

Queensberry Irrigation Limited

Minutes for 2023 Annual General Meeting of Shareholders

Date: 5.30pm, Tuesday 10 October 2023

Venue: Nanny Goat Wines tasting room, Queensberry Terrace, Queensberry and video conference

Attendees: Charlton Carney (Lot19) – Chair
Hamish O’Carroll (Lot 3) – Director
Danielle Pullar (Lot 9) – Director
Sarah Taylor (Lot 10) – Administrator and Minute Taker
Blair and Amanada Allen (Lot 7)
Andrea Champion and Brad White (Lot 18b)
Matt Ragg and Rachel Prendergast (Lot 13)
Ben Webster (Lot 14b)
Clive Jones (Lot 5) via video link
Mac Gardner (Lot 17) via video link
Jess Maddock (Lot 18a) via video link
Guest: Guy Stevens (QIL Solicitor)

Item	Description
1.	Apologies Recorded: <ul style="list-style-type: none">• Kate Gordon-Smith and Jeff Smith (Lot 16)• Andrew Keene (Lot 11b)• Dave and Beth Krehic (Lot 20)
2.	Minutes from last AGM <ul style="list-style-type: none">• Circulated pre-meeting• No changes to Minute meetings required• Minutes from last AGM were approved (Hamish / Sarah)
3.	Matters arising from minutes: <ul style="list-style-type: none">i. Road Upgrade Update<ul style="list-style-type: none">• Upgrade to hill was completed in May/June - \$14,906 ex GST. Maintenance / Grading of all estate roads at the same time. It was noted by the attendees that the road is holding together well.• Upgrade from Nanny goat to hill on hold as we wait and see how the recent grade holds. Quote for this work is \$26,176 ex GST. \$40,000 currently in the bank. Levies / Sinking Fund contributions to be invoiced at the end of this month so more will come in after this.• Updated quote for road seal was not sought as it would be out-of-date when we re-look at sealing in approx.. 5 years time (which is how long this upgrade is expected to last). Noted from minutes that at this time we will also receive a quote for sealing all estate roads. Blair noted that there was little appetite for sealing based on the results of the vote presented at the last AGM.

	<p>ii. Sinking Fund Update</p> <ul style="list-style-type: none"> • Updates on the Sinking Fund have been circulated to shareholders throughout the year. • The sinking fund was implemented when the last levies were billed. \$400 no GST. The amount billed this year is to be similar. • The amount billed (\$400) was the amount that exceeded budgeted operational expenses. • Current unearned income will not be transferred to sinking funds as it has been billed with GST. Combining the two will lose tax transparency and become complicated to manage. When sinking funds are used for capital expenditure projects – the GST portion will be journalled or billed to shareholders. • Capital Projects for the sinking fund are purchase of new water infrastructure as needed – replacement cost approx. \$200K. Upgrade to Road \$40K every 5 years – possible seal. The Directors were not asked to consider any other capital projects. <p>iii. Update on shareholders with no ROW access not having to contribute to road upkeep</p> <ul style="list-style-type: none"> • Guy Stevens QIL Lawyer provided the history of the company setup and advised that an amendment to constitution was not needed to split roading and water levies. • QIL was set up to supply water and because it had admin capacity it was also used as vehicle to maintain the estates right of ways. • No ROW access means that the lot has been cut off from the estates ROWs are only using Pukerangi Drive to access their property, this would usually occur after a subdivision. Now Lot 11a and 14b are impacted and there could be further lots if more subdivisions occur. • Levies and possible sinking fund contributions will be split from the water scheme year commencing 1 Oct 2023. The amount to be split will be determined by the Directors but will be based on operational cost of water (electricity, admin fees, repairs and maintenance) and operational cost of road maintenance (grading) for levies with a similar approach for sinking fund contributions.
4.	<p>Annual Financial Reports:</p> <ul style="list-style-type: none"> • Resolution that the Annual Reports be approved and adopted was passed (Danielle / Sarah) • Resolution to indemnify Directors passed (Danielle / Sarah) • Resolution that no dividend be paid passed (Danielle / Sarah) • Confirmed that no appointment of Auditor required • Noted that levies were invoiced late (March 2023) in this report and that they will be invoiced on time for the next Water Scheme year (commencing 1 Oct 2023). • Rachel does not support the passing of the Annual Reports due to the historical unearned income figure but did not feel advise from a tax expert was needed at this stage.
5.	<p>Election of representatives:</p> <ul style="list-style-type: none"> • Current Directors – Kate Gordon-Smith, Hamish O-Carroll, Charlton Carney, Danielle Pullar • Kate to resign after 5 years of being a Director • Call for new Directors • Current Administrator – Sarah Taylor
6.	<p>Subdivision Process:</p> <ul style="list-style-type: none"> • QIL Solicitor Guy Steven advised of process for subdivision and selling and admin requirements. • If you are selling your property you must make sure that your solicitor has notified Guy (guy@guysteven.co.nz and cced Sarah (admin@queensberryirrigation.co.nz) so a share transfer can be completed and a new Water Supply Agreement executed with the new vendor. Usually the vendors solicitor would prepare the share transfer documentation. Any outstanding levies must be paid with a photo of the water meter provided to Sarah before settlement date. • If you are subdividing please keep Guy and Sarah in the loop so new shares can be issued and Water Supply Agreements drafted and executed when title comes through. There is QIL protocol that must be followed around how and what to use (pipe, restrictors etc) to split water by a plumber. Your best bet would be to use a plumber who is experienced with Queensberry Estate

	<p>protocols and speak to a shareholder who has undergone a subdivision to establish how it should be done. A producer statement is required before resource consent conditions can be met.</p> <ul style="list-style-type: none"> • Levies will be billed when titles are issued / settlement has completed. • There have been a lot of issues in the past with administration processes not being completed properly. The constitution clearly states that it is up to the seller / subdivider to make sure the above processes are actioned. • Guy was formally thanked and presented with a gift for providing pro-bono services to QIL for the past 15 or so years.
7.	<p>General business</p> <ul style="list-style-type: none"> • Water system maintenance/servicing update Ben Webster talked through the VSD failure that he spotted when waterforce winterised pumps. It was lucky that it could be fixed – cost was \$5,000 to waterforce. • Update on replacement cost for pumps Waterforce has estimated the replacement cost of pump infrastructure and this was presented to the shareholders. Ben noted that you may not get parts to fix some of the pumps if there are issues because they are so old. Request for Directors to check QIL insurance and make sure it is fit for purpose - whether we should be insuring the gear as it is so old? Is it for surge protection? Natural disasters? What does it cover. • Taumata Arowai Ben talked through what compliance by 2025 may look like. If you have 100 or more people on your scheme you must comply. Compliance would be expensive if QIL has to chlorinate, filtrate or UV all water. Ben mentioned \$300,000! Need to determine if we are eligible for an exemption due to our set up (irrigation and potable water together and such large amount of irrigation water). A specialist advisor is needed. The Directors will discuss and report back. • Sarah thanked for her administration work for QIL
8.	Next AGM – September 2024

Meeting concluded at 6.58pm