

From: David Crowhurst
Sent: Thursday, 4 February 2010 11:38 AM
To: Water
Subject: MIL issues

The following is some further information as to why a number of irrigators believe it was wrong and maybe illegal to reduce the water entitlements.

During April 2009 MIL held meetings with members to ask for their support in voting for a Constitutional change to allow MIL to change the definition of a Water Entitlement which would allow them to re issue W.E. less the conveyance component of 17%.

17th June 2009 was to be the date of an extraordinary general meeting to vote on this change. One of the questions put to MIL was: -How can MIL legally reduce the number of W.E. issued on a certificate of ownership, the reply at the time was that they were working on a "mechanism" to get around this. From this reply, it appeared to me that there was doubt as to what they were proposing, was in actual fact, legal. MIL sensed that they would not have the necessary votes to carry the change.

They realised that they did not have to go to the members for a Const. change as it was written in the Const., and the Water Contract, that the Directors can, from time to time (meaning anytime) change the Water Contract and this they did without any consultation with the member/shareholders.

Members were notified by MIL of the intention to reduce the W.E. by 17% on Wed.1st July 2009, this notice was received by myself and others at approximately 1755hrs on Fri 26th June 2009, hardly 3 days notice as was required. MIL claim that the reductions were carried out under clauses 2.4 and 4.7 of the Entitlements Contract which was revised to accommodate these 2 additional clauses. The revised Entitlements Contract came into being on 1st July.

As can be seen from the share and water entitlements certificate issued in 1995, there is no mention whatsoever of the water entitlements being subject to any conditions. The W.E. Certificate issued in 2007 was issued under those conditions mentioned, which do relate to the water contract.

It appears that MIL may have waited until the very last minute, if that, to satisfy a deadline, and that there may be some doubt as to the legality of their decisions to reduce those W.E. If they have acted legally then they should not need to seek further exemption from what is already given.

Regards,
David.