

16 December 2019

Dear Customer

Eton distribution scheme set to transition to local management

On behalf of Eton Irrigation, I would like to thank those customers who participated in the process to determine whether the Eton distribution scheme should transfer from SunWater to local irrigators.

The offer sent to you in October this year closed on 2 December and we are pleased to report that customers representing more than 81% of water allocation by volume responded 'yes' to the proposal that the channel system transition to the irrigator-owned Eton Irrigation Scheme Ltd. This surpassed the threshold of 70% support that was required for local management to proceed. In total 207 forms were returned.

The Board welcomes the strong support received and is looking forward to working closely with all Customers to ensure the long-term sustainability of the scheme. As we get closer to the 31 March 2020 transition date, we will provide you with regular updates and information on the transition process and progress.

While the transfer agreement between the Government and Eton Irrigation includes a number of other conditions that must be met before the transition to local management can take place, the Board considers that achieving the required level of customer support was the most significant. Now that condition has been met, we are confident that we should be in a position for the ownership and operation of the channel scheme assets to transfer to Eton Irrigation on 31 March 2020.

The Board has started the process of identifying a permanent general manager to run the scheme and to work with SunWater to manage the large number of tasks required for a smooth transition of the scheme to irrigators. We will keep you posted on how the transition will impact you as we get closer to the transfer date.

In the meantime, it will be business as usual with Jane Pott leading the Eton office on behalf of SunWater, and SunWater continuing to manage all water delivery matters, including water balances, orders and billing.

Yours sincerely

The Board
Eton Irrigation Scheme Ltd