

### 3. CENTRAL PLAINS WATER TRUST : PROGRESS REPORT TO 30 SEPTEMBER 2003

Submitted by: Doug Marsh Chairperson Central Plains Water Trust	
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The purpose of this report is to update Councillors on the activities of the Central Plains Water Trust as required by the Trust Deed which stipulates quarterly reporting to Selwyn District and Christchurch City Councils.

#### INITIAL FOCUS OF THE TRUST

Since the inaugural meeting on 15 April 2003, when Trustees were briefed on the work of the outgoing steering committee and provided with a plan to progress a water enhancement scheme, the focus of the Trust has been on:

- (a) establishing a company as a vehicle through which new funding will be raised and by which the Trust will carry out the remaining works required to enable consent applications to be lodged and,
- (b) the means of raising the finance (approximately \$3.5m) that will be required to fund the technical work and consent acquisition process.

The company, Central Plains Water Limited, has been established and its initial Statement of Intent reported to both Councils. The two Councils are the sole and equal shareholders in the company and have agreed that for an initial period, the Mayor of Selwyn District Council, Michael McEvedy, will act as sole director. This period is coming to an end and the Trust is now recommending to the two Councils appointment of a Board with three initial director appointments. Details of the recommended appointees are contained in the public excluded section of this report.

In contemplating the options available for raising the finance to secure resource consents the Trust has pursued several avenues, the principal one being the issue of a prospectus, aimed at the farming community but available to other investors, and with the goal of raising the \$4.0 to \$4.5 million required. The Trust has received advice that the prospectus should be launched around February/March and has had to carefully conserve its existing funds to ensure it can finance the prospectus preparation and management. In this respect conditions imposed on the second and third tranches of the Canterbury Economic Development Funding (CEDF) have proved frustrating. Efforts by the Trust to secure earlier release of at least one of the tranches have so far been unsuccessful.

In this respect the Trust notes that until the release of the remaining CEDF funds there is a significant imbalance between the contributions of the two Councils since the commencement of work in 2000. Selwyn's funding has amounted to \$1,015,000 to date while the City's totals \$ 702,121 including the CEDF first tranche of \$208,000. Parity will only be gained when the second and third tranches are provided.

#### OTHER FUNDING SOURCES

The Ritso Society has honoured its commitment to lend \$250,000 to Central Plains Water Limited and this released the first instalment of CEDF funding of \$208,000.

Application has been made to the Government's Sustainable Farming Fund for assistance over a three year period totalling \$600,000. The outcome of this application is expected later this month.

Contact is being maintained with the Mayoral Forum as it considers ways in which Canterbury would benefit from New Zealand Trade and Enterprise's Major Regional Initiative (MRI) funding and it does seem unlikely that outcomes will be of direct financial benefit to Central Plains.

#### TRANSFER OF CONSENT APPLICATIONS

In December 2001 the two Councils, jointly with Ashburton Community Trust, lodged resource consent applications with Environment Canterbury to take water from the Rakaia and Waimakariri Rivers. These applications have been allowed to remain on hold in the absence of competing applications and it is the Trust's intention that applications for the balance of the consents will be heard at the same time as those already lodged.

It has always been the intention that resource consents for any scheme be owned by the Trust, which would then make the rights available to a company responsible for owning and operating the scheme. This ensures consent ownership remains under the control of the two parent Councils through their control of trustee membership. The Councils' resolution to establish the Trust reads in part:

2. *That as well as carrying out Phases I and II of CPWE, the Trust will:*

- (a) Establish a trust fund to pursue the objects of the trust;*
- (b) Undertake any preparation necessary for establishment (Phase III) of CPWE; and*
- (c) Own the resource consents necessary for CPWE in the longer term.  
(eg CCC 21.11.2002)*

To give effect to this resolution, it is now necessary for the two Councils to resolve to transfer their interests in the resource consent applications, already lodged, to the Central Plains Water Trust.

#### **LAKE COLERIDGE**

Throughout the investigation period the opportunity to make use of the storage potential of Lake Coleridge to service Central Plains irrigation has been to the fore. The steering committee received advice that both the cost and practicality of this option ruled it out in comparison with other storage options. The Trustees have requested that this option be reviewed and the Trust is currently considering a quotation covering the cost of the review.

#### **HYRO ELECTRIC POWER GENERATION**

The Trust is aware of the need to maximise the benefits obtainable from significant takes of water and it has canvassed generation companies to determine their interest in hydro electric development in conjunction with irrigation.

#### **WAITAKI CATCHMENT : ENHANCED RMA PROCESS**

The Government's decision to place Waitaki catchment resource consent applications on temporary hold and to introduce legislation that will establish new decision-making processes to deal with the Waitaki issues is of great interest to the Trust and will be followed closely. Legislation will put in place a statutory body to develop a water allocation framework for the river and introduce a decision-making process to deal with the current applications.

#### **CO-OPERATION WITH ASHBURTON COMMUNITY WATER TRUST**

The Trust continued to meet with Ashburton Community Water Trust to ensure that the two bodies continue to develop their interests in a co-operative rather than a competitive manner. Joint resource consent applications for the Rakaia River water have already established the basis for co-operation and even if the development timetables of the two Trusts diverge the intention to seek solutions that serve both interests remains.

#### **CONSULTATION**

The Trust has had to suspend much of its activity while it conserves its resources and prepares to launch a prospectus, meaning that some communication and consultation work has been on hold. Consideration has been given to a consultation strategy to accompany the resource consent process. A well-attended meeting was held with the Dam Action Group at Coalgate on 18 June 2003. The group provided and spoke to an agenda to which Trustees responded and in addition the Trust provided a written answer to issues that could not be answered on the day. This response is tabled for Councillor information.

#### **TRUSTEE APPOINTMENT FROM TE RUNUNGA O NGAI TAHU**

Mr David O'Connell is acting as the interim representative for Ngai Tahu pending the Rununga's permanent appointment.

**Trust**

**Recommendation:**

1. That this progress report be received.
2. That, with respect to the application to take water from the Rakaia and the Waimakariri Rivers lodged with Environment Canterbury in December 2001, the name of the applicants be changed, where required and appropriate, from Christchurch City Council, Selwyn District Council and Ashburton Community Water Trust to the Central Plains Water Trust and the Ashburton Community Water Trust.

**Chair's**

**Recommendation:**

That the above recommendation be adopted.