



Newsletter

March 2010

The Season So Far ...

The scheme has experienced better than average reliability for the season to date. River levels have remained strong right through until the start of February resulting in only short periods that we have been on restriction. We expect that the Ashburton river will continue to be on full restriction in the next couple of months unless there is significant rainfall in the foothills. Intermittent rainfall in the plains

through November and December kept the racemen busy, with a repeated cycle of getting the scheme balanced to full flow and then irrigators wanting to stop due to a 'good wee shower of rain' or low ET. As many will have experienced, well water levels have been poor this season.

Water in Excess of Allocation

Your Board are proposing that scheme water used in excess of allocation incur an extra charge. While the details of this proposal are yet to be finalised the fundamental reasons for this charge are:

- To receive an allocation from MHI, shares need to be purchased, and the number of shares (limit 4 per ha) determine the water allocation. Water delivered above allocation potentially diminishes share value.
- Shareholders not fully shared who consistently use in excess of allocation are extracting value out of MHI to the detriment of MHI, fellow and potential shareholders.
- Shareholders who consistently use in excess of allocation to support inefficient irrigation practices are potentially damaging the integrity of MHI.

Shareholders in the dairy industry will be familiar with the capacity charge incurred for extra milk production - this proposal is similar.

The charge we have discussed is based upon the current value of shares relative to water allocation, and at 67c per mm over 105 mm per month is affordable.

There will be times when due to constraints in management operations charges will not be applied e.g. emergency shutdown.

Shareholders will be able to opt out of receiving water that will incur the charge.

The charge (reviewed annually) will apply from the beginning of the 2010/2011 season.

Carew Storage

Carew Storage is still progressing and a primary focus for the board. There have been some delays getting the design right and while this is disappointing it is important to get a robust design.

Telemetry

We are looking at getting telemetry installed on the main junctions to give the racemen more information on flows in real time. This development fits with long term development options including storage and pressure piping.

Dual Consent Holders —Records for ECan

Some farmers within the scheme now have an obligation to supply ECan with water records for scheme water taken concurrently with well water. We are able to provide daily take records if you are required – please contact Sam Anderson.

Irrigation New Zealand Conference Christchurch, April 26—28

We would like to encourage interested farmers to attend this conference. Directors and myself will be attending this conference which is an opportunity to keep up with current irrigation technologies, practices and policies. There will be trade displays as well as presentations by recognized industry experts.

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PTO

Scheme Piping Design / Farmer Surveys

We continue to receive positive feedback in continuing investigating a piped network and we are keeping in regular contact with the BCI project and piping plans in the Valetta and Ashburton Lyndhurst schemes.

Following the exercise with Beca in coming up with some piping concept layouts, we have received a first draft of a scheme network design from Tyco. We have gone back with some suggestions on rationalizing the network and hope to have an improved concept organized in the next month to circulate to farmers. The concept continues to focus on possibilities for piping the scheme in approximately 6 different areas or 'pressure pipe zones'.

We are continuing to receive farmer survey forms. Please complete these if you have not had a chance to do so yet as the farmers who have done so are developing a better appreciation of the on farm requirements and costs of their various irrigation systems. Please contact me and I can call in to discuss with you or post completed forms to PO Box 278, Ashburton.

The following is a summary of some key results from the survey:

- On farm storage: 167 m³/ha (average)
- Application rate: 70% require 5mm / day
- Required pressure: Majority only require pressure to 45m (65psi)
- December – March are the most critical months for irrigation
- 73% indicate that they require high or very high reliability (farming operations are affected by restrictions or wells are required to supplement for reliability)
- Average pumping costs
 - Wells \$369 /ha/yr
 - Ponds \$190 /ha/yr
- Average energy charge \$0.13 /kwhr

These results are based on survey responses accounting for an area of approximately 11,500 ha.

Turnout and Scheme Race Flow Measurement

We commenced measurement in January with Sam McConnell spending 6 weeks with us and providing a good service in coordinating the gauging process. Some of you will no doubt have met Sam out with a Racemen or myself gauging flows. This has proved a useful exercise in the continual improvement and fair allocation of water to all farmers. Management will continue this exercise through the remainder of the season.

Weather Stations

After a concerted effort by Sam Anderson and the Electricity Ashburton IT team, we now have access to weather station information at both the Carew and Coldstream substations. This includes wind, temperature, rainfall, humidity and historical evapo-transpiration data. We would encourage you to use this resource in your farm management and irrigation practices. The link is located on our website: www.mhis.co.nz.

Scheme Tour

We are looking to hold a scheme bus tour in early April for all interested parties. A number of new and existing farmers have expressed interest in obtaining a better understanding of where our water comes from and how it is delivered to the farm gate. This is an opportunity to see scheme assets. The tour will take in a trip to the RDR intake at Klondyke and then across the scheme itself.

Rubbish in Races

This is an ongoing issue that racemen face and ultimately affects all farmers when blockages occur. The main issues are plastic bags e.g. CalMag bags, silage wrap and vegetative waste (branches). Please put a disposal system in place and remind your staff to be vigilant in disposing of rubbish, preventing it from being blown into farm and scheme races. We can all help to keep the district tidy.

Spray Irrigation on Roads

Historically borderdykes water on the road has been our major concern however we are continuing to come across incidences of spray irrigation on roads.

This is an inefficient use of our irrigation water and also poses a safety hazard to motorists. Please adjust your spray patterns including careful setting of end gun start / stop points.

Management will be taking a tough line on this and infringement notices will be handed out. If no action is taken to remedy the situation a penalty will be applied to your next allocation if infringement warnings are not complied with.

Office

Mayfield Hinds Irrigation and Ashburton Lyndhurst Irrigation have recently established a shared scheme management office. Jess Dargue (ALIL) and myself are now based in the Apex building at 131 Alford Forest Rd. Please feel free to call in for a chat about any ideas or concerns that you may have. I continue to have a regular presence in the scheme with the Racemen.

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David Keeley—Chairman
Hamish Tait—General Manager