



Water Management Policy

Water Shares Transfers & Sales

OVERVIEW

Maniototo Irrigation Company (MIC) holds the Resource Consents to supply irrigation water to their shareholders. The company holds supply agreements with all shareholders for their respective share allocations. The water supply agreement defines the legal obligations of the signatories.

Inappropriate allocation of water can lead to water quality degradation or cause environmental and social issues for the wider community. Both seasonal and permanent transfers of water may or may not be considered as best use to the wider community. MIC consents can be reviewed with 3 months' notice, so inappropriate allocation transfers could jeopardise ongoing access to irrigation water for all shareholders.

PURPOSE OF POLICY

This water allocation policy is to be followed by Maniototo Irrigation Company (MIC), to manage the potential effects of water allocation transfers.

Water Allocation transfers include temporary and permanent transfers, defined as:

Share or Permanent Transfers: Including share transfers between shareholders, or a permanent transfer of allocation to another take or parcel of land.

Allocation Transfer: Temporary transfer of allocation to another shareholder within a season. Allocation transfers also include conveyance between West, East and Waipiata races; the conveyance agreement would be subject to the conditions of this policy regarding water transfer.

Property & Land Sale: Permanent land and property sales or refinancing in some instances are subject to caveator consent approval (East & Waipiata Races). The company needs to provide approval of all sales to ensure that the appropriate paperwork is signed pre-sale.

PRINCIPLES

The board seeks to promote the strategic use of water to provide for the needs of our irrigators.

APPLICATION

This policy applies to all MIC shareholders and irrigators.

OBJECTIVES

The purpose of this policy is to (see appendix for further description):

1. To avoid consequences detrimental to the reputation of the company as an efficient water user, such as run off or obvious waste or environmental effects.
2. To preserve the community interest in the scheme through equitable sharing of the resource and maximum use of existing scheme infrastructure.
3. To provide equal opportunity for shareholders to participate in any share sale.
4. To provide the opportunity, for movement of allocation to best use and for financial incentives to encourage such movement.
5. To ensure that current or planned infrastructure can manage the delivery of water and maintain reliance for other shareholders up and down stream.

POLICY

Share or Permanent Transfers

1.1 Method

Shareholders who are wanting to sell shares or permanently transfer shares are to apply in writing to the General Manager. The General Manager will read the application and determine if any additional information is required. The shareholder will list an intended sale price within their application.

Once satisfied with the information received, the management team will work through the necessary paperwork before notifying the board of the intended sale.

When such an application is received by the board, the board will consider and has the right to request the following information at the cost of the transferor.

- A detailed map showing plans for use of allocation including, application method.
 - A detailed map showing existing water allocation including, applications method.
 - A site visit with a professional, agronomist, irrigation engineer or other relevant specialist.
- Maniototo Irrigation Company must keep up to date and accurate records of share or permanent transfers.

ALLOCATION TRANSFER WITHIN A SEASON

1.2 METHOD

The same guidelines as above must apply with the consideration that this transfer is only within one irrigation season or carry a stipulated end time frame.

Water charges relating to temporary transfers remain the liability of the transferor, along with all other obligations defined in the supply agreement.

The transferee must also hold a current and signed supply agreement and is subject to the same rules and regulations as any other water user on the scheme. If any breach is made the company has the right to renege on the transfer agreement.

The transferee must have a well-maintained point of take that is accurately measured through a meter or other pre-approved structure.

The price will be set by the company in line with current volume and race infrastructure charges, with no additional charges to be charged between the transferor and transferee.

This transfer may trigger the need to follow the conveyance policy and could incur an additional charge.

OTHER CONSIDERATIONS

- The board should have the discretion to consider method of application.
- Past issues relating to the property or individual concerned and also the long-term potential for the use of the water.
- Any transfer must go through a fully transparent process allowing reasonable opportunity for all potential purchasers to bid for a share of the allocation.

PROPERTY & LAND SALES

1.3 Method

When Shareholders intend to sell all or part of their property (including relationship settlements) with water shareholding involved, they are to let the General Manager know of this intent at their earliest convenience. MIC will check for any outstanding bills and requires this to be rectified pre-approval being granted.

Once a property sale agreement has been reached the solicitor for the vendor will contact the management for MIC and ask for any supporting documentation to approve the sale.

This will or may include the following:

- Supply agreement to be signed by the purchaser;
- Signing of any easements or caveator consents if applicable;
- Share transfer signing docs for companies return;

- Policy pack to be provided to purchaser

If the intention of the purchaser is to transfer any shares between other property that they may own, then this must be disclosed and the appropriate steps within this policy will be adhered to.

Fees Payable

The time and expenses for dealing with such matters will be charged back to the vendor for settlement prior to the company returning the share transfer documents to the vendors solicitor or granting approval for an internal transfer.

The rate for this transaction is subject to change and based on the complexity of the request and time spent on the request. The rate will include any costs incurred through the use of the company’s solicitor, accountant or any other specialists.

The current rate is set at \$450 + GST as well as any professional fees incurred.

Review of Policy

This policy will be reviewed every three years or earlier if required.

Version Control:

Version	Prepared by	Date Prepared	Reviewed by	Date Adopted by Board
V1	Renee	24/01/2024	Board	1 st August 2024