

Central Plains Water Scheme

11 November 2021

We have been involved with the Central Plains Water Enhancement Scheme since the late 1990s. We advised Central Plains Water on both Stages 1 and 2 of the main scheme and the Sheffield Water Scheme on all aspects of the scheme including all resource consent applications, capital raising, advising on loan and security documents, commercial arrangements with shareholders, public and private land owners, territorial authorities, Central Plains Water Trust, banks, other lenders (including Crown Irrigation Investments, insurers, construction contractors, and advising on key land acquisition and access.

The scheme gave rise to novel issues. For example, in respect of Stage 1, the capital raising element included determining the structure of the offer in respect of linking to water allocation under ordinary shares and equity for subsequent stage shareholders and pricing, with complex risk disclosure.

There were significant complexities associated with negotiation of the two main construction contracts, including negotiating:

- Flexibility in the land access schedule to accommodate design changes while ensuring certainty in delivery
- The interface between the two main contractors
- Optimisation of distribution network design through the tender process and advanced work package.

There were a number of other concurrent work streams, including:

- Acquisition or access to land (involving over 90 landowners, 170 titles, securing Crown riverbed easements, obtaining road stoppings and negotiations with multiple easement or encumbrance holders)
- Obtaining building consent for the headrace
- Issues associated with horizontal infrastructure including easements and road and reserve crossings.

The CPW Scheme is unique as a large community water scheme without any substantial institutional backers which has been successfully banked on a project finance basis. The scheme services a total of 47,290 hectares of land in the Canterbury region.

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