

LAW OF GEORGIA
ON WATER USERS ORGANISATIONS

Article 1 – Scope of the Law

1. This Law regulates the activities of Water Users Organisations (a Water Users Organisation) in the field of irrigation and relations with natural and legal persons, as well as state bodies.
2. This Law does not apply to land owned by the State, or an autonomous republic or municipality, which has not been transferred for use.

Article 2 – Purpose and objectives of the Law

The purpose and objectives of this Law are to:

- a) create legal grounds for the foundation and development of a Water Users Organisation;
- b) regulate issues related to the use of irrigation infrastructure by a Water Users Organisation;
- c) determine the main principles of irrigation services provided by a Water Users Organisation and a primary water user;
- d) ensure state control of the activities of a Water Users Organisation.

Article 3 – Definition of terms

For the purposes of this Law, the terms used herein shall have the following meanings:

- a) Water Users Organisation – a membership based legal entity under public law, created in accordance with the Law of Georgia on Legal Entities under Public Law and this Law;
- b) other water user – a water user who is not a member of a Water Users Organisation;
- c) irrigation infrastructure – facilities with irrigation purposes: dams, water reservoirs, head structures, main, secondary and tertiary canals and pipelines and hydraulic structures thereon (culverts, aqueducts, inverted siphons, tunnels, bridges, pipeline bridges, fenders and water-regulation structures), pumping stations, wells, boreholes, and access and service roads;
- d) irrigation system – the interconnected structures of irrigation infrastructure ensuring water intake (water abstraction) from the supply, water transportation, and watering of an irrigation area, and the irrigation of pastures;
- e) main irrigation infrastructure – the part of a large irrigation system (interconnected dams, reservoirs and/or head structures, as well as the main canal together with other structures), which ensures the water supply of the secondary and tertiary canals of the same system;
- f) National Commission – the Georgian National Energy and Water Supply Regulatory Commission;
- g) Irrigation Service Agreement – an agreement on irrigation water supply between a Water Users Organisation and a primary water user;
- h) supply point – an area (areas) determined by an Irrigation Service Agreement, where a primary water user will ensure the provision of a specific amount of irrigation water;



- i) hydrotechnical unit – an irrigation system and/or a pasture irrigation system which can receive water from one point, secondary or tertiary distribution canals, and/or a local irrigation system;
- j) tariff set for primary water user service – the wholesale price of water supplied to a Water Users Organisation by a primary water user, and the retail price of water supply to another water user;
- k) service area of a Water Users Organisation – an area determined by the Ministry of Environmental Protection and Agriculture of Georgia (the Ministry), which includes at least one hydrotechnical unit and on which a Water Users Organisation was founded;
- l) independent water user – a natural or legal person who independently collects water from water sources (rivers, lakes, ponds, boreholes, etc.), which are not regulated by this Law.

Article 4 – Primary water user

1. A primary water user may be a legal entity under public law or a legal entity created by equity participation rendering irrigation services.
2. A primary water user manages, stores and maintains main irrigation infrastructure and provides a Water Users Organisation and the other water users with irrigation services.

Article 5 – Tariff set for primary water user service

1. The National Commission shall determine the tariffs set for primary water user services.
2. The National Commission shall also determine the procedure for the introduction of changes to the tariff set for primary water user services and its form in accordance with the procedure determined by the legislation of Georgia.

Article 6 – Legal Status of a Water Users Organisation

A Water Users Organisation is a membership based legal entity under public law, which is created on a Water Users Organisation service area determined by the Ministry for the purposes of the provision of irrigation water to the Water Users Organisation service area and storage and maintenance, as well as the utilization of irrigation infrastructure.

Article 7 – Foundation of a Water Users Organisation

1. A Water Users Organisation shall be founded by a decision of a majority of owners/users of land parcels, the total area of which exceeds 50 % of the total service area of the Water Users Organisation, within the Water Users Organisation service area as determined by the Ministry.
2. The corresponding documents on making a decision as provided for by paragraph 1 of this article shall be submitted to the Ministry for registration in the registry of Water Users Organisation.
3. The Ministry shall verify the accuracy of submitted documents within 30 days, and if they prove correct, shall issue an administrative act on the registration of a Water Users Organisation in the registry.
4. The State shall transfer for use the irrigation infrastructure located in a Water Users Organisation service area to the Water Users Organisation within three months of its foundation, in accordance with the procedure determined by the legislation of Georgia.
5. The property of a Water Users Organisation shall be used to serve purposes determined by the statute of the Water Users Organisation only.



Article 8 – Registry of a Water Users Organisation

1. The Ministry shall keep a registry of a Water Users Organisation.
2. The procedure for keeping the registry of a Water Users Organisation shall be approved by an Order of the Minister of Environmental Protection and Agriculture of Georgia.
3. The data of the registry of a Water Users Organisation shall be public and published on the official web page of the Ministry.

Article 9 – Documents for registration of a Water Users Organisation in the registry

1. The following documents are required to register a Water Users Organisation in the registry:
 - a) a list of members of the Water Users Organisation and data on the area of land held by each member of the Water Users Organisation;
 - b) the minutes of the General Meetings and Board meetings of the Water Users Organisation;
 - c) data on a person authorised to represent the Water Users Organisation;
 - d) the map of the service area of the Water Users Organisation;
 - e) the statute of the Water Users Organisation.
2. In the event of the introduction of changes to the documents required for the registration of a Water Users Organisation in the registry, the submission of the corresponding documents to the Water Users Organisation is obligatory.

Article 10 – Functions of a Water Users Organisation

1. The main functions of a Water Users Organisation are as follows:
 - a) the management, storage, maintenance, and utilization of existing infrastructure in the service area of the Water Users Organisation (secondary/tertiary canals, the local irrigation system and hydrotechnical unit) and the provision of irrigation services;
 - b) the provision of services to members of the Water Users Organisation in accordance with the statute of the Water Users Organisation, and the provision of services to other water users in accordance with an agreement;
 - c) record keeping of water at the supply point and its rational distribution;
 - d) the collection of fees for water use and settlement with a primary water user;
 - e) the issuance of a writ of execution on forced payment of fees for water use, the form of which is approved by the Ministry, in accordance with the Law of Georgia on Enforcement Proceedings.
2. Issues related to the storage and maintenance and utilization of existing infrastructure (secondary/tertiary canals and local irrigation systems) in a Water Users Organisation service area shall be arranged by an agreement between the Water Users Organisation and the Ministry.
3. A Water Users Organisation only shall provide water to the Water Users Organisation service area.

Article 11 – Membership of a Water Users Organisation



1. After the foundation of a Water Users Organisation, a person who owns/uses a land parcel in the Water Users Organisation service area shall be considered a member of the Water Users Organisation.
2. A person who owns a land parcel in a Water Users Organisation service area for more than one year, with the right to the limited use of another's property provided for by the Civil Code of Georgia, is authorised to exercise the rights of a member of the Water Users Organisation for the entire period determined for the exercise of said rights.
3. A person who had a land parcel in use in a Water Users Organisation service area, in accordance with paragraph 2 of this article shall be responsible for unfulfilled obligations to the Water Users Organisation even after suspension of the right to use said land parcel. Unfulfilled obligations may not be transferred to the owner of the land parcel.
4. In the event of a corresponding appeal to a Water Users Organisation Board, membership of the organisation shall be suspended/terminated in respect of:
 - a) an independent water user;
 - b) a person who owns a non-agricultural land;
 - c) a person who owns a land in the category of pasture;
 - d) a person to whom the State has granted a right of ownership or usage of the land with investment obligations.

Article 12 – Rights and obligations of members of a Water Users Organisation

1. The rights of a member of a Water Users Organisation shall be to:
 - a) obtain irrigation services;
 - b) present his/her candidacy in elections for the management body of the Water Users Organisation in accordance with the statute of the Water Users Organisation;
 - c) nominate a candidate and vote in elections for the management body of the Water Users Organisation;
 - d) receive comprehensive information on the activities of the Water Users Organisation;
 - e) participate in the management of the Water Users Organisation, enjoy a privileged right of service from the Water Users Organisation in comparison to those who are not members of the Water Users Organisation, and exercise powers provided for by the statute of the Water Users Organisation.
2. The obligations of a member of a Water Users Organisation shall be to:
 - a) pay the fees for water use in a timely manner;
 - b) allow an employee of the Water Users Organisation and a service provider hired by the Water Users Organisation to access their land parcels together with their devices and equipment, to carry out storage and maintenance and utilization activities in the irrigation infrastructure in the service area of the Water Users Organisation;
 - c) follow the utilization rules of the irrigation infrastructure in the Water Users Organisation service area;
 - d) lawfully own agricultural land.

Article 13 – Statute of a Water Users Organisation

1. A Water Users Organisation shall have a statute in typical form which is approved by the Ministry.
2. The following main issues shall be provided for by the statute of a Water Users Organisation:



- a) the name of the Water Users Organisation;
- b) the purpose, functions and scope of activities of the Water Users Organisation;
- c) the procedure for creating management and internal control bodies of the Water Users Organisation and their powers;
- d) the procedure for determining a person authorised to represent the Water Users Organisation;
- e) the procedure for determining fees for water use and other costs for the functioning of the Water Users Organisation;
- f) the procedure and terms for the liquidation of the Water Users Organisation;
- g) the procedure for the introduction of changes to the statute of the Water Users Organisation.

Article 14 – Management and internal control bodies of a Water Users Organisation

1. The management bodies of a Water Users Organisation are as follows:
 - a) General Meeting;
 - b) Board of Directors;
 - c) the Revision and Dispute Resolution Commission.
2. The structure of a Water Users Organisation and the powers of its bodies shall be determined by this Law and the statute of the Water Users Organisation.

Article 15 – General Meeting of a Water Users Organisation

1. The supreme management body of a Water Users Organisation is the General Meeting.
2. The General Meeting shall be convened at least once a year.
3. A decision on convening an Extraordinary General Meeting is made by a Water Users Organisation Board and/or not less than 15 % of the members of the General Meeting.
4. The General Meeting of a Water Users Organisation shall be duly authorised to adopt decisions if members holding more than half of the entire votes are present thereat. If the General Meeting is not duly authorised to adopt decisions, a new General Meeting shall be convened in accordance with the same agenda and within a period of time determined by the Water Users Organisation Board and/or not less than 15 % of the members of the General Meeting, which shall be duly authorised to adopt decisions irrespective of the number of members with voting rights present thereat.
5. The members of the General Meeting of a Water Users Organisation are owners/users of the land in the territory of the Water Users Organisation service area. In the event of the co-ownership of the land, one of the co-owners who is given the corresponding authority by other co-owners may be a member of the General Meeting.
6. The General Meeting of a Water Users Organisation shall make decisions with not less than 51 % of votes of members in attendance.
7. In order to obtain the right to vote, a person shall be a member of a Water Users Organisation, and he/she may not be in arrears to the Water Users Organisation. Votes shall be distributed according to the following scheme:
 - a) owners/users of less than 2 hectares of land – 1 vote;
 - b) owners/users of lands from 2 to 4 hectares – 2 votes;



- c) owners/users of lands from 4 to 6 hectares – 3 votes;
- d) owners/users of lands from 6 to 8 hectares – 4 votes;
- e) owners/users of lands from 8 to 10 hectares – 5 votes;
- f) owners/users of lands from 10 to 15 hectares – 6 votes;
- g) owners/users of lands from 15 to 20 hectares – 7 votes;
- h) owners/users of lands from 20 to 30 hectares – 8 votes;
- i) owners/users of lands from 30 to 50 hectares – 9 votes;
- j) owners/users of lands of more than 50 hectares – 10 votes.

8. If a member of a Water Users Organisation owns several land parcels within one Water Users Organisation, they shall be considered one household and their areas shall be added up to determine the number of votes to be given to them.

9. Members of a Water Users Organisation may give their voting rights to their representatives. The delegation of voting rights shall be regulated by the statute of the Water Users Organisation.

10. The functions of the General Meeting of a Water Users Organisation are as follows:

- a) the approval of the annual budget, and financial, storage, maintenance, and utilization plans;
- b) the determination of the procedure for the creation, repletion, and management of the reserve fund;
- c) the selection of members of the Board of Directors and the Revision and Dispute Resolution Commission of the Water Users Organisation;
- d) the approval of internal regulations of the Water Users Organisation, if required;
- e) the determination of fees for water use;
- f) the approval of an annual report of the Water Users Organisation Board;
- g) making decisions on the reorganisation or liquidation of the Water Users Organisation;
- h) the approval of a rehabilitation plan to be carried out by the Water Users Organisation;
- i) the approval of any other issue to be approved by the General Meeting in accordance with this Law and the requirements in the statute of the Water Users Organisation.

11. The delegation of decision-making powers conferred on the General Meeting of a Water Users Organisation in accordance with this Law to any other body of the Water Users Organisation shall be prohibited.

Article 16 – Functions of a Water Users Organisation Board

1. A Water Users Organisation Board is responsible for the functioning and management of the Water Users Organisation in the periods between its General Meetings, and shall be accountable to the General Meeting.

2. The functions of a Water Users Organisation Board shall be to:

- a) ensure compliance with decisions made by the General Meeting of the Water Users Organisation;
- b) ensure the implementation of the annual budget approved by the General Meeting of the Water Users Organisation and the



carrying out of financial, storage, maintenance, and utilization plans;

- c) select the Chairperson of the Board and the deputy chairperson of the Board from board members;
- d) prepare the agendas of General Meetings and convene General Meetings;
- e) hire the employees/personnel of the Water Users Organisation;
- f) resolve other issues provided for by this Law and the statute of the Water Users Organisation.

Article 17 – Composition of a Water Users Organisation Board

1. A Water Users Organisation Board shall be composed of not less than 3 and not more than 7 members. The precise number of its members, determined by the statute of the Water Users Organisation, shall be an odd number.
2. A General Meeting shall select a member of a Water Users Organisation Board for a term of not more than four years.
3. A member of a Water Users Organisation Board may not receive remuneration for his/her activities in the Water Users Organisation.
4. A member of a Water Users Organisation Board may not be a public servant.

Article 18 – Chairperson of a Water Users Organisation Board

1. The Chairperson of a Water Users Organisation Board shall:
 - a) convene Board meetings and preside at General Meetings of the Water Users Organisation;
 - b) represent the Water Users Organisation with a third party in accordance with the statute of the Water Users Organisation;
 - c) sign agreements and other documents together with one of the members of the Water Users Organisation Board as determined by same;
 - d) exercise other powers determined by the statute of the Water Users Organisation.
2. The Chairperson of a Water Users Organisation Board shall have a deputy chairperson who shall fulfil the duties of the Chairperson in his/her absence.

Article 19 – A Water Users Organisation Board meeting

1. A Water Users Organisation Board meeting shall be convened when necessary but not less than once in 3 months.
2. A Water Users Organisation Board meeting shall be convened by the Chairperson of the Board. A Water Users Organisation Board meeting may also be convened at the request of not less than one third of the Board members.
3. A Water Users Organisation Board meeting shall be duly authorised to adopt decisions if more than half of the Board members are present at the meeting.
4. A Water Users Organisation Board shall make decisions with a majority of votes of those attending the meeting. In the case of equal votes, the vote of the Chairperson of the Board shall be decisive.
5. The minutes of a Water Users Organisation Board meeting shall be kept and be available for all members of the Water Users Organisation.



Article 20 – The Revision and Dispute Resolution Commission of a Water Users Organisation

1. The Revision and Dispute Resolution Commission of a Water Users Organisation shall supervise the financial activities of the Water Users Organisation and discuss disputes among the members of the Water Users Organisation.
2. The Revision and Dispute Resolution Commission of a Water Users Organisation shall be composed of not less than 3 and not more than 5 members who are selected by the General Meeting of the Water Users Organisation out of the Water Users Organisation members for a term of 4 years.
3. The members of the Revision and Dispute Resolution Commission of a Water Users Organisation shall not be simultaneously members of the Water Users Organisation Board, nor shall they receive remuneration for their activities in the Water Users Organisation.
4. The procedure for the selection of the members of the Revision and Dispute Resolution Commission of a Water Users Organisation and their powers shall be determined by the statute of the Water Users Organisation.
5. At the initiative of the Revision and Dispute Resolution Commission of a Water Users Organisation, a revision of the financial activities of the Water Users Organisation shall be carried out at least once a year.
6. At the request of the Revision and Dispute Resolution Commission of a Water Users Organisation, the Water Users Organisation Board shall present to the Commission the documentation related to the activities of the Water Users Organisation.
7. The Revision and Dispute Resolution Commission of a Water Users Organisation shall be accountable to the General Meeting of the Water Users Organisation to which it presents its annual report on the activities of the Water Users Organisation.
8. As an alternative to the Revision and Dispute Resolution Commission of a Water Users Organisation, a Revision Commission and the Dispute Resolution Commission may be created separately by a decision of the General Meeting.

Article 21 – Source of funding of a Water Users Organisation

The source of funding of a Water Users Organisation may be:

- a) fees for water use;
- b) special purpose funds allocated from the State Budget of Georgia;
- c) income from services performed under a contract;
- d) other revenues permitted by the legislation of Georgia.

Article 22 – Fees for water use

1. The General Meeting of a Water Users Organisation shall determine annually the storage and maintenance costs of the irrigation system established on the land area and the amount of fees for supplied water on the basis of a tariff set for primary water user services.
2. The conditions for the payment of fees for water use shall be determined by the statute of a Water Users Organisation.
3. The members of a Water Users Organisation shall pay the storage and maintenance costs of the irrigation system established on the land area annually, in accordance with the procedure determined by the statute of the Water Users Organisation, and in the case of water supply, the fees for supplied water as well.
4. After the payment of rendered service costs, a receipt shall be granted to the corresponding member of a Water Users Organisation.



Article 23 – Wholesale water supply

1. Wholesale water supply to a Water Users Organisation shall be ensured on the basis of an Irrigation Service Agreement concluded for a term of at least 10 years between a Water Users Organisation and a primary water user.
2. An Irrigation Service Agreement shall include limit values of water (maximum and minimum values) to be supplied to the supply point in accordance with a predetermined monthly schedule. Additionally, available values of water may be specified annually.

Article 24 – Accounting and reporting

A Water Users Organisation shall keep records and accounts in accordance with the legislation of Georgia.

Article 25 – Grounds for suspension of the activities of a Water Users Organisation

1. A Water Users Organisation shall be reorganised (transformed, divided, merged) and liquidated in accordance with the Law of Georgia on Legal Entities under Public Law.
2. After the liquidation of a Water Users Organisation, the property of the Water Users Organisation, which:
 - a) the Water Users Organisation received from the State, shall be transferred to the State;
 - b) was owned by the members of the Water Users Organisation or was purchased during the operation of the Water Users Organisation, shall be divided among the members of the Water Users Organisation. The procedure for the division of this property shall be determined by the statute of the Water Users Organisation.

Article 26 – Competence of the Ministry in the field of irrigation

The following shall fall within the competence of the Ministry in the field of irrigation:

- a) determining a state strategy for irrigation;
- b) promoting the foundation and development of a Water Users Organisation;
- c) keeping the registry of a Water Users Organisation;
- d) ensuring state control of the activities of a Water Users Organisation;
- e) determining the service area of a Water Users Organisation;
- f) approving the terms of Irrigation Service Agreements to be concluded between primary water users and Water Users Organisations/other water users, after agreeing on them with the National Commission;
- g) ensuring the presence of a representative of the Ministry, without a voting right, at General Meetings and/or Board meetings of Water Users Organisations, if required.

Article 27 – Competence of the National Commission in the field of irrigation service

The following shall fall within the competence of the National Commission in the field of irrigation service:



- a) discussing and resolving disputes between parties resulting from the conditions of an Irrigation Service Agreement;
- b) approving the methodology for setting tariffs for primary water user services;
- c) setting tariffs for primary water user services.

Article 28 – Review and resolution of disputes

1. In accordance with the conditions of an Irrigation Service Agreement, disputes between a primary water user and a Water Users Organisation/other water user shall be considered by the National Commission within its competence.
2. A decision of the National Commission may be appealed to a general court of Georgia in accordance with the procedure determined by the legislation of Georgia.

Article 29 – Transitional provisions

1. The Ministry, within 6 months after the entry into force of this Law, shall approve:
 - a) the procedure for keeping the registry of Water Users Organisations;
 - b) a typical form of statute of a Water Users Organisation;
 - c) the conditions of an Irrigation Service Agreement between a primary water user and a Water Users Organisation/other water user;
 - d) the form of a writ of execution on the enforced payment of fees for water use.
2. Within 4 months after the entry into force of this Law, the National Commission shall:
 - a) approve a methodology for setting tariffs for primary water user services to a customer;
 - b) set tariffs for primary water user services to a customer;
 - c) determine the amount of regulation costs and approve the procedure for their payment.
3. The Ministry and the Ministry of Economy and Sustainable Development of Georgia shall ensure that ownership rights to irrigation infrastructure in the territory of Water Users Organisations be transferred for use to them within 3 months after the foundation of the Water Users Organisations, in accordance with the legislation of Georgia.
4. The National Commission, in accordance with the conditions of an Irrigation Service Agreement, shall consider disputes between a primary water user and a Water Users Organisation/other water user, and shall make decisions on the disputes after the approval of the methodology for setting tariffs for primary water user services to a customer as provided for by paragraph 2(a) of this article, and for setting tariffs for primary water user services to a customer as provided for by paragraph 2(b).
5. Before the approval of the methodology for setting tariffs for primary water user services to a customer and setting tariffs for primary water user services to the customer, as provided for by paragraphs 2(a) and (b) of this article, disputes between a primary water user and a Water Users Organisation/other water user may be considered by a general court of Georgia.

Article 30 – Entry into force of this Law

This Law shall enter into force upon its promulgation.



President of Georgia

Salome Zourabichvili

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