

Selwyn District Council provides further financial assistance to Central Plains Water Limited

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Selwyn District Council has agreed to provide financial assistance to Central Plains Water Limited (CPW) to help the company complete the resource consent hearings for the Central Plains Water Scheme.

SDC has agreed to buy the \$494,000 CPW owes to the Christchurch City Council (CCC), and it has also agreed to make a secured loan to CPW of \$800,000.

The payment of \$494,000 to CCC means that the City Council now has no involvement in approving loans raised by CPW, as it will no longer be a creditor of the company.

SDC is already a creditor and the \$494,000 will be added to the sum of \$1.18 million already provided by SDC in 2004.

In an associated move, SDC has also lent CPW \$800,000 by way of a secured loan, to help the company meet the costs of completing the resource consent hearings for the proposed water scheme.

"Selwyn District Council has bought Christchurch City Council's loan in Central Plains Water Limited to provide certainty to future borrowing by Central Plains Water to fund its resource consent application," said the Mayor of Selwyn District Mr Kelvin Coe.

"The Council has also agreed to lend further bridging finance of \$800,000 to Central Plains Water Limited with the loan secured against the company's water assets.

"These two moves will help ensure the Central Plains Water Limited application is funded through to a consent decision," said Mr Coe.

Prior to this announcement, Selwyn District Council had invested \$1.184 million in the scheme, and the debt purchase and new secured loan bring this to a total of \$2.478 million.

"As a Council, we recognise the debate on the merits of the scheme has resulted in differing views among some ratepayers, but on balance we feel that a project with such potential for our District that SDC and CCC initiated in 2001 should be given the chance to gain its consents," said Mr Coe.

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