by Australian geoscientists.

Candidates are required to have substantial knowledge and experience in the field, and meet all criteria in a meticulous process.

Following this, and final consideration by the Registration Board and Executive Branch, Justin received notification in June 2022 that his application had been successful. Congratulations Justin.



Team Change

It is with mixed emotions that we announce that Keith Hyslop has accepted a role delivering Acton water for BCI.

Keith joined MHV in 2017 and has brought a can do attitude, a passion for delivering for our shareholders and countless laughs.

We are sad he is leaving, but excited for him and wish him all the very best in his new role. Keith finishes with MHV on 25 August.

With the start of the season approaching, we have commenced the process to recruit a new scheme operator. If you know of anyone that would be suitable, please point them in our direction.



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