



# Water for our Future

Issue 29  
May 2018

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### FLC Report

## Community Liaison

If you know anyone who has questions or enquiries about the Hurunui Water Project, please ask them to contact us at [info@hurunuiwater.co.nz](mailto:info@hurunuiwater.co.nz) or call 03 378 3524.



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## Chairman's Comment

Peter Harris, Chairman



Hello Everyone

At the recent Irrigation NZ conference, I spent time talking to the Agriculture Minister, Damien O'Connor, presenting our case as an environmentally driven scheme – he listened and undertook to work with us, following the removal of HWP's Crown Irrigation funding. Over the last couple of months, Government have given us a steer and, if we didn't know already, the environment is at the top of their agenda, particularly noted with the Environment Minister's announcement on reducing dairy cow numbers. Minister O'Connor advised that there will be even more regulation to improve the farming environment scorecard.

We all understand we must look after our land, our rivers, our environment. A meeting with Ngāi Tuahuriri this month prompted my reflecting on the cultural sensitivities around our project – we must treat our rivers with the same respect we show our sons, daughters and families.

With these matters front of mind, we are confident we have designed an efficient, environmentally sustainable scheme. The Resource Consents we hold have been hard won, but they are ours. We've listened to all our stakeholders, including shareholders, structuring our scheme to cater for as many circumstances as possible.

As shareholders in the HWP scheme, receiving reliable irrigation water, via the latest technology you'll have control over your farming business, enabling you to make business plans you can reliably achieve – every year.

Should you choose, water can give you the opportunity to diversify your farming operation to spread business risk and optimise the income from your land.

Looking towards the future for a Hurunui District with reliable water, maybe one day its townships might provide a regional centre for fruit, seed or nut growing, processing and packing - creating employment opportunities and improving the prosperity of the whole district.

In a couple of weeks, we are presenting you with a once in a lifetime opportunity, almost two decades in the making - grab it with both hands!

## Please note that:

- **no money is currently being sought under the PDS;**
- **no water right shares or other financial products can currently be applied for, or acquired under, the intended offer; and**
- **if the offer is made, the offer will be made in accordance with the Financial Markets Conduct Act 2013.**



## CEO's Report

Well, I'm very happy to have reached this milestone on the journey towards turning the water on!

On 1 June our PDS will be registered with the Financial Markets Authority and viewable on our website with the General Terms of Water Use and Company Policies. After an FMA-required 5-day stand-down period, the offer will be issued to shareholders/potential investors who will be sent an email link to the documents, and a hard copy in the post.

The current piped distribution design, based on shareholder survey information from 2016/17, will enable the scheme to supply water to all shareholders with land inside the HWP Command Area. If you want HWP scheme water, you must subscribe to the PDS by 16 July - completing the application form and sending your deposit which will then be held in Trust. If you choose not to subscribe for water right shares, there will unlikely be another opportunity for you to access water.

Once the PDS closes, the Board will have some decisions to make, based on share uptake. The company will review share subscriptions in light of property location and number of shares applied for against the indications used to design the scheme. Unless uptake matches survey intention, there will likely be changes required to the scheme design - we'll be working closely with Rooney Group to evaluate these.

It is important to note that, if during scheme design review, the company determines that water cannot be supplied to a property for any reason, that application will be declined, and the deposit returned in full.

Finally, before the Directors approve the issue of water right shares, they must satisfy themselves that three tests can be met:

1. Economic viability – is there sufficient uptake to enable the scheme to be built within the budget figures represented in the PDS?
2. Technical feasibility – can the infrastructure be built to service the area subscribed for?
3. Key contracts – are the key contracts necessary to build the scheme in place, or is there sufficient confidence that they can be put in place in a timely manner?

If ANY test CANNOT be met, Directors will not issue the shares, and the company will come back to shareholders to decide how to proceed. If ALL three tests are met, the Directors will then resolve to issue the water right shares and your irrigation scheme will be on its way!

### General Terms of Water Use

Accompanying the PDS, the General Terms of Water Use will describe the agreed conditions under which HWP will supply water to your property. Alongside these, the following Company Policies will be included:

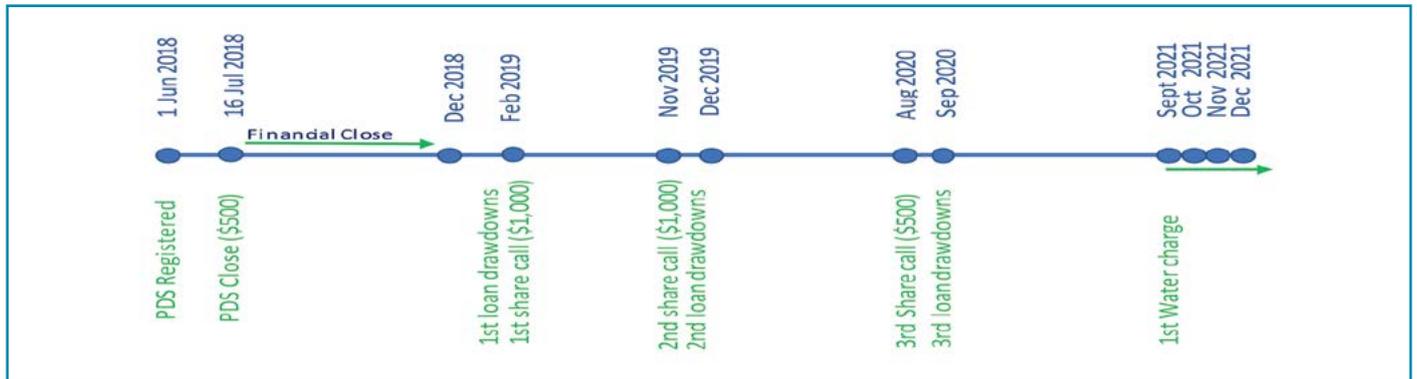
- Nutrient Allocation Policy
- Spreading Rights policy
- Stored Water policy
- Small Block Policy
- Pressure Equalisation

These have been prepared with input from a dedicated farmer panel and structured to provide effective and equitable distribution of water and nutrients within the HWP Command Area.

They also give farmers maximum flexibility and control to use allocated water and nutrient as effectively and efficiently as possible within Good Management Practice.



## PDS Funding Timeline



## Significant Dates around the PDS

- 30 May** Board meeting  
– Directors sign-off PDS offer.
- 1 June** PDS registered with FMA and available on website.
- 8 June** PDS Issue – dispatch via email and post
- 13 June** Agri-professionals information session
- 21 June** PDS Workshop – Hawarden Rugby Club
- 3 July** PDS Workshop – Fossil Point Café, Greta Valley
- 4 July** PDS Workshop – Waikari Community Hall
- 16 July** PDS Offer Closes – last opportunity to subscribe for scheme water

### Why you should attend a PDS workshop

Prior to the Workshops you will have received and had time to look through the Water Rights Share offer and associated documentation. The workshops will be run by HWP, with PDS authors Buddle Findlay in attendance to answer your questions. It is important that you clearly understand the PDS offer for the purchase of Water Rights shares and are able to make your investment decision before the 16 July PDS Close Date.

## Hurunui District Council – Share Purchase Proposal

Thank-you to all the shareholders and supporters who submitted in favour of this proposal.

In total 384 submissions were received by HDC, of which 205 were in favour, 174 opposed and 5 were unclear.

For all those who were able to attend any of the community consultation meetings – thank you.

We now await the Council's final decision.

## Shareholder Liaison

Dave Sloss has moved on. Our heartfelt thanks for his contribution over the past 9 months, we wish him every success in his future endeavours.

Gary Walton will be picking up the baton, running kitchen table meetings and visiting farmer shareholders by request. Gary can be contacted on 0274 964 700.

Alternatively, please call Karen at HWP on 03 378 3524.

## HWP Website – Login

Please find the time to **register**. **Click here** to do this.

The PDS, General Terms and Water User Policies will be available online from 1 June at:

**<https://www.hurunuiwater.co.nz/resources/>**

## Product Disclosure Statement (PDS) Key dates:

- 8 June:** PDS Issue
- 21 June:** PDS Workshop – Hawarden RC
- 3 July:** PDS Workshop – Fossil Point Café, Greta Valley
- 4 July:** PDS Workshop – Waikari Community Hall
- 16 July:** PDS Offer Closes



PHOTO CREDIT – DAVID ALEXANDER

## Farmer Liaison Committee

Well, that was a day well spent wasn't it!

The Carrfields "Make It Pay" Open Day at the Hawarden Rugby Club on 1st May offered those attending much to consider as we anticipate the opportunity and challenges irrigation presents.

My thanks to all involved in putting on the day, particularly Carrfields, and the presenters who each offered a different perspective based on their areas of expertise.

We heard from our own Chris Pile, Tim Wells of ANZ, Tim Cookson, a now-irrigating Hororata farmer, Greg Peterson of Colliers, Mark Everest of MacFarlane Rural Business and Craig Carr, MD of Carrfields.

Overwhelmingly, the messages delivered reflected on the change irrigation has brought to those farms and their communities that have been lucky enough to participate. Tim Cookson – when asked, was adamant that even after the demands of converting his farming model from the traditional business the three previous generations of Cookson's had worked, he would do it again in a heartbeat. In his own words – "Our last dryland summer cost us a lot in lost production... We now have options... Our business will become more diverse."

Craig Carr was of the Global market view that farms and farming are undergoing changes based on consumer demand and expectation – "NZ must offer quality rather than quantity – we have the capacity to produce enough food for 40 million people not 7.5 billion people"

A conversation I found most confronting was when our friends from Colliers were asked about farm values – the numbers shared compared the average \$12-16K per hectare in our catchment (without irrigation) to that of our irrigated neighbours in the Amuri scheme of \$38-42K per hectare. For me this reinforced conversations about inter-generational investment – back to Tim Cookson – "Have a think about what you (your kids) will be farming in the future"

We'll all soon be receiving the Company's PDS and be confronted with a decision deadline. I urge you, when making your decision, to consider what our district will look like 10, 20 & 50 years into the future – with or

without the benefit of reliable water. As Mark Everest put it "irrigate for the future" – when considering the cost of irrigation, also consider the cost of not irrigating.

It is my belief we may well be the last district that has the chance to invest in community irrigation, when I reflect on the rhetoric coming from Wellington – let's not in a few years' time be saying "I wish"

**Stu Jensen** (027 365 4008)

### The Farmer Liaison Committee provides an important link between farmer shareholders and your Company



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