



Charging Policy

OVERVIEW

Maniototo Irrigation Company (MIC) supplies water to shareholders based on an allocation of 7.5 mega litres per share per irrigation season. The irrigation season runs from the 15th September until the 25 April. Supply of water is also restricted by 20-day allocation limits, with 10% of the seasonal allocation available in each 20-day period. This is to avoid potential system constraints during peak demand.

PURPOSE OF POLICY

The aim of this policy is to equitably share the costs of operating the scheme between all users while also encouraging efficient use of the water resource aligned to current Otago Regional Consent Authorities guidance.

Principals

1. To ensure the financial viability of the company.
2. To be clear, consistent and transparent in applying fair rules to supply and cost recovery.
3. To encourage efficient water use aligned with Otago Regional Consent Authority guidelines.

APPLICATION

This policy applies to all MIC shareholders and their irrigators (lessees).

DEFINITIONS

<i>Sub Schemes</i>	The three distribution races, West, East & Waipiata
<i>Total Allocation</i>	7.5 mega litres per share
<i>75% Allocation</i>	5.625 mega litres per share

POLICY

Method

- 1 All water will be supplied at a cost per volume (rate/mega litre), this rate is to be agreed at the MIC board meeting and set as part of the company's annual budget. This rate will be communicated to shareholders either at the Annual General Meeting or by the 1st of August (whichever comes first).
- 2 All shareholders must pay a base charge of 5.625 mega litres/share regardless of actual use.
- 3 MIC will use base charge income to cover budgeted expenditure for headworks, maintenance, delivery, CAPX projects, consultancy, engineering, staffing and all other overheads.
- 4 Another 1.875 mega litres can be supplied, at the base rate charge to the maximum entitlement of 7.5 mega litres/share.
- 5 Water may be supplied in excess of 7.5 mega litres/share at the discretion of the General Manager and Board of Directors. This is defined as "Excess Supply" and may be charged at double or any other agreed rate per volume.
- 6 If irrigators breach the 20-day period 10% allocation rate they will be charged for all water used over and above their allocation as well as have the excess water deducted from the following periods allocation, e.g., someone uses 135% they will be charged for 35% at base rate and only have access to 65% of their water for the next period.
- 7 At the end of a 20-day period if an irrigator has had a meter that is/was faulty/offline and not relaying accurate information the company has the right to count their usage at 100% for the 20-day period/s it was faulty. Shareholders are asked to keep manual records of the water taken throughout these periods and notify the company as soon as possible to the issue. Early notification to the company, manual records of water usage and proof of action towards rectifying any issues will avoid the need for this clause to be activated.

Twenty-day allocation limit policy

Each shareholder is entitled to 10% of their total allocation in any 20-day period (less what is taken during the shoulder season).

To make this easier to manage, the following 20-day periods have been adopted and are enforced by the MIC operations team, general manager & board.

STANDARD YEAR

Start Date	25 th Sept	15 th Oct	4 th Nov	24 th Nov	14 th Dec	3 rd Jan	23 rd Jan	12 th Feb	4 th Mar	24 th Mar
Finish Date	14 th Oct	3 rd Nov	23 rd Nov	13 th Dec	2 nd Jan	22 nd Jan	11 th Feb	3 rd Mar	23 rd Mar	12 th Apr

LEAP YEAR

Start Date	25 th Sept	15 th Oct	4 th Nov	24 th Nov	14 th Dec	3 rd Jan	23 rd Jan	12 th Feb	5 th Mar	25 th Mar
Finish Date	14 th Oct	3 rd Nov	23 rd Nov	13 th Dec	2 nd Jan	22 nd Jan	11 th Feb	4 th Mar	24 th Mar	12 th Apr

Shoulder Season

The irrigation season starts on the 15th of September and ends on the 30th of April, any time outside of the 20-day periods (15th Sept – 24th Sept & 11th April – 30th April) are referred to as the shoulder seasons. Water taken during these times yet outside the 10x 20-day periods will be recorded and added to the total annual water use figures and will be charged for if total annual usage is over 75%.

The shoulder season is set to allow sufficient time for race fill and retreat to ensure all parts of the scheme have access to water.

CHARGES

The approved base charges (5.625 megalitres) will be divided into the number of shares across the whole scheme and Shareholders will be proportionally charged based on their shareholding.

Once the charges have been approved by the board, they will be invoiced to the Shareholder.

Invoices will be sent in two instalments, one in September for payment in October and one in January for payment in February. The board will review and provide alternative options for payments before next season such as monthly, quarterly, direct debit or other arrangements.

Additional charge for over 75% annual allocation will be sent in April for payment in May.

Any other specific charges relating to an individual shareholder will be charged in an additional invoice, i.e., conveyance charges, meter calibrations, etc.

Late Payment

The company reserves the right to charge penalty interest for late payment as per defined in the supply agreement.

Review of Policy

This policy will be reviewed annually as per the boards policy review cycle.

Version Control:

Version	Prepared by	Date Prepared	Reviewed by	Date Adopted by Board
V1	Renee	17/10/2023	Board	1 st August 2024