

MCLAREN VALE

One thing leads to another

McLaren Vale Water Plan (MVWP)

Rules and Processes

Governance

The McLaren Vale Grape, Wine and Tourism Association (MVGWTA) will establish a MVWP Steering Committee to manage the MVWP.

The MVWP Steering Committee will maintain the highest standards of transparency and communication with the grower community regarding the workings of the MVWP while respecting appropriate commercial confidentiality. The Steering Committee will comprise:

- A board member of the MGWTA who will Chair the Committee;
- Two McLaren Vale growers to be elected; and
- An independent member nominated by the MVGWTA and agreed by the Australian Government.

To be considered for the Steering Committee, a grower must have substantial equity interest in an income producing vineyard and be a current McLaren Vale Wine Industry Fund levy contributor.

An Election Process will be held to determine the two McLaren Vale grower positions.

Application Process

- The WBWC will advise the MVWP of the areas it will be able to supply mains water substitution reclaimed water to for the next irrigation season each year;
- Growers in those areas will be contacted by MVWP to register interest;
- Those growers who express an interest in MVWP assisted service installation must obtain an information package including: FAQ sheet, rules of MVWP, application form and worksheet for calculating reclaimed water requirements with a timeline to complete application and return same. An application must include SA Water bills for a *minimum* of two prior years to be considered. Application forms and supporting information will be available for download on the MVGWTA website;

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- WBWC prepares Grower's Agreements for signing by the grower together with invoices made out to the grower for the \$11,000 On Farm Services Fee and initial Access Fee (\$1,100 per ML), which will be forwarded to MVWP for correlation with EOI approval;
- MVWP will forward the Growers Agreement and Invoices together with MVWP cheques made out to WBWC back to the grower;
- Grower signs Agreement and forwards, together with grower's cheque for his 1/12 Access Fee, to WBWC actioning the provision of the service

Assessment

Applications will be assessed by MVWP and approved, rejected or a request for further information will be made to a grower in order to arrive at a final determination of eligibility.

Criteria

Growers with historic annual usage of less than 15ML of SA Water usage will be eligible for a subsidy. Worksheets submitted with application to be consulted by MVWP Board to ensure accuracy of expressed quantity of water required. Applications that request a larger WBWC access than they appear to require for substitution from SA Water to be returned with a request for an explanation.

Note: As WBWC water is delivered at a rate of 0.476 kL per hour per ML of access acquired (but only for 18 hours per day), growers will be encouraged to employ an irrigation consultant to establish appropriate access requirement. Because the WBWC water is delivered at a flow rate (not at a volume), and because vineyard irrigation zone sizes vary from patch to patch and vineyard to vineyard, the access required to substitute mains is likely to differ from the volume of mains water historically employed.

Applications from growers with historical usage of greater than 15ML of SA Water will be considered on a "by exception" basis for MVWP financial assistance. The basis for considering exceptions to be on the following grounds:

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- 1) Grower usage has increased from below 15ML to above 15ML in recent years due to extenuating circumstances such as drought
- 2) Engineering or cost benefit requirements of the WBWC justify greater usage in given area
- 3) Demonstration that best irrigation practices are being employed on property for example: low flow rate drippers (two litres per hour), advanced soil moisture monitoring employed (Sentek probes, etc), mulching
- 4) Vineyard size of less than 40 acres / 16 hectares

The MVWP will be charged with reviewing a grower's business case and employing common sense measures in assessing the "by exception" applications with a view to supporting small and medium size growers, particularly family owned and operated vineyards. Applicants with substantially higher requirements than 15 ML of mains substitution and who do not meet the exceptions stated above are generally viewed as "large" enterprises that should be investing in reclaimed substitution as a matter of standard business practice.

In some cases, applications may be rejected as 'too small' to be practical from an engineering standpoint. Where practicable, MVWP may suggest alternate solutions such as sharing access and connection with an adjoining property or other such arrangements.

The MVWP Steering Committee reserves the right of final judgment on the approval or rejection of applications.

Application Approval

Successful applicants to MVWP will receive written notification which will include a contract for the Grower to sign.

Unsuccessful applicants will also receive written notification which will include a brief overview of criteria not met and either a call for further evidence/information for reconsideration or an outright rejection of the application.

Expenditure of Funds

MVWP financial assistance to be disbursed at six points in time for access acquisition:

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- 1) Following both the acceptance of the WBWC contract by grower and payment made by grower to WBWC of one twelfth (1/12) of total access fee, MVWP will make a matching payment to the grower of one twelfth (1/12) of the total access fee. The sum of these two payments together is to be called the "Sign-On Payment."
- 2) Payment of one twelfth (1/12) of the total access fee to be made by MVWP to grower between the first and fifteenth of July in each of the calendar years following the deposit payment for five years.

Following the return of the signed Grower Contract, Funds will be distributed to the grower in the form of cheques made out to WBWC. The grower is entirely responsible for all payments to WBWC being made in a complete and timely manner and for the duration of the scheme.

Growers selling their property or changing their circumstances in such a manner as to require a review of the Contract should notify the MVWP immediately in writing. Should a property be sold, the balance of the outstanding loan will be paid to MVWP before, or at settlement.

Funds will be made available on a 1:1 matching basis for WBWC access acquisition. As such, the total access fee of \$6600 per ML will be born on a "50/50" basis for each of the required payments to WBWC. Each payment will be equal to 1/12 of the total access fee. For example, if a grower was to be substituted in September 2008, the schedule would be as below:

<u>Date</u>	<u>Grower payment to WBWC</u>	<u>MVWSP matching payment</u>
1 September 2008	1/12 total access fee	1/12 total access fee
1 July 2009	1/12 total access fee	1/12 total access fee
1 July 2010	1/12 total access fee	1/12 total access fee
1 July 2011	1/12 total access fee	1/12 total access fee
1 July 2012	1/12 total access fee	1/12 total access fee
1 July 2013	1/12 total access fee	1/12 total access fee

In any case, the binding schedule of payments will be stated in the contract between WBWC and the Grower and will be referred to in the WBWC contract as "the Schedule."

Growers purchasing access of less than 15ML from the WBWC incur an additional \$11,000 On Farm Services fee. The MVWP will subsidise the entire cost of this fee. This fee is payable upon submission of the signed Growers Agreement and 1/6th Access Fee prior to installation of the meter and service from the WBWC network to the grower's property as defined in the agreement between WBWC and the Grower. These fees are termed the "Sign On Fee".

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The Grower will be billed for and liable for the Sign On fee. Within thirty (30) days of submission of the On Farm Services fee invoice to MVWP by the Grower, MVWP will issue a cheque for \$11,000 made out to WBWC to the Grower.

All “on farm” costs of connection including filtration equipment, trenching, pipes, labor, etc are to be born by the grower in their entirety.

Reporting

The MVWP Steering Group will be responsible for Progress Reports against agreed milestones, including application of funds (including administration costs), number of substitution service installations and volumes of mains substitution made in each year in a manner consistent with guidelines established by both the Federal and State governments.