Amendment re HBRIC “business case”

That Council:

1. Receives the HBRIC report entitled “Business and Investment Case for the Ruataniwha Water Storage Scheme” as an interim step toward completing a comprehensive and robust business case for the RWSS project.

2. Instructs HBRIC to furnish a final business case that includes the following additional information for Council consideration:

1. A cash flow model, supported by commentary, illustrating these key sensitivities and scenarios:
2. Variations, including shortfalls, in ability to store and deliver the full amount of water under contract with the multi-year security of supply promised;
3. Impact of water-user non-payment, however contested;
4. Alternative scheme uptake scenarios, including a case where 40% initial uptake is not achieved and a case where ramp-up beyond 40% is slower than projected in this interim report;
5. Impact of additional costs, at appropriate increments, engendered by design changes to the dam and/or the distribution infrastructure.
6. Impact of any other sensitivity that might materially affect cash flow and/or HBRC financial liability, such as late build completion date.
7. A rationale for setting 40% (or any other percentage) as the minimum volume of water contracted to initiate the project.
8. A clear indication of the contingencies that might require additional HBRC funding (i.e., ratepayer liability) for the scheme and the orders of magnitude involved, with an explanation of how, if at all, ratepayer exposure will be capped.
9. An indication of rates of return expected by all investors or loan funders, including HBRIC itself, reflecting current discussions.
10. A copy of the Water User Contract as presently envisioned.
11. A firm proposal from HBRC management regarding how diminished dividend revenue to HBRC will be offset to meet ongoing HBRC budget requirements.

3. Informs Deloitte of this additional business case information requested and instructs them to evaluate the issues raised when said information is provided.