



Media Release

Friday, 21 September, 2012

\$5m loan to Central Plains Water approved

A \$5million loan to Central Plains Water Limited was approved by the Selwyn District Council at an extraordinary meeting this week.

The loan will go towards funding the design stage of the project, to enable it to proceed to construction phase.

Earlier this year when deliberating on whether the loan should be included in the 2012 – 2022 Long Term Plan, Councillors agreed to the loan, subject to the Council being satisfied with several criteria identified through its own due diligence and during the submission process.

At Wednesday's Council meeting, Councillors received reports from Council officers, and legal and accounting advisers.

Councillors were confident that all measures available to reduce the risk to ratepayers' funds had been taken and that along with the economic and environmental benefits that would flow from this scheme, the risk was acceptable. They voted to approve the loan.

Specific conditions relating to the loan were:

- Evidence of continued farmer support
- Commercial rates of interest apply to this loan
- A Selwyn District Council nominated board member on the Central Plains Water Limited Board
- Security over the resource consents held by Central Plains Water Trust and a General Security Agreement over the assets of Central Plains Water Limited
- Staged release of funds upon completion of specific targets

Mayor Kelvin Coe said the decision was not taken lightly, but the majority of Councillors believed the loan was a good investment in the future growth of the district.

"We are still very much an agricultural-based economy in Selwyn and we have to ensure we have the infrastructure to enable that sector to grow. We're putting our confidence in Central Plains Water now to make that happen," Mayor Coe says.

Councillors approved Richard MacGeorge as their director nominee to the Central Plains Water Limited Board of Directors.

Ends

For more information, please contact Selwyn District Council Chief Executive, Paul Davey, 347 2805, paul.davey@selwyn.govt.nz